

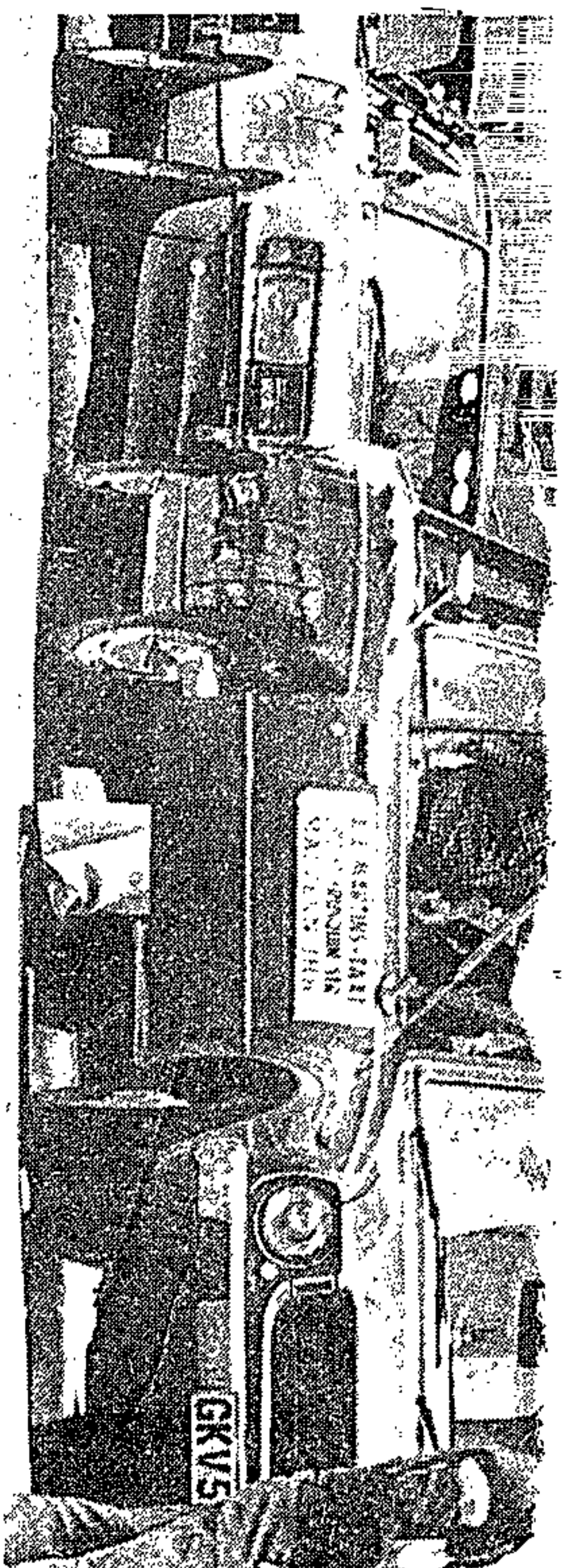
TRANSPORT - Private - General

1983

JAN - July

# New plans for mini-cab

## fleet in central Johannesburg



● Taxi line up for fares at a Johannesburg rank. Most drivers for the four main companies in the city are opposed to the idea of cruising mini-cabs, saying they will lose business to them.

BY STEPHANIE VENTER

JOHANNESBURG'S four main taxi companies, which represent most of the city's 400 drivers, are hotly opposing fresh moves for a system of cheaper, London-type cruising mini-cabs.

Rose Travel and Enterprises, Taxi Bureau, Golden Taxis and J M S Taxis fear the city's taxi industry will be doomed if the mini-cab service starts.

Cruising mini-cabs were proposed about three years ago by Mr Tony Lavine, the accounts director of a Johannesburg advertising agency — but his applications were blocked by existing taxi companies.

However Mr Lavine, who has formed the City Mini Cabs company, now intends to go ahead with his plan.

The Welgemoed Commission on Urban Transport is considering his proposal, and should report by mid-1980. The strongest opponents of a cruising mini-cab service in Johannesburg are the owner-drivers of the 180-car taxi company, Rose Travel and Enterprises (Roses).

The drivers are shareholders in the company. "Mini-cabs could cut our business," Mr Jan Mynhardt, chairman of the company, said.

Mr Anthony Mayer, chairman of Taxi Bureau, said drivers' takings could be cut by the establishment of another taxi service.

Taxi drivers earned, on average, between R1 200 and R1 400 a month after expenses if they owned the car, and between R600 and R700 a month if the car was company-owned, he said.

He said taxi travel was a luxury method of transport, and if people wanted something cheaper they should take a bus or a train.

Mr Lavine's mini-cab service, which he says will be cheaper and more efficient than present services, has been publicly supported by the Johannesburg Chamber of Commerce, the Associ-

Examiners' Initials

Initials

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# Giant crane uses computer to keep track of its 'boxes'

A COMPUTERISED gantry crane which is said to be the largest and most sophisticated of its type in the Southern Hemisphere for the handling of empty containers, has been commissioned at Unicorn's new container depot at Bluff Road in Durban.

The seven-storey-high crane has created a new landmark on the south side of Durban and it serves 2 000 containers, stacked five deep, in an area equivalent to two rugby fields.

Data transmitted by radio from the computer to the crane enables it to retrieve any container in the yard within minutes. This includes the repositioning of unwanted units.

Unicorn Lines chairman Mr Murray Grindrod said that the crane would enable the company to keep pace with modern container handling procedures and client service demands.

The crane was ordered after feasibility studies which commenced in 1979.

"It will put us in a strong market position when the economic upswing starts and container traffic gets moving again," Mr Grindrod commented.

Although computerised gantry cranes are used for handling full containers, the Unicorn crane is believed to be the first in the Southern Hemisphere to be used for empty containers.

"The handling of empty containers by gantry crane was resorted to because of frustration with the conventional method of using forklifts within the boundaries of small congested areas," says Mr Malcolm Hanger, manager of Unicorn's Durban container depots.

"Inevitably, when clients call for a particular container, we find it is buried at the back of a big stack.

"It can take a forklift

over three hours to get this container out of a 21-box stack and to rebuild the stack.

"Under the same worst conditions, the gantry needs only nine minutes and four movements to get this bottom box out.

"We do not have to replace the four top boxes moved because their place will be taken by other incoming containers."

The Bluff Road crane has an estimated life span of about 20 years compared with the five years expected of a forklift.

The gantry control system provides an exact record of the gantry stack at any time.

The system runs on an HP1000L computer and was developed for Unicorn by Tek Logic.

Unicorn's research manager, Mrs Jane Meyerowitz, was responsible for the initial investigation and commissioning of the computer system.

"The movements of the gantry are sensed and hence each container move, whether incoming, outgoing, digging or trimming, can be recorded.

"Furthermore, since the exact position of each container, its description, origin, ownership and condition are known, a given container may be retrieved if asked for by number," she says.

In addition, several containers of a particular type can be retrieved for a customer on request.

The giant 120-ton crane was supplied by Reunert and Lenz and built by A Wolff Cranes at Verwoerdburg in the Transvaal.

Eight multi-wheel articulated transporters were required to move the 55-metre main beam and other equipment from Verwoerdburg to Durban in a four-day journey.

SECTION C.

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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Candidates are not to communicate with other candidates or with any person except the invigilator.

Part of an answer book is to be torn out. Answer books must be handed to the commissioner or to an invigilator before leaving the examination.

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Mercury  
4/11/83

## Man told to 'keep' his buses

**African Affairs Reporter**  
RESIDENTS of Mpo-phomeni near Howick who have been boycotting the Impendle Bus Service since November last year have called on the owner of the bus company to withdraw the buses immediately.

Residents took the decision at a meeting at the weekend attended by members of the KwaZulu Legislative Assembly.

The meeting decided to ask Mr A J Shaw, the owner of the bus company, to keep his buses in his depot as from yesterday.

Mr Benjamin Ndlovu, the local mayor, told the Mercury yesterday that Mr Shaw's representatives at the meeting said he was prepared to sell the bus service to a bona fide bus company or private enterprise.

The meeting resolved that Mr Shaw should present the new buyer to the community for screening.

Meanwhile the Kwa Makhutha residents who have been boycotting Putco buses for the past two months have called on the management to waive the increase until March.



# nikon Natal

## NATIONAL DIPLOMA AND CERTIFICATE COURSES (PART-TIME)

Time	Course	Register at	Date	Time
09h00	Business Management	All Classes	24.1.83 -	16h00 -
	Company Administration	Room 301	27.1.83	18h00
	Marketing and Sales	Main Building		
09h00	Management			
	Materials Management			
	Motor Business Management			
09h00	National Certificate in	Property Valuation		
	Business Education	Purchasing Management		
	Organisation and Work Study	Public Administration		
	Personnel Management	Shipping and Forwarding		
	Printing Management			
09h00	Production Management	State Accounts & Finance		
		Supervisory Management		

## PROFESSIONAL INSTITUTE COURSES (PART-TIME)

Time	Course	Register at	Date	Time
09h00	Building Societies Institute	All classes:	24.1.83 -	16h00 -
	Institute of Administration and Commerce (IAC)	Room 300	29.1.83	18h00
09h00	Institute of Bankers	Main Building		
	Institute of Chartered Secretaries and Administrators (CIS)	Institute of Marketing & Sales Management		
	Institute of Credit Management	Institute of South African Shipbrokers		
		SAIM Diploma in Advanced Management		

## SCHOOL OF MECHANICAL ENGINEERING

### FULL-TIME COURSES - FIRST ENTROLMENT

Course	Register at	Date	Time
New 3-year National Diploma in Mechanical Engineering	Room 207 Main Building	11.1.83	08h30
National Diploma in Textile Technology			
Marine Second Engineer Officer (Coasting)	National Diploma in Marine Engineering National Diploma for Mechanical Engineering Draughtsman		

### FULL-TIME COURSES - OTHER THAN FIRST ENROLMENT

Time	Course	Register at	Date	Time
08h30	New 3-year National Diploma in Mechanical Engineering	Room 207 Main Building	11.1.83	08h30
08h30	Old 4-year National Diploma for Technicians T3 and T4 only			
08h30	National Diploma in Textile Technology			
	National Diploma in Pulp & Paper Technology	National Diploma for Mechanical Engineering Draughtsman National Diploma in Heavy Clay Technology		
Time	Marine Engineers: Chief	Room 201	11.1.83	(08h30)

Inanda  
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### Mercury Reporter

THE possibility of another fare increase this year for commuters between Durban and Inanda could not be discounted, Putco's area executive manager, Mr Colin Bailey, said yesterday.

He revealed yesterday that more than 200 vehicles of the bus company had been damaged - so far - in the series of disturbances at Inanda since December 13 when a 13 percent hike in fares was announced.

Mr Bailey was unable to put a figure to losses the company had borne through the boycotting of its services, but said the repair bill alone totalled R130 000.

Most damage had been broken windows and windscreens - to the extent that local suppliers had run out of replacement glass.

Meanwhile, it was business as usual - which meant transporting 300 000 commuters a day, or 7 500 000 a month.

### Disrupted

Now that the boycotts, stone-throwing incidents and festive season rush were over, the company had had the opportunity to consider the sequence of events in perspective.

The boycott was regarded as having been 'effective' in that it disrupted bus schedules and drew attention to the fare increases.

Only one person had been badly beaten up.

Of all the township areas served by Putco, it was only at Inanda that disturbances and boycotts had occurred, said Mr Bailey.

Single tickets between Durban and Inanda, or back, cost 36 c a trip if coupons are used and 75 c for casual journeys.

# Putco to install new ticket issuing system

By NKOPANE MAKOBANE

**ELECTRONIC TICKET** issuing equipment is to be installed by Putco this year.

Many useful benefits will flow from the two types of machine being introduced, perhaps the main one being to make the bus driver's life an easier one.

According to the company's December month publication, Putco News, the press button units which Putco is pioneering for the commuting world will revolutionise the company's ticket-issuing procedures and streamline operations.

The electronic machines were developed for the company by British engineers.

The first is the portable Farespeed which, when it is installed in Putco's fleet of buses, will make ticket and cash control virtually automatic.

Through them, ordinary travel tickets will be issued at the press of a button, recording both on the ticket and on its own memory bank all relevant data.

At the end of the driver's shift, the data in the memory is "milked" by a computer and processed for use by Putco's administrative, accounting and traffic staff.

The second unit — the

Validata — will be installed in series at major bus termini for the issue of season tickets only. Again, this unit records all the relevant data in its memory and later feeds this information to the computer.

Apart from helping the bus drivers and termini increase their productivity, the information recorded by the devices will assist in making the overall Putco service to commuters more efficient.

Putco's computer operations manager, Eric Feist, commented: "Not only will this equipment help personnel to speed up fare collection and ticket issuing, but it will provide immediate and vital operational information that our traffic managers need — whether to put more buses on the routes, whether we are overcrowding buses, whether we should alter traffic schedules, and so on."

The Farespeed is easily carried and when the driver installs one in his cab he keys in his driver number, the bus number and the route on which he is travelling.

The unit is able to issue up to 1 000 tickets and if a fault develops the tickets can be manually issued. The Fare-

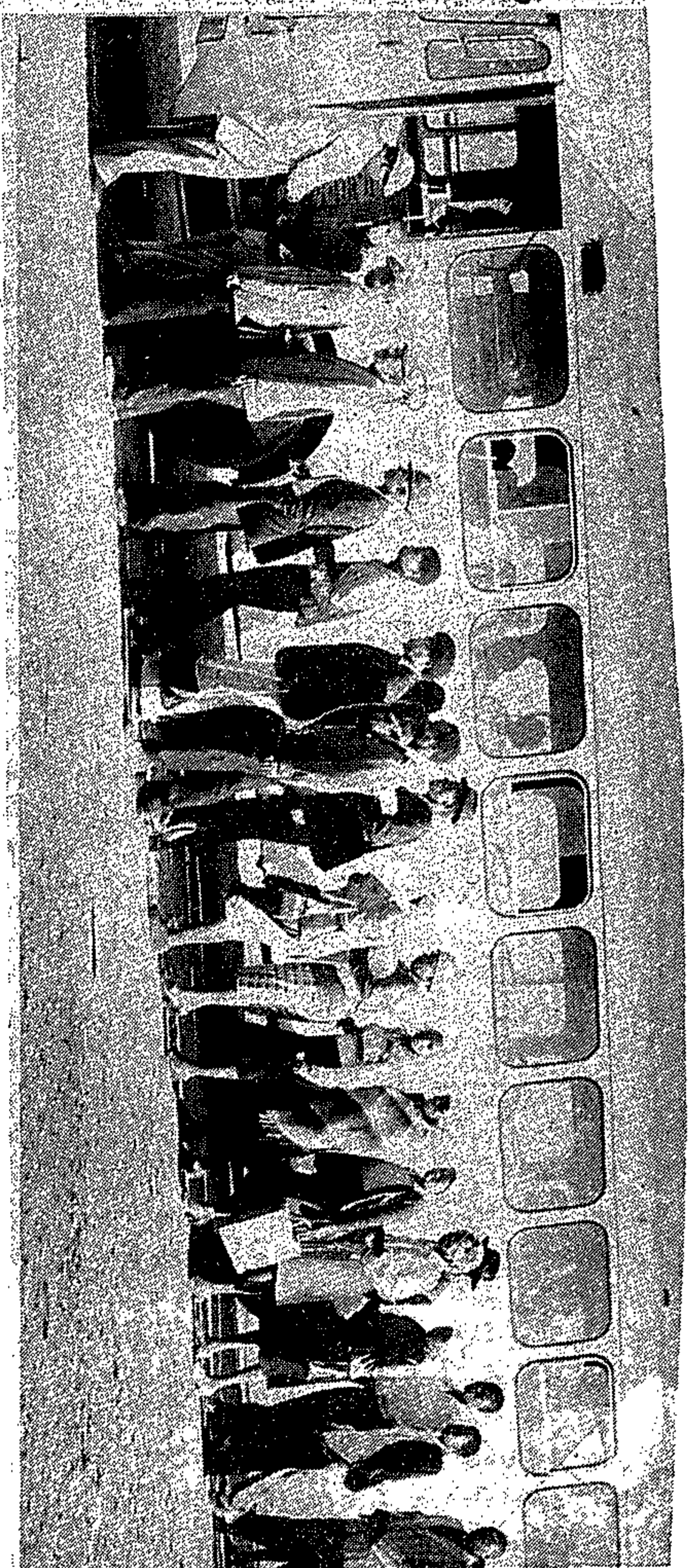
Cont →



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Sowetan

S-1-82



**QUICK TICKETS:** New automated bus ticket vendors should put a stop to long, slow queues.

speed's memory will record all ticket transactions as well as any other information entered by the driver.

The Farespeed will also ease the task of traffic inspectors who can quickly establish from

the machine's memory how many passengers are on the bus and should have tickets in their possession.

It will further help the driver at the end of a shift by quickly computing cash takings. Prototypes of the Farespeed

register have been given particularly thorough testing over a variety of routes in the past six months and have emerged with flying colours.

The season ticket issu-

ing equipment will considerably ease current strain on Putco's central computer, which is currently issuing 380 000 season tickets a week.

The pilot installation of this electronic equipment will get under way

in March next year at the Dobsonville depot, Soweto, from which 300 buses operate.

The terminus near the depot will have eight season ticket machines installed, along with 300 machines for use on the buses. The training of

the drivers and the ticket machine operators will start early in January.

Staff whose present work functions will fall away when the electronic system is in operation will be re-trained for other computer-orientated posts.



# Shipping turnover falls 20pc

332 9/1/83  
S. Tribune

Finance Reporter

**SOUTH** and South East African Conferences Lines' performance is about 20 percent down on this time last year, and there seems little likelihood of the trend reversing itself in the near future, according to Neil Semphill, South African chairman of the conference.

It seems this recession is hurting the conference more than the last. In that recession the economies of South Africa's major trading partners were either booming or on the verge of booming, and so needed much more of the commodities South Africa had to export.

That is not happening now. Our major trading partners are possibly in deeper recession than we are. Germany's unemployed topped the 2.2-million mark recently so they do not need more of our exports than they are already getting.

To add to the conference's problems, SATS's recent round of increases has pushed up the price of returning empty containers from the Reef to Durban enormously.

"I hardly think there is any way we can avoid increasing our rates," said Semphill. "We will have to recoup that somehow. We're still sending more containers with imports to the Reef than we are packing there for export."

One effect of this drop in volumes is that since November SAECS has been operating its service with seven instead

of eight vessels. Table Bay was withdrawn as part of a complex vessel swap and it was transferred to the Europe-Australasia service. The City of Durban will also join that trade next month.

In exchange, the Nedlloyd Hoorn will be transferred to the Europe-South Africa run.

This vessel was originally built for this service, but was moved to the Scandutch-Far East service on completion because she was surplus to requirements at the time.

Semphill expects exports to perk up once the Cape fruit season gets underway, but that is seasonal and temporary.

He does anticipate a small increase in general exports and hopes we will be able to encourage the export of more fruit in containers. But he does not expect to see any improvement in the export of traditional commodities.

"The trend is down," he said. "We can expect an improvement only when the American economy starts to improve and when that improvement starts to benefit the South African economy. But the horizon seems to be going further back."



# Putco ends steals on wheels

GCP Reporter

THE game is up for Putco speaker stealers. Buses are now being fitted with special speaker systems to thwart the thieves.

The problem began last year when the company decided to install sound systems on its buses to entertain passengers, particularly those traveling long distance.

But the speakers began to disappear at an alarming rate.

So a new, theft-proof speaker system is being installed in the buses. It is made up of three separate units, which — as any nimble-fingered passenger will soon discover — do not work on their own.

If all three units are removed, the thief will battle to connect the intricate wiring system that links the units up.

# **Bus careers out of control down a hill**

*Mercury*

Mercury Reporter

AT LEAST 16 people were injured — one seriously — when the bus in which they were travelling careered out of control down a steep hill in Mariannridge at the weekend.

A resident, Mr Dan Naidoo, said the brakes of the bus appeared to fail and the driver had unsuccessfully tried to steer the runaway bus to safety.

Fifteen injured passengers were treated and discharged from King Edward VIII. One was admitted



# Naamsa backs minibuses

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1992

By SIMON WILLSON

Industrial Editor

**MOTOR** manufacturers are preparing a submission to the Department of Transport in support of the use of minibuses as taxis.

The National Association of Automobile Manufacturers of South Africa is concerned at the effect on minibus sales of implementation of a report which recommended that minibuses be banned from operating as taxis.

The Welgemoed Commission called for taxis to be defined in legislation as vehicles carrying four people plus a driver. Any minibuses carrying paying passengers would have to adhere to timetables and fixed routes.

Toyota, South Africa's leading manufacturer of light commercial vehicles, said these measures would lead to a 30% drop in minibus sales and an increase in their price.

Naamsa's director, Mr Nico Vermeulen, said yesterday: "Minibuses represent an essential service to black commuters.

"We are studying the commission's recommendations and we will submit detailed representations to the Department of Transport."

Mr Denzil Vermooten, economic affairs executive of the Automobile Association, said the AA would also contribute to the debate.

"We see it as a retrograde step to place more stringent controls on taxis.

"When people reach the level of income at which they can afford taxis, to restrict them in order to protect public transport is ridiculous."

Implementation of the commission's recommendations would lead to inefficient use of SA's resources.

Banning of 16-seat taxis in favour of four-seat vehicles would also have an adverse effect on overall fuel consumption.

Mr Jimmy Sogane, president of the South African Black Taxi Association, said the association had referred the commission's report to its attorneys so that points could be drawn up for a meeting with the Minister of Transport.

The effect of the commission's report would be to phase out black taxis — "to the delight of the bus operators".

People preferred to go to work by taxi because public transport was inconvenient and too often late.

Mr Sogane said his organisation had more than 20 000 members all over South Africa who would be affected if the commission's report were implemented.

# Report <sup>267</sup> on bus <sup>332</sup> boycott for Hotz

NYT JAN 1967

**African Affairs  
Correspondent**

A JOINT deputation of bus commuters' committees from Lamontville, KwaDabeka, Clermont, Klaarwater and St Wendolin's is to present a memorandum on the present Corporation bus boycott to the mayor, Mrs Sybil Hotz, this month.

Representatives of the committees want to arrange an interview with the mayor to discuss grievances as a result of the decision of the City Council to increase black bus fares.

A spokesman for the combined committees said yesterday that it had been agreed to formulate a joint strategy and to ask prominent ministers of religion to form part of the delegation to see the mayor.

The spokesman said the meeting had decided that the bus boycott issue should be given wide publicity. It was felt that the public did not have a clear understanding of the grievances of black bus users.

He said it had been agreed in principle that a Black Commuters' Association should be established to act as a watchdog to serve the interests of those who used public transport.

The boycott of Corporation buses is still continuing.



Pretoria Correspondent

At least 50 million more people were transported by train and bus last year than in 1981.

While thousands more travelled third class on trains or on transport arranged by private groups, the number of passengers travelling first class and second class on trains or using municipal transport dropped compared with 1981.

This is clear from statistics on train and bus travel patterns in South Africa, released by Cen-

# 50 million more are using public transport

*332 Star 12/1/83*

tral Statistical Services in Pretoria.

Although accurate figures are available only up to October 1982, it is clear that the average number of passengers transported increased from 170 million a month

in 1981 to 175 million a month last year.

The average number making use of transport arranged by private groups increased from 85 million a month in 1981 to 90 million a month in 1982. The num-

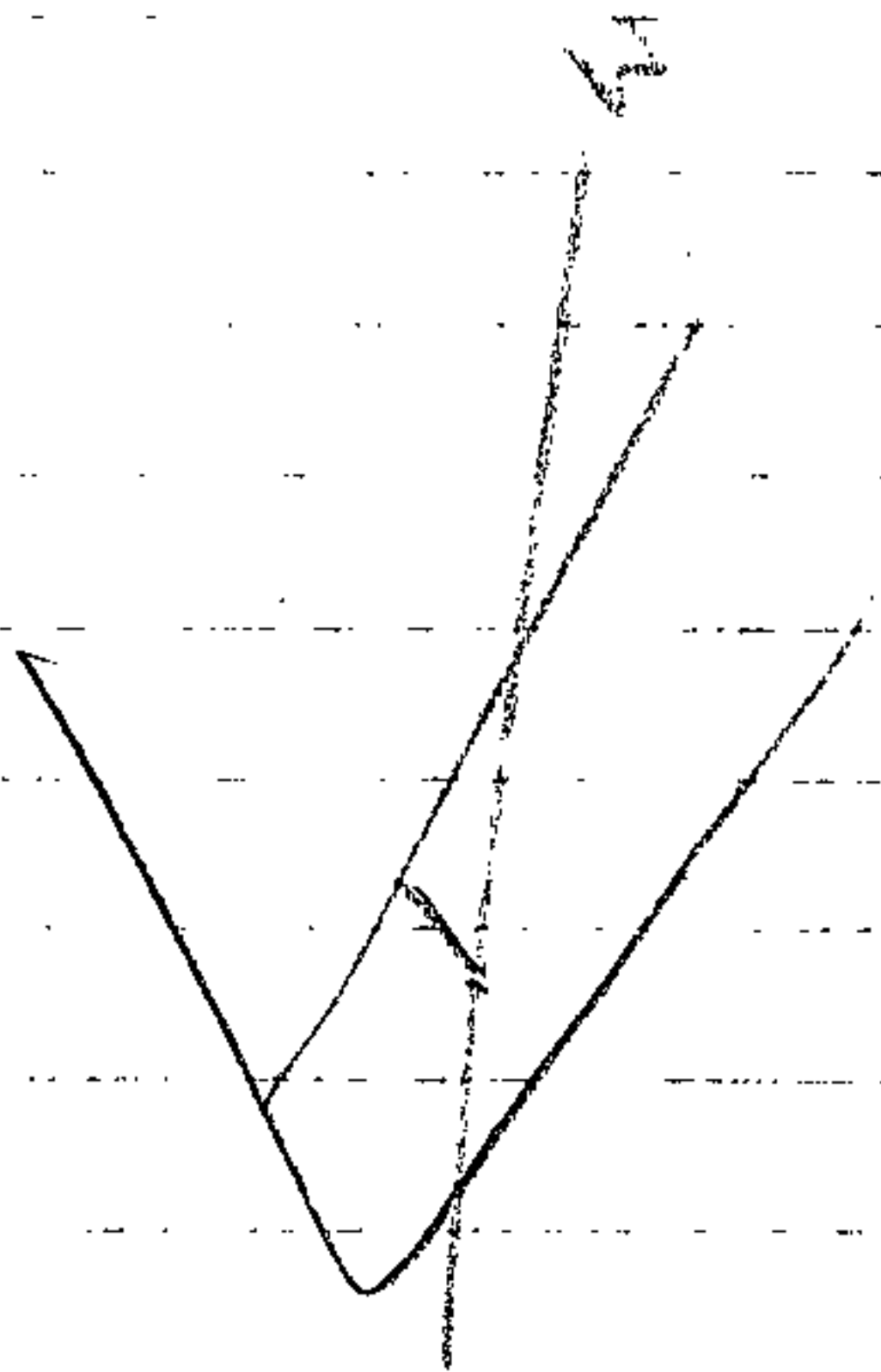
ber travelling third class on trains (black passengers) increased by more than 200 000 to 51,8 million a month last year.

The number of passengers using first and second class train transport decreased by about

800 000 to an average 10 million a month in 1982. The number of municipal passengers dropped by about 87 000 to about 21,4 million a month.

The percentage increase of people using trains and buses dropped between 1979 and 1982.

Only 2,6 percent more people used trains and buses in 1982 compared with 1981, while 6,5 percent more used these forms of transport in 1981 compared with 1980, and 7,8 percent more in 1980 compared with 1979.



du Toit



141183  
Boycott 232  
Mercury  
nears end

Mercury Reporter

AN END may be in sight to the six-week-old boycott of the Durban Transport Management Board's bus service by commuters in Lamontville, according to the board's general manager, Mr Marshall Cuthbert.

Residents of Clermont decided to end their boycott at the end of last month.

Mr Cuthbert said the response to the bus service by Lamontville commuters had been very positive yesterday.

"The buses carried more passengers than they had done for a long time," he said.

ting off boardroom access to professional men (as some legal firms demand of their senior partners) could also be counterproductive. For example, directors with legal experience are invaluable to a board in that they can alert the company to areas where legal advice should be sought. Barring them from being appointed to a board would thus remove a valuable skill from the direction of a company.

One suggestion is that any director resigning from a board should be required to deposit an affidavit giving reasons with the Registrar in a manner similar to that demanded from auditors who resign an audit. Another is that more companies should follow the Metal Box line of debating at board level the role of its directors.

But, essentially, it is up to shareholders to make certain that directors face up to the responsibilities that the law places on them. In terms of Section 266 of the Com-

panies Act, they can institute a derivative action on behalf of the company, and there is sufficient protection in law against illegal action on their part.

By way of contrast, the situation facing policyholders in a mutual insurance association is more complex. Shareholders have the provisions of the Companies Act to help guide their directors, and if necessary remove them. For example, section 258 of the Act allows shareholders to apply for an investigation into the company. And section 220 of the Act permits the removal of a director in terms of the company's articles of association, even though it might be contrary to the terms of his contract.

Policyholders on the other hand own the mutual association but they have no such protection. To remove one of the directors — who are really more like committee members and not directors — requires a meeting of the policyholders with the ne-

cessary quorum to vote. In a large association with tens of thousands of policyholders this is virtually impossible. So perpetual succession of the management is facilitated.

In other words, a company's shareholders must shoulder some of the blame if any directors, in particular NEDs, skip their duties. To prevent this, shareholders should attend company meetings in person, or by proxy, and question their directors. That, after all, is what the Companies Act and the JSE are promoting by requiring certain standards of disclosure. The common situation, where only a few or no shareholders turn up at annual general meetings, only encourages directors who are perhaps unaware of their responsibilities to plead non-accountability. It also encourages the trend towards control of companies by their executives rather than their shareholders.

## TRENCOR

# Prospects for a bright future

FM 14/1/83  
332

In the past 50 years Cape-based Trenchor has developed from a one-truck Namaqualand transport operator into a R113m-a-year diversified transport group. Earnings growth has mirrored the change, with the past 10 years seeing an annual average advance of 28%. And while the markets in which the group operates are depressed, management's past financial prudence means dividends can be held in all but a severe slowdown.

Trenchor grew out of Jowells Garage & Transport in the Namaqualand town of Springbok, says chairman Neil Jowell. Its founders, local attorney Joe Jowell and Jaap du Plessis, owed their early success to a decision by SA Railways to discontinue its road service from the railhead at Bitterfontein to Springbok.

Today Jowells has a virtual "monopoly" of public permit transport services in Namaqualand. It runs a fleet of 300 trucks and trailers, with customers ranging from the Black Mountain base metals mine to Prieska and O'okiep Copper and the west coast diamond mines. Jowells' trucks also serve many smaller trading posts in the area and the group runs daily air services connecting Springbok to Cape Town and Upington for Johannesburg connections.

Jowells moves just about everything: passengers to remote parts of Namaqualand; lead, zinc and copper concentrates for Black Mountain between Aggeneys and the Loop 10 railhead on the Sishen-Saldanha line; copper concentrates for Prieska between Grunau and Nababeep; and O'okiep's copper ingots between Nababeep and Bitterfontein. The contract service to the mines is supported by general cartage of fuel, cement and all forms of dry goods for

the man in the street.

The company has a privileged position in Namaqualand, being the only operator with a public transport permit. Permits are difficult to obtain if the existing haulier can satisfy the Road Transport Board that he provides an adequate service. This means



Trenchor's Jowell ... strength through diversity

running trucks even to the unprofitable areas. With such cross-subsidisation and the fact that public tariffs are controlled in terms of Road Transport Act (RTA), this "monopoly" is not all joy.

And there is competition. The mines themselves can apply for permits to haul on their own account. These private permits are granted almost automatically. The threat of such action by major customers keeps pressure on Jowells to provide a cost effective service. For example, in the bad times the mines can "persuade" the transport operator to accept lower margins.

"A couple of customers have taken business from us in the past few years. But fortunately most have come back," says Jowell.

A successful transport operator relies heavily on cost control. Yet, many of the haulier's costs, such as fuel, are beyond his control. Similarly most vehicles are imported. Since the beginning of 1980, for example, the price of mechanical horses has increased by 37%, while spares have jumped about 65%.

Jowells' buffer against these non-controllable factors is the benefit of 50 years experience. In addition, the mines are a relatively stable earnings source. Unless a mine closes there is generally some work, though at lower margins.

Even so, 1983 will not be easy. Diamond prices are depressed and base metals are having a tough time. And Jowells, like most other hauliers, has idle capacity. It even has new rigs standing idle.

Tough times do not only apply in the harsh Namaqualand territory. Trenchor also operates a transport division in Cape Town



*Mercury*  
**Black bus  
fare hike**

**Pietermaritzburg Bureau**  
CASH fares on the African bus services here are to go up on January 24 by 2 c a trip, the Director of Transport, Mr. D. D. Schumann, has announced.

Adult cash fares on the Sobantu route will now be 23 c and on all other African service routes the adult cash fare will be 25 c.

Coupons for pupils will now cost R1.40 for a book of 10, while children will pay a cash fare of 16 c.

Workers using clipcards — 10 single journeys in 14 days — will not be affected.

# Kwa Makutha

to review its

332 Mercury bus boycott

17/1/83

African Affairs Reporter

KWA Makutha residents are to hold a meeting next Sunday to discuss the boycott of Putco buses which started two months ago, Mr J Mshengu, the local Mayor, told the Mercury at the weekend.

He said the majority of residents who had been away during the festive season had returned to work and the purpose of the meeting was to gauge commuters' feelings.

The boycott had not been officially called off and it was up to the residents to make a final decision. The councillors would also report to the meeting the results of their recent talks with Putco officials.

At the last meeting with company officials, the councillors expressed concern about the commotion that might result when the schools re-opened.

The delegation told the meeting that the determination of commuters to prolong the boycott was perhaps attributed to the boast of some Putco drivers who were saying Putco was too big to be brought down by a boycott.



# Bus fares could jump 25 pc

Staff Reporter

BUS FARE increases of up to 25 percent are being proposed on some Mitchell's Plain and Atlantis routes.

According to the schedule of proposed fare increases, published in the Government Gazette, the Mitchell's Plain Bus Service Limited and the Atlantis Bus Service Limited are asking for an average increase in fares of about 22 percent and 20 percent respectively.

The proposed increase on the Westfleur to Killarney route, the major commuter route served by the Atlantis Bus Service, is 25c, from R1,20 to R1,45.

## JUMP

Proposed fare increases on other routes served by the company include 20c from 90c to R1,10 on the Westfleur or Killarney to Koeberg Power Station route, and a 35c jump from R1,75 to R2,10 for the journey from Westfleur to Hanover Park.

On the major route from Hanover Park to Mitchell's Plain, served by the Mitchell's Plain Bus Service, the proposed increase is a 25 percent hike from 40c to 50c.

Similar increases are proposed for the Nyanga station/Manenberg to Mitchell's Plain route and the Mitchell's Plain to Philippi Industria route.

## MUIZENBERG

The journey from Mitchell's Plain to Muizenberg station will go up by 15c from 85c to R1,00, according to the proposed increase schedule.

Mr Trevor Brice, a director of Associated Bus Holdings which is the holding company of both the Mitchell's Plain Bus Service and the Atlantis Bus Service, said the fares increases were the product of rising inflation.

"Our expenditure is outstripping our revenue," he said. "The Atlantis Bus Service is experiencing problems with rising expenditure, but a relatively static revenue."

"The average 22 percent increases for routes served by the Mitchell's Plain Bus Service are motivated by the same factors as those affecting the Atlantis Service: expenditure is outstripping revenue with only slow growth in commuter demand."

# Putco slams rental plan

A PROPOSAL by a Johannesburg councillor that the city council should charge Putco rental for its bus termini was yesterday strongly attacked by the giant bus company.

Mr Pat Rodgers, public relations executive of Putco, said councillor Jan van Blerk who proposed the rental for bus termini was incorrect when he said Putco was a profit-making company which received a subsidy.

Putco released a statement saying: "It is not the company which is subsidised by the Government — through the taxpayer and employers — but the passengers. And while the group makes a profit — unlike municipal services whose passengers are subsidised by the ratepayer — the net income for the year 1981-82 was R6.8 million, giving shareholders a return of only 6.4 percent on R106.7 million invested at the end of the year."

The company also said what Mr van Blerk was now suggesting would amount to the council being subsidised by black commuters who neither lived nor owned business in the city area, but without whom the city could not live.

The Union affiliated It joined the S.A. Co

Industrial Council:

Registration: Yes

Founded:

Area of Operation:

Officials: Secretar

2000

Johannes

P.O. Box

Address:

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1976	
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Telephone: (011) 371 854

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# Buses ~~22~~ stoned in sudden <sup>332</sup> *Mercury* Inanda <sup>19/1/83</sup> flare-up

## Mercury Reporter

EIGHTEEN buses were damaged after crowds started to stone Putco buses in the black township of Inanda last night.

The trouble flared up shortly after 6 p.m. and police moved into the area. According to a police spokesman, they did not take any action.

The Natal area executive for Putco, Mr Colin Bailey, described the incidents as a 'bit of an upset'.

'We can't understand what caused the trouble. Everything was back to normal after the recent boycotts. I am still not able to elaborate on the extent of the damage and so far do not know of any injuries,' he said late last night.

He confirmed that 18 buses had been damaged.

Police kept the situation under close observation last night.

S.A. IRON, STEEL AND ALLIED INDUSTRIES UNION

Year	Membership		
	African	Asian	Coloured
1970			
1971			
1972			
1973			
1974			
1975			
1976			
1977			
1978			
1979			
1980			

Address: P.O. Box 19299  
Pretoria West  
0117

Officials: General Secretary: W. Bornman

Area of Operation: National

Founded: 1948

Registered: Yes

Industrial Council:

- 1) Industrial Council for Industry - Eastern Province
- 2) National Industrial Council for Engineering and Metal Industry
- 3) Industrial Council for Industry - Eastern Province

# Greyhound increases fares on W Rand

GREYHOUND bus company, one of the largest bus companies in the country, is to increase its fares from March 1 in some West Rand townships by an average of 12,5 percent.

In a statement to The SOWETAN yesterday, the company said it had no option but to increase the fares.

The areas include Moshakeng, Kagiso, Westonaria and Munsieville. Wages and salaries had gone up

from between 13 to 15 percent since the company's last fare increases in 1982 it was claimed. The cost of spares had risen 44,5 percent, licences by 50 percent and general sales tax by 20 percent (from 5 percent to 6 percent).

"Fortunately the fuel price has not increased and there are hopes that fuel may even be reduced by 1 cent per litre. We are, because of the stabilised fuel price, able to keep our fares in-

creases down to an average of 12,5 percent on commuter services. But if the fuel price is increased during 1983, we will be obliged to implement further increases.

## PROBLEM

The statement said the problem of rising costs had been affected by the recession and reduced use of the company services. Passenger demand was

still high at peak travelling periods, but leisure travel had been particularly hard hit. Local community councils are aware of the increases which have been approved by the Transportation Board.

The company has urged passengers to buy weekly and monthly tickets as these are the most economic methods of bus travel for regular commuters, the statement said.

SOWETAN, Wednesday, January 19, 1983

Toit

CAPE TIMES 19/1/83 (332) 22

# Bus fare increases application attacked

By ENRICO KEMP  
COMMUNITY and other organizations yesterday hit at the latest application for fare increases by the bus companies serving Mitchells Plain and Atlantis.

Mitchells Plain Bus Services Limited and Atlantis Bus Services Limited have applied to the Local Road Transportation Board for increases averaging 22 percent and 20 percent respectively. Both were granted fare increases last March.

If the application is approved, bus fares on ma-

jor routes to and within the two areas will rise by between 15 and 35 cents.

The proposed increase on the main Westfleur to Killarney route is 25 cents (from R1,20 to R1,45) while commuters travelling from Mitchells Plain to Hanover Park could face an increase of 25 percent, from 40 to 50 cents.

Mr Noel Williams, chairman of the Atlantis Housing Action Committee, said yesterday that more than 400 people had been retrenched by local factories recently and unemployed residents were

forced to travel outside Atlantis to seek work.

"I don't know where they are going to get the money to travel to town," he said.

The Mitchells Plain Youth Movement said it was "outraged" at the application and would do anything in its power to prevent it.

The Cape Town Municipal Workers' Association condemned the proposed increases and called on all community and workers' organizations to unite and oppose the application.



**East Rand taxi men attacked in latest violence**

# NEW CAB WAR

332  
Some far  
2/1/83

By MZIKAYISE EDOM  
**THREE EXECUTIVE** members of the Lesley Taxi Association were seriously injured when the East Rand taxi-owners' battle flared up.

Mr Solomon Skosana, the chairman of the association, Mr Moss Masango and Mr John Masuku were all treated at the Far East Rand hospital in Springs.

Mr Skosana, who was first attacked, spent almost a week in hospital. He received head injuries and a fractured left leg and has to use crutches.

The taxi battle has resulted in the suspension of the taxi service between Lesley and Springs.

Mr Skosana told The SOWETAN yesterday that the battle between the Lesley Taxi Association from Secunda and the KwaThema Taxi Association started some weeks ago.

The KwaThema group alleged that the Lesley Association members were illegally operating at the Springs railways station without the permission of the Springs Town Council and the Thema Association.

Mr Skosana said, "I had to spend the whole of last week in the Far East Rand hospital after I was attacked by KwaThema taxi operators with iron bars and kieres for allegedly using the rank without their permission."

"Two of my taxis were also damaged during the fight and at the moment I'm just sitting and idling at home because both my taxis are at the garage for repairs."

Mr Masango was allegedly beaten up by the KwaThema taxi operator last week and Mr Masuku was beaten up this week. The association have asked for police protection and until this is provided they have decided to stop operating.



**BIG ONE:** Who said you needed a R200 fishing tackle to catch such a big one? Fifteen-year-old Soweto lad Thomas Mahl fishes with fishermen at the Orlando Power Station Dam yesterday. This one with only a potato.

## Mob teargassed in Lamontville

SHOTS WERE fired and slight damage caused when an angry mob in Lamontville attacked and stoned the home of Durban's Ningizimu Community Council chairman on Wednesday night.

The mob, which formed part of the crowd coming from a residents' meeting, started shouting abuse and threw stones at the home of Mr Moonlight Gasa.

In return Mr Gasa came out of his house brandishing a firearm and fired a few warning shots in the air. This infuriated the crowd which by then was calling for his blood.

## Ritual

MASERU death sentence by a pro man of Q Khokhoan heard by in Maseru.

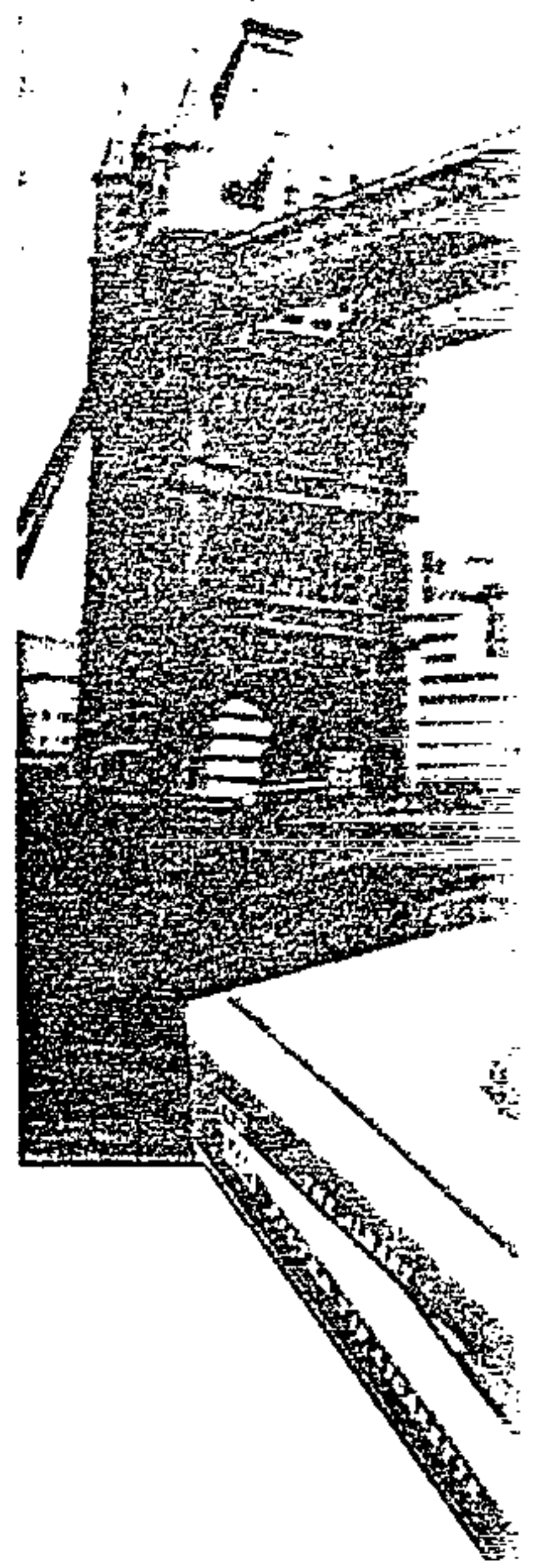
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"Two of my taxis were also damaged during the fight and at the moment I'm just sitting and idling at home because both my taxis are at the garage for repairs."

Mr Masango was allegedly beaten up by the KwaThema taxi operator last week and Mr Masuku was beaten up this week. The association have asked for police protection and until this is provided they have decided to stop operating.

Many people will be affected as most Lesley residents work in Springs and there is no other means of transport.



**Alban  
exclusiv**



# FCI unhappy about third party plan

Bus AR645

22/1/83

(332)

**A GOVERNMENT commission of inquiry is considering suggestions that a State corporation should take over third party vehicle insurance, abolishing policies and instead collecting the money through a levy on fuel.**

The proposals have been put forward by the MVA Fund — to which 17 short-term insurance companies belong — to the commission of inquiry into compulsory motor vehicle insurance.

But the managing director of a leading short-term insurance company has misgivings about these proposals and the Cape Chamber of Industries is strongly opposed to them.

**GIVE EVIDENCE**  
The deputy director of the chamber, Mr C E McCarthy, said a specialist committee of the SA Federated Chamber of Industries had studied the proposals and had asked for an opportunity to give evidence against them.

The current issue of the chamber's bulletin suggests that a State corporation is unlikely to be more efficient than private enterprise in the collection of money and the settling of claims, because it would not be subject to the same incentives.

The managing director of a leading short-term insurance company said that although profits from handling third-party insurance were hardly large enough to justify the work involved, companies did the business as a service to their customers in the same way that shops sold basic goods with a small profit margin such as bread and milk.

**CIVIL SERVICE**  
At present anyone injured in an accident submitted a claim to the insurance company of the person responsible.

If a State Corporation took over, the injured person would have to claim against the civil service "and with the latest reports on their staff shortage, I don't see how they can deliver the service that the public are entitled to."

Although the thought of everyone injured in an accident being able to claim compensation, regardless of who was to blame, was an attractive one, this would have to be paid for.

It would mean that careful people would subsidise the negligent. The Federated Chamber of Industries bulletin says: "The FCI is convinced that the public are entitled to."

**Continued on Page 3**

## Third

**party**  
Bus AR645  
22/1/83  
(332)

From Page 1.

cerned that the compilers of the MVA Fund document envisage a compulsory no-fault insurance system for South Africa.

"Such a major change should not be lightly made.

"It would run counter to the South African law of delict and would necessitate far-reaching alterations to the legal system."

"The FCI also rejects the assumption that the premium burden would be more equitably distributed if it were imposed on the fuel rather than directly on the vehicle."



# Communities angered over big Putco increases for scholars as blacks face job retrenchments

# TRANSFERS

24/1/83  
Soweto

**BLACKS HAVE** condemned in the strongest terms Putco's fare hikes for school children on the Reef which go up from today.

They told The SOWETAN yesterday that the fares were unfair and came at a time when many blacks were facing prospects of retrenchment.

Putco is to increase its fares on the Reef in some cases by almost 100 percent.

A statement by Putco's public relations officer, Mr Pat Rogers, said that unlike adults' fares, scholars' fares had not been regularly increased over the years and some had not changed since 1975.

The hardest-hit scholars are those in Edenvale, KwaThema and Springs, where fares have gone up from R1 to R2 for a five-day ticket and from 50 cents to R1.

In Boksburg scholars will be expected to pay R1.20 for a five-day ticket. The fare has been increased by 40%.

In Wynberg (Alexandra), Dobsonville, Soweto, Western Coloured Township, Riverlea, Eldorado Park, Kiptown and Innerdale, fares have increased by 50c and scholars will now be expected to pay R1.50 for a five-day ticket.

Mr Rogers said Putco recognised the importance of education to blacks and it was estimated that the 7.3-million school passengers a year cost the company nearly R3-million.

"The effect of inflation now makes it necessary to reduce the difference between the fare charged and the amount

**By JOSHUA RABOROKO**

needed to operate. For many years now Putco had offered special fares for school children.

A weekly ticket for Soweto schools works out at only 10c per trip, which does not cover running costs. Putco makes up the difference without claiming it from the Department of Transport, according to Mr Rogers.

The company had to raise its fares to pay for more buses, fuel, depots, repairs, overhauls and staff wages, the PRO said.

## Hungry

An executive member of the Witwatersrand Council of Churches (WCC), the Reverend Cecil Begbie, said the increases would affect millions of black children whose parents had been hard-hit by the escalating cost of living.

Most children would be forced to 'go hungry' at school because parents would not be able to afford to buy them food. The fares were unfair and could spell serious results on the lives of many. Putco should have considered this factor before implementing the new tariffs.

## NOTE CAREFULLY

1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work.
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
3. 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.
4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

## WAR

1. No candidates are so instructed.
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





# Wembezi votes ~~25/1/83~~ against new ~~332~~ KDC bus company

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African Affairs Reporter WEMBEZI Town Council and the South African Allied Workers' Union in Estcourt have jointly opposed the introduction of a new KwaZulu Development Corporation bus company to serve the township.

At a weekend meeting the council and union indicated that they wanted to retain an Indian-owned bus company in the area.

In 1981 Wembezi residents boycotted the privately-owned Khulani bus company for almost six months after they had increased their fares.

The company was eventually forced to leave the Wembezi area and the Indian-owned Bhayla's Bus Service took over and has been in operation since then.

S A A W U and the Wembezi Town Council have written to the Local Transportation Board stating that Bhayla's Bus Service ran an efficient service at reduced fares and that the owners had shown interest in the welfare of the community.

The meeting at the weekend was told that the Transportation Board had not replied, but workers

insisted that they would like to retain Bhayla's.

Workers said the Indian-owned bus service was efficient, enabling commuters to arrive at work on time, and they were not prepared to allow a new company to take over.

Meanwhile, at a meeting of residents in Kwa Makutha the Putco Bus Company was given an ultimatum to reduce their bus fares within a month, failing which the local town council would invite the KwaZulu Transport Company to operate in the area.

## Businessman

Putco buses have been boycotted since their 13 percent fare increase two months ago. The town council reported that its negotiations with Putco to reduce fares had failed.

A local businessman, Mr F S Ndlovu, told the meeting that he could introduce 20 buses to the area.

The local Taxi Association was asked to reduce fares and was requested to operate in remote areas and carry school children at cheaper rates while the council negotiated with Putco.

Section A.  
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.

	Internal	External
(1)	(2)	(3)
1	15/25	
3	13/25	
Examiners' Initials		

## NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
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.

## WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
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

## Bus stoned, five arrested

Pietermaritzburg Bureau

A MUNICIPAL bus was stoned in Imbali and five blacks have been arrested for allegedly intimidating passengers at Plessislaer, just outside the city.

A senior police spokesman said the five men had not yet been charged and no further particulars were available. About R80 damage was caused to the bus when stones were thrown through windows.

Further, police are investigating a charge of malicious damage to property, but so far no arrests have been made.

The spokesman said police had patrolled the main black bus routes yesterday, the first day of increased cash fares on the black service.

The city's director of transport, Mr Doug Schumann, said he and members of the transport

department inspectorate had been out since 3 a.m. yesterday but had not noticed any drop in passenger figures. However, he would be able to confirm this today after seeing the final figures for yesterday.

Mr Schumann said a number of youths had tried to stop passengers travelling by bus early yesterday morning but were soon dispersed by bus inspectors.





By Sheryl Raine  
Pretoria Bureau

Long trips between work and the homelands are having a detrimental effect and making great demands on some of the country's 534 000 black commuters, a Human Sciences Research Council investigation has indicated.

Although a report on the HSRC investigation released in Pretoria today concerned only bus commuters from kwaNdebele, the report also focused on matters pivotal to the country's homeland and migrant labour policies generally.

Conducted in November 1980, the investigation could have widespread repercussions.

The HSRC study was prompted by research done in London and elsewhere which showed that long, uncomfortable commuting trips had a cumulative detrimental effect on commuters.

#### ILLNESS

Illness, absenteeism and high staff turnovers were some of the symptoms shown by commuters abroad involved in trips of an hour or more.

It was predicted that long-term commuting could affect a commuter's health, psychological adjustment, working capacity and family ties.

Workers who commuted for long periods each day could be expected to build up a resistance to commuting resulting in

# Long hours of commuting have 'bad effect on black workers'

instability and lack of productivity in the workforce.

In kwaNdebele, the HSRC found:

- The majority of commuters who bussed between 110 and 130 km to work in Pretoria, left home before 5 am, spent at least two to three hours on a bus each day and nearly half (47 percent) had already had trouble at work emanating from poor transport.
- A quarter of the 199 commuters interviewed spent three hours or longer on a bus each day and more than half were away from home for more than 14 hours a day. Only seven percent arrived home before 5.30 pm.
- About half caught two buses to work and the vast majority left home to do what was described as "heavy work", without breakfast.
- Two thirds said travelling by bus caused them problems.
- At the time of the survey

the average weekly wage was R38,50, of which 17,5 percent was spent on transport.

● Buses failing to arrive, arriving late, being too full or breaking down, accounted for 63 percent of incidents when commuters stayed away from work.

● Buses which were too full to carry all the passengers left commuters behind who either arrived late for work or didn't get to work at all.

● Thirty nine percent said they had been warned or threatened by employers because of commuting problems beyond their control.

Only a small number had actually been fired because of this.

Despite this profile of commuting life in kwaNdebele, the HSRC found no signs of general resistance to commuting as yet but 85 percent of commuters wanted similar jobs and salaries closer to home.

Few were willing to

pay higher rents in the city to live closer to work and most preferred the closer family way of life in the homeland.

Long trips to work were not yet causing high labour turnover, but the HSRC concluded that they did disadvantage the commuter as a worker, and made great demands on him.

Several commuters, for instance, complained of lack of sleep.

The HSRC noted that because of the tremendous influx of people into kwaNdebele it was difficult, if not impossible to effectively plan for transport in the future.

Insufficient buses, particularly on Mondays and Fridays, and long waits for vehicles on order, aggravated the situation.

The HSRC called for the improvement of the bus service to the homeland in the short-term and emphasised the need to provide jobs closer to the homeland as a long-term objective.



Agms 27/1/83

# Motion on bus fare increase defeated (332)

## Municipal Reporter

A MOTION by Mr Sam Gross that the City Council approach the Road Transportation Board about the proposed bus fare increases in Mitchell's Plain was defeated today.

In a heated debate Mr Gross accused the council of being afraid to get involved in a matter which concerned the Cape Town community.

The Mitchell's Plain Bus Service has applied for a 20 to 25 percent fare increase.

Mr Gross said the proposed increase would affect people in the low income bracket and would

have a serious effect on their standard of living.

Mr Frank van der Velde described the motion as a "pious" one. The bus company, he said, was not to blame for wishing to make a profit — the system was to blame.

Mr Clive Keegan said the issue of bus fares was a "dangerous field" and the council had no right to dictate to the private sector, especially when the council itself was increasing rents and rates.

Mr R M Friedlander said the city could not be expected to subsidise a public transport system — although it was al-

ready heading in that direction by providing termini, streets and shelters.

The motion was defeated by 20 votes to six.

# Bus boycotters hit by clamp-down on private cars

## African Affairs Reporter

INANDA commuters who have been boycotting Putco buses for the past two months were without any transport yesterday after inspectors from the Road Transportation Board clamped down on private taxis and private cars carrying people to Durban.

Cars travelling from Inanda were scrutinised at the Ntuzuma in-

tersection. Some drivers were charged for illegally carrying passengers for gain and some cars were impounded.

Roads were almost deserted yesterday and people walked from Inanda to Kwa Mashu intersection about 10 km away to catch buses travelling to Durban.

The commuters said that they would continue

with the boycott of Putco buses even if it meant walking to Durban until the bus company reduced the fares.

Rumours that Putco drivers were terrorising commuters who refused to use the buses are still continuing.

An Indian shopowner at Inanda claimed that Putco drivers had assaulted people in his

shop.

Meanwhile, the Durban Transport Management Board has withdrawn its buses from Lamontville after a prolonged boycott of its buses.

Our Pietermaritzburg bureau reports that 24 people were arrested in a blitz on alleged private taxis operating between Howick and Mpopomeni township on Wednesday.

had represented realism of

WEDNESDAY, 2 FEBRUARY 1983

Mr. M. Gasa: On 9 December 1982.  
 Mr. A. P. Moodley: On 29 July 1981.  
 Mr. D. Lottering: On 2 April 1980.

### Durban Local Road Transportation Board

\*8 Mr. F. J. LE ROUX asked the Minister of Transport Affairs:†

Whether any appointments have been made to the Durban Local Road Transportation Board since 1 November 1982; if so, (a) who were so appointed, (b) when were the appointments made, (c)(i) for what periods and (ii) in whose stead were these members appointed and (d) what qualifications are required from them?

The MINISTER OF TRANSPORT AFFAIRS:

Yes.

(a) Mr. G. J. Muller.  
 Mr. P. G. Conradie.  
 Mr. M. Gasa.  
 Mr. P. Breytenbach.

(b) Messrs. Muller and Conradie. On 7 December 1982.  
 Mr. Gasa: On 9 December 1982.  
 Mr. Breytenbach: On 12 January 1983.

(c) (i) Messrs. Muller and Conradie: 2 years.  
 Mr. Gasa: As long as it pleases the Minister.  
 Mr. Breytenbach: Until 30 April 1983.

(ii) Messrs. Muller and Conradie were re-appointed.  
 Mr. Gasa is the first appointment of a black co-opted member.  
 Mr. Breytenbach was appointed in the place of Mr. Muller.

(d) The requirements for appointment are enunciated in section 4(2) of the Road Transportation Act, No. 74 of 1977.

### Durban Local Road Transportation Board

\*9 Mr. F. J. LE ROUX asked the Minister of Transport Affairs:†

Whether the Durban City Council recently instituted legal proceedings against him in connection with an appointment to the Durban Local Road Transportation Board; if so, (a) on what legal grounds, (b) what was the outcome of the court case and (c)(i) what were the costs of suit and (ii) who paid these costs?

†The MINISTER OF TRANSPORT AFFAIRS:

Yes.

(a) Non-compliance with the requirements of section 4(3)(b) of Act 74 of 1977.

(b) The parties came to an agreement which was subsequently made an order of the court, that Mr. Muller's appointment would be terminated on 1 January 1983 and that Mr. Breytenbach would be appointed in his place for a period not exceeding four months.

(c) (i) Costs are still to be taxed by the Supreme Court.

(ii) The Department of Transport shall bear all costs.

(332) 2/2/83  
 Durban Local Road Transportation Board  
 269 Hansard Q. Col. 6-8  
 7. Mr. F. J. LE ROUX asked the Minister of Transport Affairs:†

(1) Whether any non-Whites are at present serving on the Durban Local Road Transportation Board; if so, (a) by whom were they appointed and (b) what are their names;

(2) whether such persons have (a) full or (b) limited voting rights; if so, from what date?

†The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) By the Minister of Transport Affairs.

(b) Mr. M. Gasa (Black).  
 Mr. A. P. Moodley (Indian).  
 Mr. D. Lottering (Coloured).

(2)(a) and (b) Co-opted members have full voting rights. Such members are, however, only co-opted when matters which may influence the interests of their respective communities are to be discussed. Said persons have voting rights from the date on which their services commenced, namely—



(332) ~~409~~ Howard Q. Col.  
Republic/Bophuthatswana: bus services 26 -


4/2/83  
\*11. Mr. T. LANGLEY asked the Minister of Foreign Affairs and Information:†

- (1) Whether the Government has entered into a bilateral agreement with the Government of Bophuthatswana regarding bus services between the Republic and adjacent towns in Bophuthatswana; if so, what are the details of this agreement;
- (2) whether he will make a statement on the matter?

The MINISTER OF FOREIGN AFFAIRS AND INFORMATION:

(1) Yes. There exist bilateral agreements between the Government of South Africa and the Government of Bophuthatswana regarding bus services with Bophuthatswana as well as between South Africa and Bophuthatswana. One agreement concerns the exploitation of rail and road transport services to, within and through Bophuthatswana. The other agreement concerns the subsidizing of the cost of transport of workers. The relevant agreements were published in *Government Gazette* Nr. 5823 of 6 December 1977.

(2) No.



~~332~~ 332 Hausand  
Commission of Inquiry into Bus Passenger  
Transportation in the Republic of South  
Africa  
Q. 61.62 9/2/83

36. Mr. G. B. D. McINTOSH asked the  
Minister of Transport Affairs:

Whether the final report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa has been completed; if so, when will it be made available; if not, when is it anticipated that it will be completed?

The MINISTER OF TRANSPORT AFFAIRS:

No. Tentatively towards the end of June 1983.



# ANGER AFTER 20 ORDERED OFF BUS



● MR Abraham Moses: "We had to make way for the whites in the other bus."

332  
C. Herald 12/2/83  
TWENTY Atlantis residents were late for work last Tuesday when they had to abandon the Killarney bus in which they were travelling to make way for the white passengers of an Atlantis-bound bus which had broken down on the West Coast Road.

A "disgusted" Mr Abraham Moses, 24, of Atlantis spoke to Cape Herald about the incident, which took place at about 7.45 last Tuesday morning.

Mr Moses, an assistant receiver at a major Parow supermarket, said: "There were 20 Atlantis residents in the Killarney bus which, incidentally, was running later than usual."

"We were about five kilometres from the Koeberg nuclear power station when our driver stopped to speak to the driver of an Atlantis-bound bus which was parked on the other side of the road."

## Blacks off, whites on

"We found out that the other bus — which was crowded with white employees of an Atlantis factory — had broken down and that the driver was waiting for another bus."

"The driver of our bus spoke to the other driver, and when he came back he told us to get out of the bus. We refused and he turned the bus around so it faced towards Atlantis."

"We realised he was serious about getting us out of the bus and we eventually alighted. The

driver and passengers of the other bus boarded our bus and drove off to Atlantis."

"Forty-five minutes later another bus arrived and we were finally on our way to Killarney."

"The big question is: Would we have been treated the same if the passengers in the other bus had been blacks? It seems we were forced to get off simply because there were whites in the other bus."

## DIFFICULT

Mr Moses said he found it difficult to explain to his employers what had happened.

● Mr I. Meihuizen, manager of Associated Bus Holdings, which runs the bus service to Atlantis, told Cape Herald on Monday morning that he could not comment immediately. But he promised to release a statement later during the day.

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requested to monitor passenger volumes.

- 1.1 The Orange Free State Roads Department to provide increased road capacity as required to cater for 50 000 single trip passengers daily.

- 1.2 The South African Transport Services to continue planning for a rail line to provide a service once trips exceed the above-mentioned figure.

- (2) When the Bloemfontein Metropolitan Transport Area is declared the Bloemfontein City Council and the Administrator should consider a new multi modal terminal and improved bus routes for incorporation in the transport plan.

- (3) The South African Transport Services be requested to make available the area east of the station, currently used for housing, for public transport purposes.

3. The South African Transport Services to make provision in planning the new station, for a possible suburban service and for a bus station for line haul and distribution services.

- (4) The Department of Co-operation and Development to make adjustments in the development of Onverwacht to allow for—

- #### 4.1 adjustment of the main access route

- #### 4.2 a transfer point at the proposed main railway station

- ### 4.3 bus and taxi facilities at the other stations

- 4.4 the provision of reasonable passenger facilities at bus stops, and further to give high priority to surfacing of roads on bus routes.**

- (5) The report should be made available to the Government of Bophuthatswana for noting and possible co-operation in establishing an optimal transport system in the subregion.

- (6) An investigation be made in terms of Act 74 of 1977 to determine whether it is desirable for only one operator to provide non-White commuter services in the Bloemfontein subregion

- (7) The Department of Constitutional Development and Planning he advised that a high quality rail service would only be economically justified when passenger volumes reach 50 000 single trip passengers a day, and that the most economical new industrial area from a passenger transport point of view, is that area closest to Bloemfontein.



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Staff Report  
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# VEHICLE licences up 33pc

Cape Times 17/2/83

332

332

By JANE ARBOUS

**MOTOR-VEHICLE licence fees will go up by an average of 33 percent from May 1, the Administrator of the Cape, Mr Gene Louw, announced in the Provincial Council yesterday.**

C.T. 17/2/83 A \*\*\*\*\* (281) (332)  
From page 1  
cause he did not want to place a further burden on the low- and middle-income groups which made up 80 percent of hospital patients.

However, he warned that the administration might have to reconsider hospital fees "at a later stage".

The only source left was motor-vehicle licence fees, last increased seven years ago. By way of comparison, road construction costs had gone up by 140 percent during that period and the general consumer price index had increased by 135,15 percent, he said. He was not prepared to cancel the entire R30-million deficit by increasing licence fees

by 56 percent. He regarded an increase of one third as "reasonable in the circumstances".

The Opposition spokesman on finance, Mr Geoff Everingham, MPC for Pinelands, said the R13-million effect on the Cape subsidy caused by the Transvaal fees increase must have required "accounting gymnastics second to none".

Questioning the fairness of the subsidy system on which the administration depended, he said the Cape had special needs which had to be looked at.

The debate was adjourned to today.

This is to help offset the R30-million deficit facing the Provincial Administration in the current financial year ending March 31.

Although details of the new fee categories will only be announced later, Mr Louw said most of the increase would be passed on to motorists.

In a gloomy 20-page mini-budget speech during the second reading of the Additional Appropriation Draft Ordinance, Mr Louw asked for an extra R83.6 million to balance the provincial books for 1982/83. The amount is about six percent more than his original budget of R1313 million.

Mr Louw said the administration had been unable to bridge the gap between expenditure and revenue "most certainly not ... because of a failure on the part of this council and Administration"

## Additional revenue

The increase in licence fees is expected to yield an additional revenue of about R18 million.

Mr Louw said that to find the remaining R12 million of the deficit, spending would have to be closely examined in framing the main budget in May. He added that negotiations were continuing with the State Treasury to obtain more funds.

One of the two main reasons for the administration's going into the

red was the inability of the State Treasury to refund, as promised, R6.5 million spent on roads, R3.5 million incurred because of disaster damage and R5.3 million for salary adjustments and benefits.

The other reason was the unexpected revision of the central government's subsidy after the administration's 1982/83 budget had been passed.

Mr Louw said that after the Transvaal had raised its motor-vehicle licence fees by a drastic amount a year ago, the State Treasury calculated the Cape revenue for the current year at R13 million more, "which in fact means we lost this amount in subsidy".

## Economic climate

Explaining the poor economic climate of the past year, Mr Louw said he understood why it was "impossible for the government to meet certain payments" because the Cape's expenditure had been limited to essentials and curtailments had been effected wherever possible, the deficit could not be met there.

A tax increase would cause the least disruption, he said.

Discussing the only three main sources of revenue, he ruled out raising already high totalisator and betting tax and hospital fees, the latter be-

Look for Car-finder with today's Cape Times.

Read Fun-finder tomorrow for all the weekend entertainment.

## Teleletters

DO you think the West Indies cricket tour has improved race relations in South Africa? Did it help whites to see black people in a new light or do you feel the tour let black people down? To comment phone 41-3361 ext 219 between 9am and 12 noon.

Today's teleletters are on page 9

FINAL FORTNIGHT

To page 2

A



# Ntuzuma road blocks to be re-erected

Natal 17/2/83  
Mercury Reporter

THE road blocks at the Ntuzuma turn-off at Inanda near Durban will be re-introduced on Monday after being discontinued earlier this month.

A statement from Mr A B Eksteen, Director-General of Transport, said that it had been decided to re-impose the blocks because the Putco bus boycott was still in force and pirate operators had become active again.

Mr Eksteen said the decision to reintroduce the system had been taken at a meeting in Pietermaritzburg this week involving the Department of Co-operation and Development, the Police, the Department of Transport, Putco and Ilanga Transport.

## Choice

Replying to criticism of the way the matter had been handled, he said no force had been used in previous road blocks by any of the officials employed by the Department of Transport. They were executing their duties, he said, in terms of Act 74 of 1977 (Road Transportation Act).

Mr Eksteen said motorists involved had been given the choice of either paying admission of guilt fines or appearing in court.

A number of people had appeared in court, he said, and all of them had been fined R40 (or 40 days).

In cases where Court appearances had been preferred, vehicles had been confiscated and subsequently returned.

Mr Eksteen said that during the operation, no vehicle had been found to belong to a legal lift club.



**Armed police used during major Pretoria traffic blitz**

# Commuters stranded

MORE than seven Putco passenger buses were forced off the road and passengers told to alight during a blitz by armed police and Transvaal Provincial Administration (TPA) officers on illegal vehicles on the Pretoria — Mabopane road yesterday morning.

Hundreds of passengers and taxi commuters were left stranded for about an hour during the raid on illegal vehicles and private taxis.

Hundreds of workers were late for work when more than seven Putco buses were forced off the road. Passengers were ordered to alight and the respective drivers were taken to the

**By MONK NKOMO**

nearby Pretoria North Police Station.

A spokesman for the TPA said the road block, which started at 4 am, was just a routine check up on overloading, roadworthy certificates and private taxis.

A police spokesman said a number of drivers had been arrested and

others had been released after paying admission of guilt fines. He could not however give the number of arrests made.

A number of commuters yesterday blamed Putco authorities for their late arrival at work.

"They bring us old

buses which are not roadworthy," said Ernest Nkambule who works as a messenger in the city. "We have long been complaining about these buses but our complaints have just been pushed under the rug and ignored," he added.

Mr Paul Nyamane of Mabopane said he woke up at 4 am to be at work in time.

"These buses must be replaced by new ones. The authorities are just interested in increasing the fares and forget about our welfare. I

haven't ever seen local municipality buses for whites being stopped because they are all roadworthy, clean and on schedule," he said.

Mr Ben Ngobeni said: "It is a shame for a big company like Putco to have its buses stopped and passengers asked to alight because they are not roadworthy. They increase their fares yearly, so they must replace the buses yearly."

Putco's public relations officer, Mr Dan Rolt, was not available for comment.

## For whom the bell tolls

Hendrik Schoeman is on the road again. After all the talk of free enterprise, he has dealt private road hauliers a heavy and unfair blow.

A Bill, aimed at curbing malpractices in the transport industry, has been introduced in the Assembly by Transport Minister Hendrik Schoeman to stifle enterprise. In introducing the Bill, he claimed that while many hauliers adhered to the provisions of the present Act, there were those who, "for own gain and to the detriment of the industry as a whole, tried to find loopholes in the Act and to exploit them."

He added that "ingenious methods are being applied to circumvent the Act and this results in unauthorised and unhealthy competition."

The intended penalty for ingenuity is a maximum fine of R10 000, an alternative jail sentence of two years and confiscation of the offending vehicles after a third offence. Businessmen who dare also to use operators who abuse the system will be in line for similar penalties.

Tough stuff, bound to deter the faint hearted, and surely far too heavy-handed under the circumstances. After all, the "offenders" are only entrepreneurs cheeky enough to want to do business on a willing buyer, willing seller basis, in line with the basic tenets of free enterprise.

In many cases hauliers are carrying goods that SA

Transport Services (SATS) cannot handle. But the Department of Transport is taking no chances. SATS is losing too much of its lucrative high-tariff business to private enterprise. In 1975, high rated traffic provided around 53% of revenue, by 1981 it had dropped to 38%.

Why not fight the competition on the basis of price and prompt service rather than decree? SATS responds with the old cry. As long as it is forced to operate uneconomic services — in the main those that prop up government policy of decentralisation — it cannot be expected to compete with private hauliers who do not have the disadvantage.

It is easy to sympathise with SATS's plight. If SATS is to be able to do battle in the market place and attempt to make profits, it, too, must be unfettered. Its predicament also illustrates that interference in one sector of the economy inevitably has to be compensated for with meddling in other areas.

The answer is the dismantling of restrictive practices, not the introduction of more legislation. Nor should it be forgotten on whom the cost of this meddling falls — the consumer. Consumers, who have to pay higher prices, potential operators who are barred from entering the transportation business, suppliers of vehicles and an economy that is throttled by red tape.



# Bus fares:

## Objectors

## turned away

LAST minute objectors to the application for bus fare increases in Mitchells Plain and Atlantis, were turned away from the Local Road Transportation Board offices on Friday.

Board officials said the objectors had missed the deadline for objections. But people had argued that, in the past, late objections had been heard by the National Transport Commission (NTC), which would have to decide on the current 25 percent increase in fares

being asked by the two bus companies operating in Atlantis and Mitchells Plain.

A spokesman for the Mitchells Plain Co-ordinating Committee (MPCC) said that representatives of six of their affiliate civic bodies had gone to lodge objections.

"We were told that we could not lodge objections."

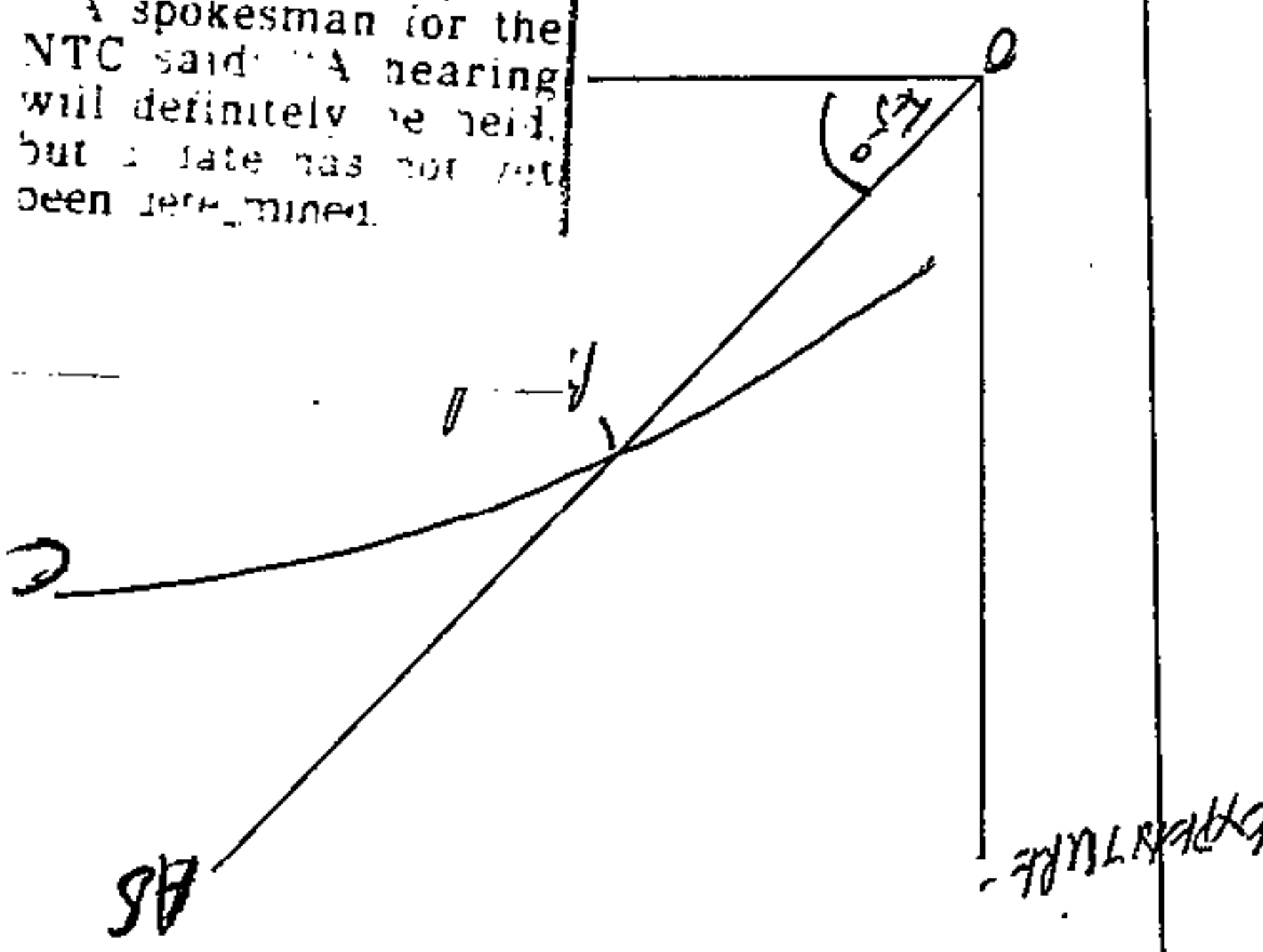
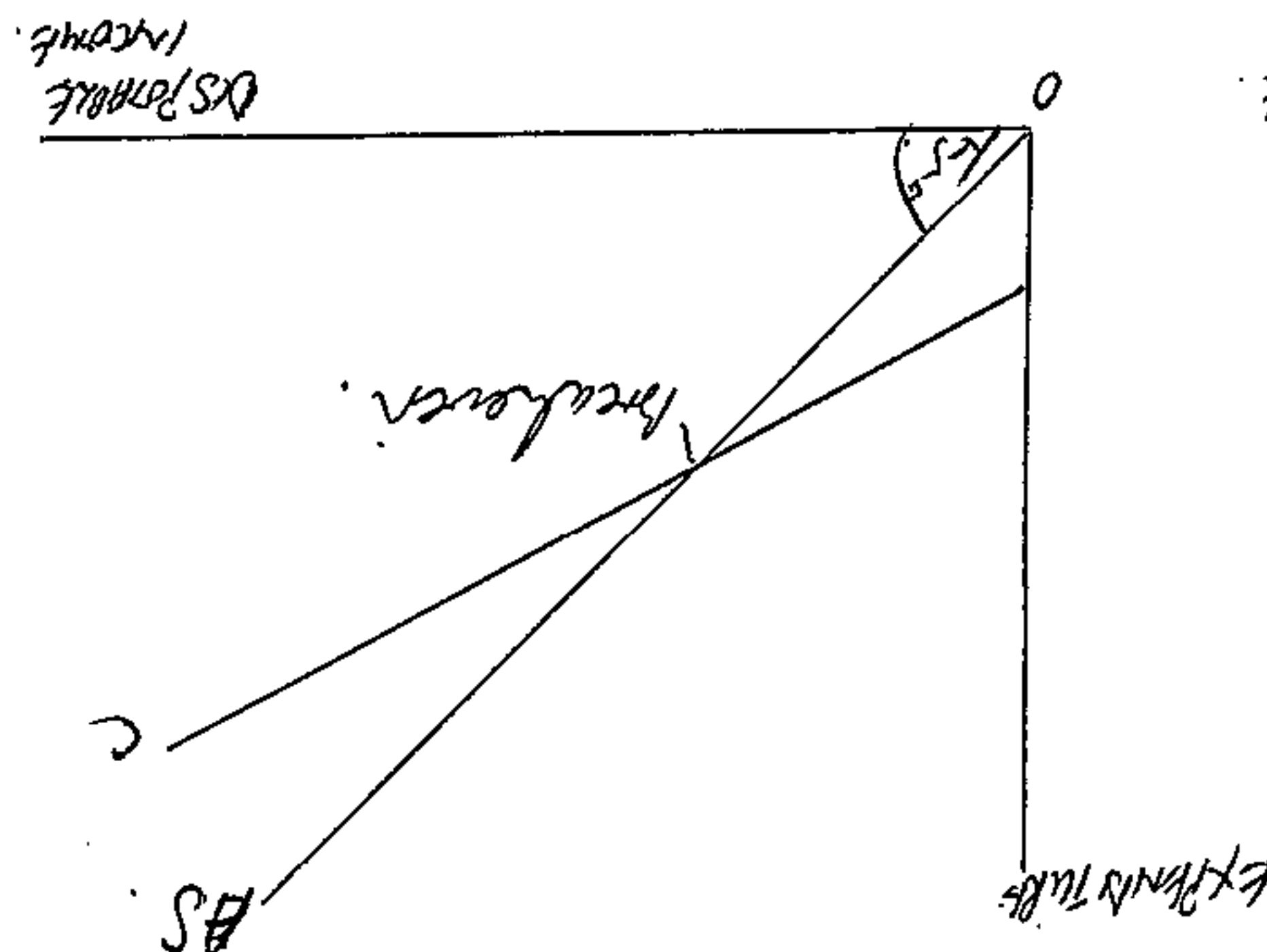
A spokesman for the Local Road Transportation Board said that any objections had to be lodged within 21 days after the application appeared in the Government Gazette.

Any late objectors can apply to be heard in terms of Section 9 of the Road Transportation Act, she said.

When asked if there had been any other objections, she said: "I'm not allowed to tell you."

A spokesman for the NTC said: "A hearing will definitely be held, but a date has not yet been determined."

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# Bus fares: Objectors turned away

332  
C. Herald  
19/2/83

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# Moca bus fares victory

332

city press  
20/2/83

By MARTIN NTSOELENGOE

KRUGERSDORP — Greyhound bus company has agreed to demands by Mohlakeng Civic Association (Moca) to exclude scholars' bus fares from their general fare increases in March.

Greyhound manager Peter Davies met Moca representatives this week, and told CP afterwards he had also agreed to a demand that pensioners on their way to collect their pensions be allowed on Greyhound buses free.

He also agreed to investigate Moca demands for bus shelters and for the reintroduction of round-the-township routes in Mohlakeng — withdrawn during the 1976 uprisings.

● The new fares, starting in March are:

Mohlakeng to Randfontein station, 60c return (five-day weekly ticket R2,25); Toekomsrus to Randfontein station, 60c (R2,95); Munsieville to Krugersdorp station, 60c (R2,35); Kagiso to Krugersdorp station 80c (R2,85); Bekkersdal to Westonaria 70c (R3,05).

# Conference lines get tough with SA Govt

By SIMON WILLSON  
Industrial Editor

**EXASPERATED** by several years of declining traffic and increasing competition from independent shippers, European shipping lines in the South Africa route cartel are taking a hard look at their arrangements with the South African Government.

Unless the campaign by the Europe/South and South-East African Conference Lines (SEAC) for more Government support is an unexpected success, SEAC members could take unilateral action to protect themselves.

This could include non-renewal of the Ocean Freight Agreement (OFA) between SEAC and the Government which expires in 1991, and a review of the conference system which regulates cargo between Europe and Southern Africa.

The presence in South Africa of SEAC's chairman, Mr Neil Forster, is an indication of how seriously the conference is in its lobbying for Government help in SEAC's war against non-conference independent shippers.

"We don't think the South African Government has yet found a way of honouring its side of the OFA," Mr Forster said in Johannesburg. Indicating SEAC's dissatisfaction with the terms of the OFA, he added: "We don't see that there is any way that the Government can fulfil its side of the agreement."

Mr Forster issued a thinly disguised threat that SEAC members would not renew the OFA when it came up for renegotiation: "Who is going to invest again in such a contract without better security?"

Mr Forster said: "The OFA gives SEAC a 12.5% return on capital. Our deficit last year was \$600-million. We are probably making 2% to 3% return on capital."

Under the OFA, SEAC undertakes "to operate its services as economically as possible and to maximise the utilisation of its ships and equipment".

The Government is bound to use conference vessels for 87.5% of its imports from Europe, and to make that a condition in all tenders for the supply of materials to the public sector.

SEAC is trying to take the Government up on a crucial OFA clause which binds signatories to "take such measures as are considered appropriate for dealing with any occurrence which undermines, or threatens to undermine, the efficient and economic operation of the shipping services provided by the conference".

SEAC members acknowledge that their predicament is similar to that of the members of the International Air Transport Association (Iata) and their vulnerability to undercutting on popular routes by independent airlines.

The conference lines see their non-SEAC competition as maritime Freddie Lakers. What the conference lines lack is the muscle to do to the independent shippers what the Iata airlines did to Laker Airways: to drive the undercutter out of business by col-

lectively undercutting him.

Mr Forster said: "We don't want formal protection or the banning of non-conference ships and that sort of thing, but we are facing pretty stiff competition entirely without protection in an industry where there is now very heavy dumping."

"On a purely commercial basis we could be helped by the Government and by South African Railways to get a better deal."

SEAC is reluctant to suggest precise measures the Government could introduce to help conference shippers, but Mr Forster did put forward a volume rebate scheme as a possibility.

"For example, with 90% of the Europe-South Africa container trade, we pay the same rail rates for freighting containers from Durban as some guy who comes along and drops off three boxes."



23 February 1983

TRANSPORT

# Sats slips behind in cargo race

*Industrial Week 23/3/83*  
Staff Reporter

SOUTH African Transport Services (Sats) is carrying only half as many goods by rail as private transport contractors carry by road, and is carrying four million tons less than a year ago.

Private operators carry over 20 million tons a month and Sats less than 12 million.

These figures are a depressing reflection on the way in which Sats has failed to match the ser-

vice and cost effectiveness of road transport in the past two years.

Its own Road Transport Services carries a relatively insignificant 300 000 t each month, of which 80% represents collection and delivery of goods consigned to rail.

Private transport contractors on the other hand, have moved in a big way.

Early in 1980 they were on level pegging with the rail services, carrying just over 15 million tons a month, each.

Then rail slipped out of gear and went slowly downhill until at the end of last year it was carrying less than 12 million tons a month.

Road transport, meanwhile, took off and peaked in excess of 22 millions tons a month at the beginning of last year, later slipping 20 million tons because of general economic conditions.

The recession has done nothing to dent the 420,7 million tons carried by road and rail in 1981.

In that year traffic started out at a low point and finished the year at a peak of over 38 million tons a month.

Sats will doubtless be considering these figures carefully in its strategy planning, currently in hand.

The Road Transport Amendment Bill, now before Parliament, also contains measures against illegal road transport operators who Sats believes are largely to blame for the competition it is facing from private road transport contractors.

# Row over 'noisy blacks'

24/2/83 332 some fan

THE BRAKPAN Town Council is investigating allegations that residents living in Minnebron, a white suburb, are experiencing problems with blacks using a bus stop in the suburb.

Residents of the suburb are now demanding to improve the situation and, if necessary, to move the bus stop. Most of the commuters using the bus stop, which is situated in Lower Road, are women from Tsakane township who work in the suburb as domestics.

According to reports in a local weekly newspaper, a Mrs A Kruger, complained that blacks used the bus stop as a resting place during the night and also created a disturbance.

She said they fought among themselves and on one occasion found a number of blacks sitting on her verandah claiming they had sought shelter from the rain.

Mrs Kruger is quoted as saying: "The final straw came when my ten-year-old son was allegedly hit by one of the men at the bus stop as he was riding past on his bicycle. On inquiring, some men told me that he hit my child because he had called him a kaffir."

Mrs Kruger is further reported to have said that when she arrived home last week, she discovered refuse had deliberately been strewn about the pavement and her garden.

A spokesman for the Brakpan Town Council confirmed yesterday that a number of residents in the suburb had complained to the council about problems they experienced at the bus stop, which are alleged to be caused by blacks. He said that the council was at the moment investigating the whole matter and that as soon as the investigations were through, the council would decide on the necessary steps.



# Bus boycott averted

332  
Sweetan  
2/12/83

By NKOPANE  
MAKOBANE

THE Mahlakeng Civic Association (Moca) and the Greyhound bus company have reached an agreement concerning the forthcoming 12,5 percent bus fare increase which is to be implemented next month.

Following a meeting last week, the company's management has agreed to certain demands by Moca that may have led to a boycott of the company's buses if they had not been accepted.

According to Mr Pinky Ngakane, Moca's chairman, a well-attended meeting at the weekend by residents at the local Methodist Church was told that Greyhound had agreed that:

- Pensioners would be transported free of charge on days they collected their money;
- scholars would be exempted from the increases which would be effective as from March 2;
- bursaries would be offered to students who had financial problems after consultations with principals of schools in the area the company operated in, and;
- the old bus routes, which were cancelled during the 1976 riots, would be reintroduced to save some residents from walking long distances to and from bus stops.

Mr Ngakane said further that the meeting also decided that people who had received a 25-day notice to demolish their shacks should ignore the circulars. If any action was taken by the officials, a peaceful protest would be held.

FM 25/2/83

## HARBOURS

332

### PE's problems

The crippling impact of the worldwide slump in trade is evident from the latest figures on cargoes handled at the Port Elizabeth harbour. It ranks fourth behind Richards Bay (37%), Durban (25%) and Saldanha (16%) in terms of total tonnages handled last year.

With activity remaining at little over half last year's levels, Port Elizabeth's 7% share of the 85,4 Mt of goods handled by all SA ports last year looks set for a sharp drop from the 6,9 Mt recorded in the year ended March 31 1982. But, clearly, all SA ports face the same predicament.

Figures supplied by the Port Manager's Office reveal that tonnage handled in the port last month totalled 257 820 t — 40,8% below the 634 941 t achieved in the same month last year and 31,5% behind December's total.

Single greatest culprit in the dwindling traffic is exports of manganese ore — at 128 709 t a substantial 45,4% down on January 1982. Only conventional cargoes, at 74 601 t showed a modest (15,4%) month-on-month upturn, though the total is 37,6% down on the comparable month last year.

At 54 510 t, total containerised cargo

landed and shipped was 22,7% down on December figures and 21,8% down on the same month last year.



# Tramways seeks 14,3% <sup>332 E. Post</sup> increase in PE bus <sup>25/2/83</sup> fares

By RAYMOND HILL

COMMUTERS on all bus routes in Port Elizabeth may have to pay higher fares if a PE Tramways application for a 14,3% increase is granted by the Local Road Transportation Board.

The managing director of PE Tramways, Mr Carl Coetzer, said today that an application for the increase — to offset staff increments — was lodged on December 28 last year.

Details of the application were published in the Government Gazette on January 21, and various organisations, including the Northern Areas Management Committee and the local Community Council, were told about it on February 8.

The company has asked for a 14,3% increase in fares on all routes, and Mr

Coetzer gave examples of how it would affect commuters if the application succeeded.

He said two-thirds of commuters would face an increase of 4c or less on a single journey, while the other third would have their fares increased by 5c or 6c cents. Only 1% would pay more than 6c more for a single trip.

Mr Coetzer was unable to say when the outcome of the application would be known.

The increases, according to Mr Coetzer, were needed to pay staff increments, which were due in December last year.

The staff had agreed to withhold their wage demands until fares were increased.

The last fare increase of 13,7% came into effect in November last year.

Handwritten: 332, 333, 334, Hansard 25/2/83, Bus operators, Q. 61, 331 - 335  
 81 Mr. G. S. BARTLETT asked the Minister of Transport Affairs:

FRIDAY 1983

332

- (1) (a) How many (i) private and (ii) South African Transport Services bus operators provide passenger services between Johannesburg and Sun City, (b) how many buses does each operator use on this service and (c) (i) how many trips per week are offered by, and (ii) what are the return fares charged by, each operator;
- (2) whether any special package deals including hotel accommodation are offered; if so, (a) what are they, (b) at what cost and (c) by which operators;
- (3) what was the number of passengers transported per week by each operator in respect of each type of service offered in each of the latest specified twelve weeks for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) (a) (i) One, between Jan Smuts Airport and Sun City.  
 (ii) One.
- (b) (i) Pool of six.  
 (ii) Pool of 37 for this and other services.
- (c) (i) Private Operator: as and when required. South African Transport Services: seven.  
 (ii) Private Operator: not available. South African Transport Services: R17,60.
- (2) Yes.
- (a) and (b) Transport fare includes hotel accommodation at Sun City.

333

FRIDAY, 25 FEBRUARY 1983

334

	Weekdays	Weekends and in Season
Two day excursion .....	R58	R70
Three day excursion .....	R92	R116
Four day excursion .....	R126	R162

- (c) S.A. Transport Services. Details of private operator's package deals are unknown.
- (3) S.A. Transport services:

Week Commencing	Number of Passengers
2 November 1982 .....	100
14 November 1982 .....	114
21 November 1982 .....	118
28 November 1982 .....	96
5 December 1982 .....	52
12 December 1982 .....	98
19 December 1982 .....	119
26 December 1982 .....	100
2 January 1983 .....	107
9 January 1983 .....	105
16 January 1983 .....	82
23 January 1983 .....	92
Details in respect of the private operator's activities are unknown.	

#### Bus operators

82. Mr. G. S. BARTLETT asked the Minister of Transport Affairs:

- (1) (a) How many (i) private and (ii) South African Transport Services bus operators provide passenger services between Johannesburg and the Kruger National Park, (b) how many buses does each operator use on this service and (c) (i) how many trips per week are offered by, and (ii) what are the return fares charged by, each operator;
- (2) whether any special package deals including hotel accommodation are offered; if so, (a) what are they, (b) at what cost and (c) by which operators;

- (3) what was the number of passengers transported per week by each operator in respect of each type of service offered in each of the latest specified twelve weeks for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) (a) (i) Unknown.  
 (ii) One.
- (b) (i) Unknown.  
 (ii) Pool of 37.
- (c) (i) (a) Unknown.  
 (b) Three.  
 (ii) (a) Unknown.  
 (b) See part (2) of reply.
- (2) Yes.
- (a) Transport fare includes accommodation and meals for duration of tour.
- (b) Three day tour—R178.  
 Four day tour—R336.  
 Five day tour—R329.
- (c) S.A. Transport Services. Details of private operator unknown.

Date of Departure	No. of Passengers
5 November 1982 .....	19
12 November 1982 .....	18
19 November 1982 .....	17
26 November 1982 .....	11
3 December 1982 .....	15

FRIDAY, 25 FEBRUARY 1983

335

Date of Departure	No. of Passengers
10 December 1982 .....	12
17 December 1982 .....	18
24 December 1982 .....	28
31 December 1982 .....	31
7 January 1983 .....	28
14 January 1983 .....	29
21 January 1983 .....	19

#### Four Day Tour

Date of Departure	No. of Passengers
15 November 1982 .....	23
22 November 1982 .....	26
29 November 1982 .....	21
6 December 1982 .....	9
13 December 1982 .....	17
20 December 1982 .....	26
27 December 1982 .....	19
3 January 1983 .....	16
10 January 1983 .....	13
17 January 1983 .....	5
24 January 1983 .....	6
31 January 1983 .....	8

#### Five Day Tour

Date of Departure	No. of Passengers
9 November 1982 .....	28
16 November 1982 .....	27
23 November 1982 .....	24
30 November 1982 .....	8
7 December 1982 .....	24
14 December 1982 .....	30
21 December 1982 .....	20
28 December 1982 .....	24
4 January 1983 .....	32
11 January 1983 .....	14
18 January 1983 .....	21
25 January 1983 .....	33



# **Bus companies blame** **wage increases**

By  
**Ryland Fisher**

# DOUBLE FARES HIKE ON WAY

332

C. Herald 26/2/83

**COMMUTERS** could be faced with a double bus fare hike within the next few months if local bus companies have their way.

This week City Tramways applied for a 12 percent bus fare increase and the National Transport Commission will be hearing an application next Friday for a fare increase of up to 25 percent for Mitchells Plain and Atlantis.

In a statement on Monday morning, City Tramways announced that it had lodged an application for an increase with the Local Road Transportation Board.

They said the increase was made necessary by wage and salary increases of about six percent.

The recently announced increase in licence fees had not been considered, the company said.

The new fares would mean an extra five to seven cents on most rides.

From Claremont to Hanover Park, the fare will rise from 45 to 50 cents and from Claremont to Manenberg it will increase from 52 to 58 cents.

The fare for freeway buses from Cape Town to

Hanover Park, Lotus River, Bridgetown and Heideveld will be increased from 92 cents to R1.

The bus fare from Banga to Mowbray station will be increased from 42 to 47 cents.

## **OBJECTIONS**

In terms of the law, anyone who disagrees with the application must lodge their objections with the Transportation Board within 21 days of the application appearing in the Government Gazette.

A spokesman for the National Transport Commission said they would

Mr Bennett had been attacked and stabbed in the road.

Atlantis Bus Services next Friday, March 4.

# Bus company responds (332)

DEAR SIR — I refer to the report by Mr. Nkpane Makobane in your paper on 24th February.

Details of the matters discussed between the Mohlakeng Civic Association (Moca) and Greyhound as contained in the report are not quite correct. I would be most grateful if you could please set the record straight.

1. Greyhound decided not to increase scholars' weekly ticket fares on 2nd March partly because we expected the

fuel price to be reduced and, even if the price was not reduced (we were not sure at the time), as a gesture to help parents. This decision was taken before we met with Moca and before the fuel price reduction was confirmed.

2. Moca came up with the suggestion regarding pensioners which we at Greyhound were delighted to agree to in all our operating areas.

3. We did not agree to offer bursaries or to re-introduce the old bus

route. Both issues require careful investigation and we agreed with Moca to carry out these investigations as soon as possible after the fares increase. It should be noted that only a few students benefit from bursaries whereas gifts or assistance given to schools, rather than individuals, may benefit more children.

The old route in Mohlakeng is not as direct as the existing one and some passengers may be inconvenienced by a

roundabout route. These are but two of many alternatives.

Greyhound's policy is to communicate freely with any persons or organisations who are interested in the services we provide. We welcome constructive suggestions and ideas but we do reserve the right to accept or reject these ideas in the best interests of the majority of our passengers.

P.E. DAVIES  
General Manager  
Krugersdorp.



# Drunk at the wheel

CERTAIN Putco bus drivers get so drunk on Thursdays — their pay day — that they even sleep while driving passengers to work, The SOWETAN was told yesterday.

This serious claim was made by a number of Atteridgeville-based nurses doing night duty at the Ga-Rankuwa Hospital.

The nurses told The SOWETAN that they arrived late for work on Thursday last week, after they were forced to alight from their bus because the driver was

drunk and rude to passengers. (332) Sowetan

It is alleged that another driver, doing the same shift, recently fell asleep while the bus was in motion on the dangerous Rankakata road.

"He only woke up when the bus stopped of its own accord and we had started screaming," said the nurses who refused to have their names published for fear of victimisation.

Putco's PRO, Mr Dan Rolt, confirmed that one of the drivers had been suspended for driv-

ing under the influence of liquor last Thursday on the 6pm shift to Ga-Rankuwa. The driver, he added, would appear before the disciplinary committee today.

"He was the regular driver on that particular shift and whatever the verdict he will never be on that shift again," Mr Rolt said. 3/3/83

Mr Rolt urged the passengers to report any such incidents to the nearest inspector who would, in turn, report the matter to him for investigation.

(332) RDM 8/3/83  
**Putco disciplines drivers**

A LETTER from "Concerned" of Noordgesig (February 9) complained that "Putco drivers are a law unto themselves" in detouring from Main Street, because of congestion, and cutting around Colin, Smit and Station Streets before rejoining Main and adding to the traffic chaos there.

"Can their managers and directors please do something?" asked "Concerned".

This is to advise that they have. Inspection teams were briefed to keep a special watch on this area, and a number of drivers have been booked and had warnings entered on their records. The situation is much improved, but we are keeping a watch on it.

The very number of our buses on the roads magnifies perception of any transgressions. Our selection procedures are demanding, our training puts heavy emphasis on safety and inspection teams initiate disciplinary action where necessary.

Such action sometimes has to be taken in spite of what the driver sees to be extenuating circumstances. The enforcement of discipline may then become a source of grievance, as it was in the recent Wynberg-Boksburg strikes.

Our drivers are generally of a high standard, though like most other large employers today, we have some difficulty in recruiting ideal staff.

We believe the central problem at issue to be traffic congestion and here we see no solution other than higher passenger-per-vehicle usage through public rather than private transport.

Putco today has nearly 3 500 buses on the roads carrying more than one million passengers a day. How many private cars would be used to carry those passengers, and how would our roads cope? — P M ROGERS, public relations executive, Putco, Gallo Manor, Sandton.



# Putco loses R1.3m, raises interim

332  
11/3/83

A DROP in passengers carried and a 38.8% increase in the interest bill resulted in a loss of R1 396 000 for Putco in the six months to December 1982 in spite of an increase in revenue to R100-million from R78-million.

The loss for the half-year to December 1981 was R2 724 000 and the directors say the fare increases implemented at the end of 1982 should bring second-half trading results to a break-even situation or better.

"Unfortunately, a certain amount of passenger resistance, particularly in Durban, was experienced with implementation (of the fare increase)."

Operating costs rose to R95-million from R74-million and profit before tax and interest rose to R5 091 000 from R3 719 000.

The directors say: "As no signs of an early recovery of the South African economy are yet evident, it is therefore not expected that profit levels recorded in the previous financial year will again be achieved."

Interest increased to R3 507 000 from R2 526 000 leaving pre-tax profit of R1 584 000 compared with R1 193 000 for the six months to December 1981.

Tax fell to R2 980 000 from R3 917 000, leaving a taxed loss of R1 396 000 compared with R2 724 000 in the corresponding 1981 period.

The interim dividend has been raised to 3c from 1.2c. The payment is on capital increased by way of a capitalisation issue in November. This increased issued shares to 26 375 000 from 10 550 000.

At the end of June Putco's total distributable reserves amounted to R52-million, of which all but retained income, of R9 452 000, was treated as non-distributable in terms of a directors resolution.

The interim dividend absorbed almost R800 000, and although the current year's performance will probably not support any dividend payment, retained income is more than sufficient to cover the interim and an equivalent final.

At the same time authorised capital was raised to 53 550 000 shares of 40c each from 20-million.

The directors refer in the interim statement to an investment of R7 100 000 with the Magnum group, which is now in provisional liquidation.

"A closed investigation in terms of Section 417 of the Companies Act into the affairs of the Magnum group is currently being conducted."

"This hearing should be finalised shortly, whereafter your company will be calling on various guarantors to fulfil their obligations if any shortfall should arise. At this stage there seems to be fair chance of full recovery."

The lead time of 18 months required for ordering new buses has meant that Putco is

By JOHN MULCAHY

temporarily "overbussed", say the directors, and the results for the first half of the financial year have been severely affected by the recession.

"The present imbalance between revenue and expenditure will improve with time, particularly once the economy starts picking up."

**COMMENT:** At the time of the capitalisation issue Putco said that because of the company's progressive development the share capital no longer represented the capital permanently employed by the group.

In a later elaboration of this statement Putco said the cap issue was to lay the ground for a rights issue to finance expansion over the next five years.

After paying dividends of 6.5c (equivalent to 2.6c on the increased capital) a year since 1978, the interim of 3c on increased capital is equivalent to 7.5c on the previous capital, or a dividend bill of R791 250 compared with R316 500 for the previous half-year.

If the final is also set at 3c, the total for the year will cost Putco R1 582 000 compared with R685 750 for the year to June 1982.

An increase of 130% in the dividend in a year when the company is expected to do little better than break even suggests that Putco is indeed preparing the way for a rights issue.

At yesterday's 122c closing price Putco is on a prospective yield of 4.9%, assuming the final dividend is 3c.

# Check pirates or bus service 'will collapse'

332  
11/2/83  
E. Post

By SHIRLEY PRESSLY

IF pirate taxis remained unchecked, Port Elizabeth would be without a bus service within five years, the managing director of PE Tramways, Mr Carl Coetzer, said last night.

Addressing the Chartered Institute of Transport he also said that minibus taxis operated illegally.

Mr Coetzer said he had had to cut back the bus fleet by 50 in the past year.

"As a bus company we have to take the good with the bad and we cannot withdraw entirely from routes which do not pay," he said.

"When I eventually withdraw, the pirate taxis will operate at exorbitant fees," he predicted.

Referring to minibuses, he said they were not taxis.

"The legal minibus taxi ignores the limitations placed upon it by its licence to transport passengers and becomes equal in every way to the pirate minibus taxi operator."

Mr Coetzer said bus company employees had monitored 122 pirate taxis one morning in New Brighton and Kwazakéle. Each pirate and "legal" minibus

taxi committed about 20 illegal acts in a single trip.

"Many of them act like roving taxis and tout for passengers. They charge individual fares, which are not based on time, distance and waiting time. Their fares are often slightly lower than the bus fare — but many of them exploit the passengers as soon as the buses are withdrawn, such as happened in the riots," said Mr Coetzer.

He alleged that pirate taxi operators had arranged for his buses to be stoned so that they would be withdrawn.

Passengers in pirate taxis were not covered by third party insurance and the driver of the pirate minibus often did not have a driver's licence.

Mr Coetzer said he had cut off a pirate minibus in the townships to show members of the Welgemoed Commission.

A total of 20 people had piled out of the minibus, which had no seats.

Pirate taxis allowed their fares to travel on credit for a week — "but if they don't pay they get 'fixed' in true Mafia style", he said.

Certain taxis plied fixed routes. This was because they had paid protection money.

Pirates also blocked buses and touted for passengers in bus queues.

So few were prosecuted that there was no deterrent value.

Pirates had concluded contracts with hotels, restaurants and industries to transport staff home late at night.

"It's got so bad that the car hire companies make it a business to hire out minibuses to pirates in New Brighton," he said.

Warnings to these companies fell on deaf ears.

The bus company lost money on routes because of the pirate taxis.

Because it then was forced to reduce the service on that route it became even more attractive to the pirates.

"Eventually we withdraw, as I have on various routes, especially in New Brighton," Mr Coetzer said.

Massive road traffic congestion would result if each Tramway bus was replaced by 10 minibuses, Mr Coetzer said.



# Angry commuters



**COMMUTERS:** Part of the newly-formed bus commuters' committee with Mr Elliot Pheza (right).

By SELLO RABOTHATA

**HUNDREDS** of angry Putco bus commuters in Greater Soweto yesterday stormed to the company's Wynberg depot demanding the restoration of the old service on their routes.

Most of the commuters affected felt that the old service, run from the Diepkloof depot, was better. Since the service on the routes from Naledi, Merafe, and other parts of Soweto to the Johannesburg suburbs was transferred to the Wynberg depot, it has been appalling, they claimed.

One of the commuters, Mr Elliot Pheza, who was among a quickly assembled com-

mittee, said: "Today we felt it was too much, we have been served in this manner since last Monday. We pay Putco R7,10 a week in tickets but the service is not worth it because we are always late at work and do not get this much in an hour at work."

The commuters said these conditions were experienced during peak hours. In the morning, instead of three buses at specific times only one

would turn up and it would be full. For fear of being late at work they used taxis which cost them R1,10 single to town. In town they had to take other buses to the suburbs. This was taking up a big part of their wages, they said.

When The **SOWETAN** arrived at the Wynberg depot yesterday morning, scores of commuters were seen leaving after having been allocated other buses to their destinations. They expressed fear that they would lose their jobs because of the company's unreliable

transport. Complaints have also been lodged against the service at the two depots.

A Putco spokesperson said they did receive a complaint last week on the service and investigated. Since the transfer of the service to Wynberg, the different routes and times were unknown. She said any commuter who was having difficulty should contact the company and the problem would be dealt with. The company had not thought it would take as long for commuters to adjust to the new routines.



# Bus subsidies seen as basis of profit

D. Dispatck

9/3/83

332

EAST LONDON — There was a constant nagging that local authorities' bus services were being run at a considerable loss while privately-owned "paying" services were making a profit, the president of the South African Passenger Transport Association, Mr M. F. van der Merwe, told delegates to the association's 38th biennial conference here yesterday.

The reason for the difference in profitability of the two types of service was based on subsidies.

Local authorities' services relied on their income to compensate for expenditure ( $\pm 60$  per cent) and an average 40 per cent government subsidy to balance their books, Mr Van der Merwe pointed out. Private operators recovered about 40 per cent of their expenditure by means of tariffs and received approximately 60 per cent of their expenditure in the form of a government subsidy.

Bus services run by local authorities therefore needed the minimum subsidy, owing to their efficiency, while the profitability private operators enjoyed was probably based on their effective acquisition of subsidies, Mr Van der Merwe said.

Studies by the association had shown that in Cape Town, where there is a privately-owned "paying" service, there were 19 000 more private cars on Cape streets during peak hours, compared to Pretoria, where the bus service was run by the municipality.

This was because in Pretoria, three-and-a-half times more whites used buses compared to Cape Town. These figures underlined the difference between an effective, service-orientated bus service and a "paying" bus service, Mr Van der Merwe said.

The bus industry, as represented by the association, must help promote the development of

metropolitan areas in such a way that the areas remained home for people — places where they could live happily, he added. This could be achieved by offering an efficient, service-orientated operated.

Black taxi services should also be "deregulated" with local authorities in the areas where they operated being authorised to control them, Mr Van der Merwe said.

With each additional black taxi operating between Mabopane and Pretoria, R4 400 in subsidies would be saved annually.

"Another 500 taxis would imply an annual subsidy saving of R2,2 million in tax money," Mr Van der Merwe said. "It will also ensure transportation service of a better quality."

The chief director of passenger services in the Department of Transport, Mr R. A. F. Smith, addressed delegates on the "manage-

ment of bus transport" during the afternoon session of the conference.

In the past, he said, management had been mainly operations-orientated and focused on aspects such as scheduling, maintenance, servicing and operations in general.

"Nowadays there is a greater awareness of the need for other aspects of management and in particular the marketing of bus services is beginning to become the hallmark of smart management."

"But marketing on its own is not worth much if these are defects in the product being sold. You can only sell something to the public if the public wants it."

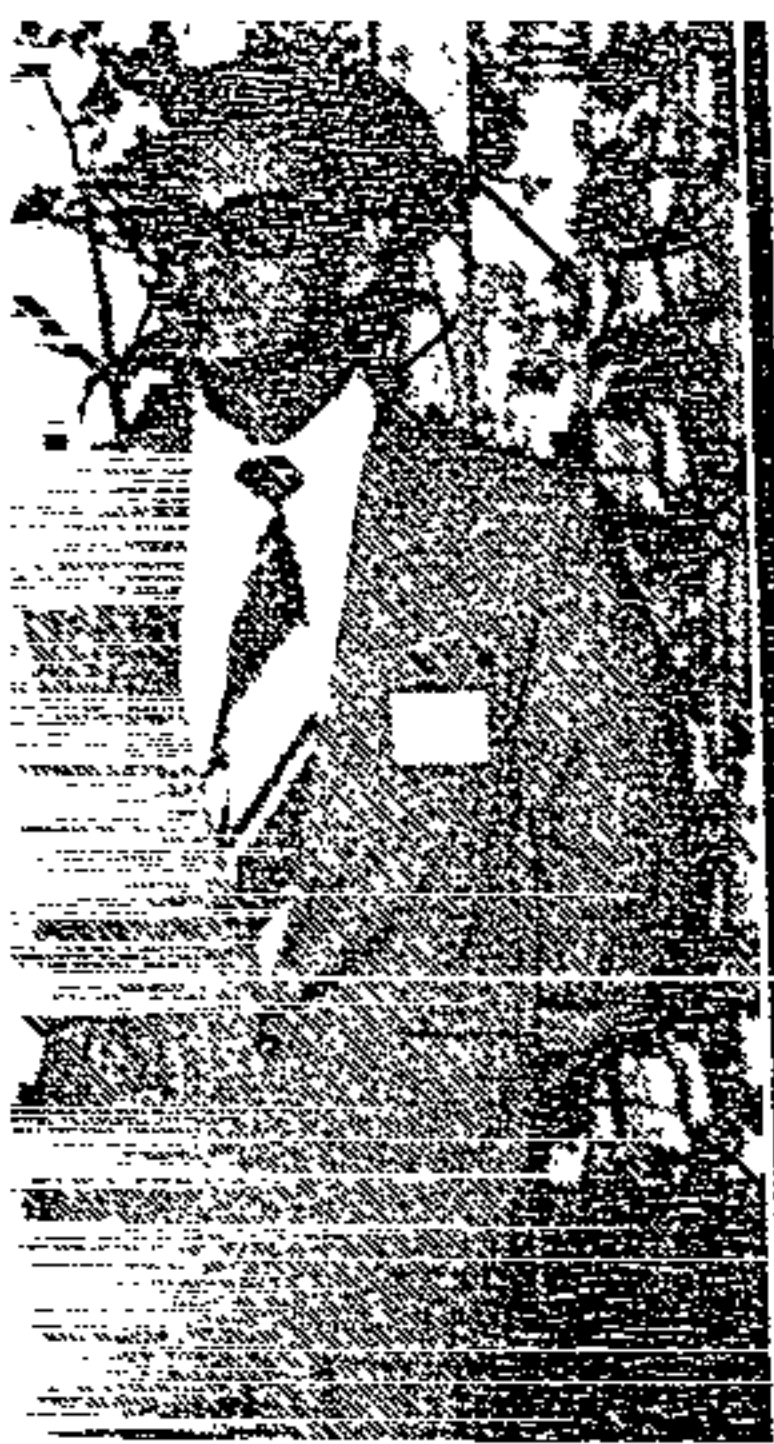
"Even if in your opinion the service offered is excellent, if we do not give the public what it needs we cannot hope to achieve success," Mr Smith said.

The conference continues today. — DDR



The president of the Passenger Transport Association of South Africa, Mr N. F. van der Merwe, right, and Mr C. K. Andreas at a civic cocktail party in East London last night.





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# SUSPENSE OVER BUSFARE TALKS

ATLANTIS and Mitchells Plain commuters will have to wait in suspense for the National Transport Commission (NTC) to decide on whether the areas' busfares should be increased.

By RYLAND FISHER

Three members of the NTC on Friday listened to the application and one objection at a four-hour meeting at the Nedbank Building on Foreshore.

About 20 people attended the hearing, mostly representatives of the bus companies led by advocate Selwyn Selikowitz, and a few reporters.

Mr Abe Croutz objected against the application on behalf of the Atlantis Management Committee.

An objection had been received from the St

Mary Magdalene Church of Lentegour but they were not represented at the hearing.

The two subsidiary companies of Associated Bus Holdings applied for an average 18 percent increase for Atlantis and 22 percent for Mitchells Plain.

## PACKED

At previous hearings, the boardroom was packed out and a wide range of community, trade union and church organisations lodged objections.

At the last hearing, which was marked by a mass walkout, community representatives said they had had doubts whether the NTC as a Government-appointed body could treat the applications fairly.

They said Government bodies could "not be affected by the people's hardships".

Mr Selikowitz told the commission on Friday that since their last successful application for an increase, the company had "succeeded in paying our way and keeping up with our expenses".

## PROFIT

"This year we are applying for an increase not only to get ourselves on an even keel, but to ensure ourselves a reasonable profit which would ensure a reasonable growth," he said.

Mr Selikowitz said the company had experienced growth and all their buses were now in use. They would need to buy new buses.

"Our service has grown in both Mitchells Plain and Atlantis and we have now reached the point where we will need to expand. But there is no money available," he said.

He said the company had to cover increased

costs and rising wage bills.

If their application was allowed, they would have an after-tax profit of R120 000 on an expenditure of R3 - million.

"Our application was drawn up in December and since then the price of petrol and diesel has come down, but this saving is being reduced by the increase in licence fees," he said.

Mr Selikowitz said investors in the company had not received dividends in the last two years.

Mr Croutz said the commission should not grant the increases because people would not be able to afford it.

## EVICTION

He said about 700 eviction notices were served on tenants and rate-payers and about 600 consumers had had their electricity disconnected last year.

"Since June last year, 500 employees of various industries were retrenched in Atlantis. According to the Government, Atlantis is supposed to be a growth point. Yet there are no job opportunities. Most people work outside the area and have to use public transport to get there," he said.

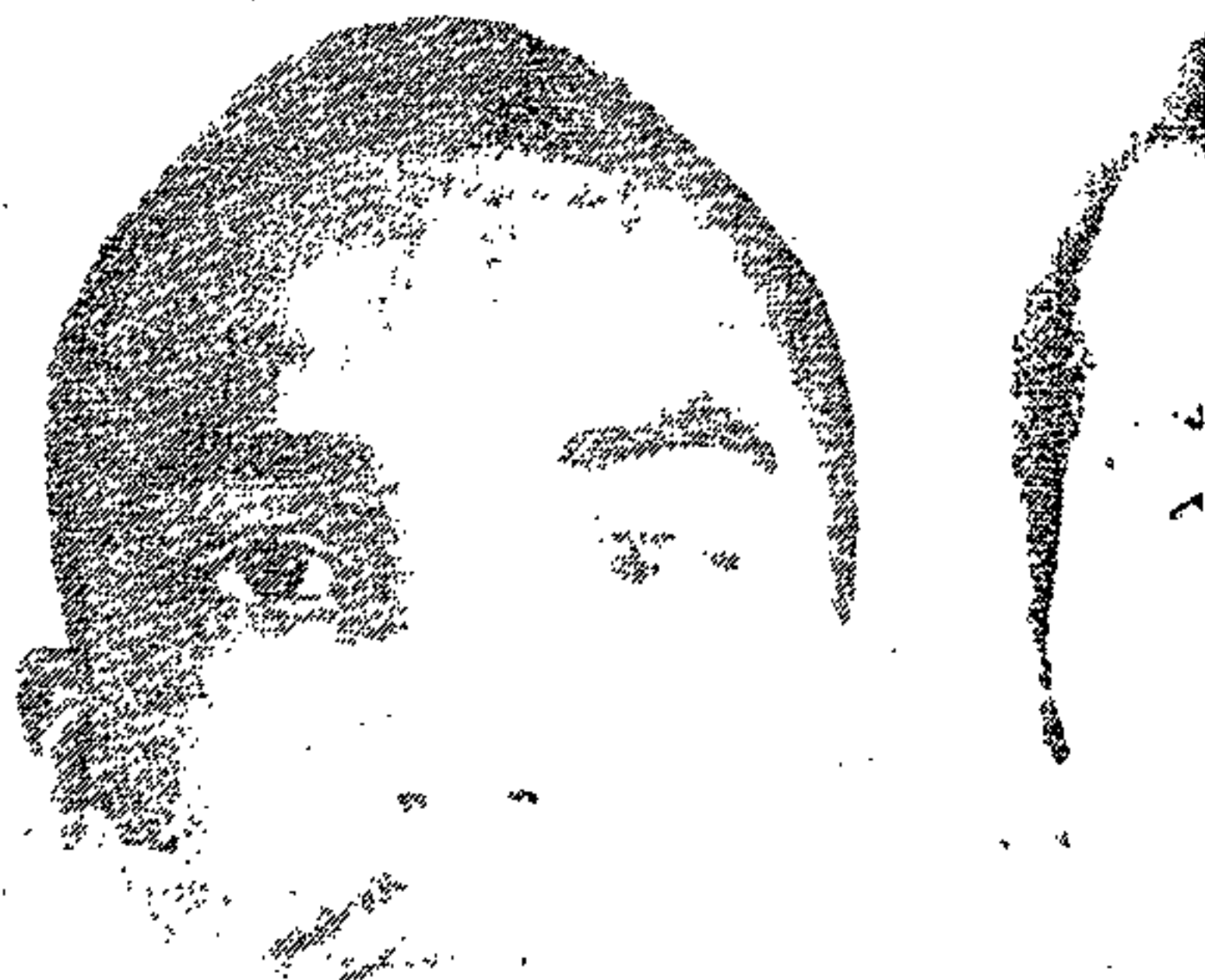
## Mother takes action over dead baby

JOHANNESBURG. — The Alexandra mother who was last week given her stillborn baby to take home in her handbag has laid charges against Alexandra Clinic nurses for neglecting their duty during her treatment there.

Alexandra police have confirmed that they are investigating the incident in which Mrs Lucy Thahe claimed that the clinic's nurses had failed to give her proper treatment.

As a result, she claims, she gave birth to a still-born baby.

## Police need yo



● ELSIES RIVER police are looking for 23-year-old Clarence Oliver alias "Wolf" who is wanted for armed robbery and escaping

● DA' knows sought conner 15. H.

## Killing: to hang

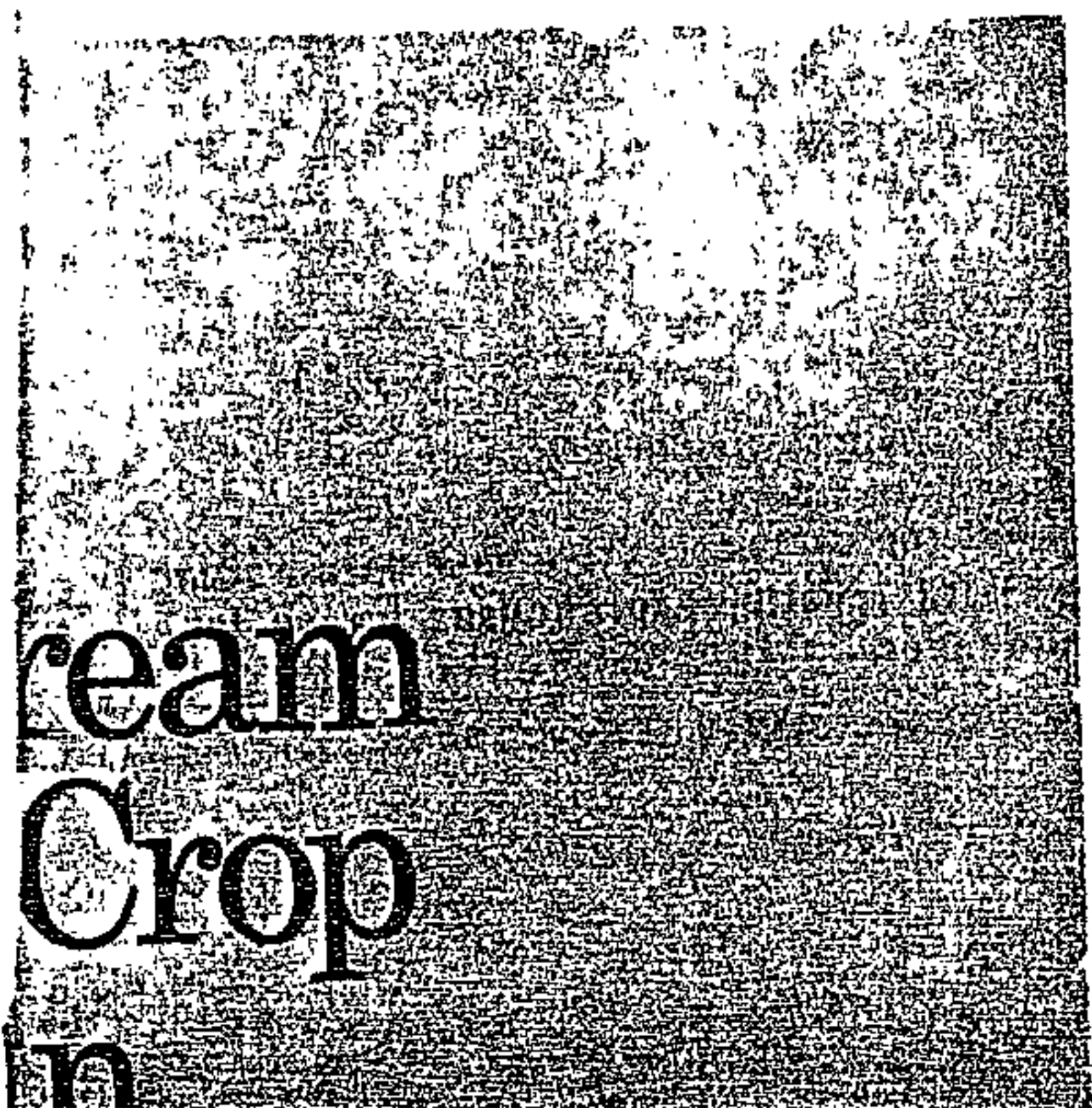
evidence which amounted to extenuating circumstances and said he had no choice but to send them to the gallows.

Joseph O'Ryan, 26, Desmond Brown, 26, Abraham van Reenen, 31, Wilson Titus, 25, and Ivan Williams, were found guilty of murdering a fellow convict, 18-year-old Karel Baron. The men previously pleaded not guilty.

The court heard that

the five men called Karel Baron over to O'Ryan's bed shortly before the cell lights were turned off. After speaking to the five men, Baron ran off, but his attackers caught up with him.

O'Ryan held back his head while Titus put a belt around his neck and tightened it. While Williams held Baron to the ground, Van Reenen and Brown stabbed him in the neck and chest.



ream  
Crop



# Tramways to scrap roving bus service

Staff Reporter

CITY TRAMWAYS will scrap its three-month-old Rover bus service — unless it receives financial backing from City businesses.

The company decided to stop the City centre service, which was introduced in December, because it claimed the continued expense of running the service would not be justified.

A Tramways spokesman, Mr Bob Krause, said the service would be stopped at the end of the month unless "a miracle occurs" and people began to support it. As matters stood, however, its stopping appeared inevitable.

He quoted the case of Seattle, in the United States, where a similar service was financed by the city's business community, and said this type of participation could make the service viable.

The three 24-seater buses used on the City Rover route around the central business district made 49 trips daily, most of them with the buses empty, he said.

Mr Krause said some of the drivers had recently been travelling in the fast-traffic lanes, when it appeared the service was not being supported, and passengers might have been prevented from boarding as a result.

He said the buses were not clearly marked, apart from their orange-and-cream colour schemes, because they were also used at night on a contract-hire service to private businesses.

Tramways' investment in the service had run into five figures, he said, and 30 000 pamphlets had initially been distributed to publicize the service, but very few people made use of it.

32  
16/3/83



WEDNESDAY, MARCH 17, 1983

# Bus boss <sup>332</sup> under fire <sup>E-Post</sup> from taxi <sup>17/3/83</sup> association

By JIMMY MATYU

THE Port Elizabeth and Uitenhage Taxi Association (PEUTA) has criticised Mr Carl Coetzer, managing director of PE Tramways, for allegations he made against legal taxis last week.

In a statement today PEUTA claimed that allegations in a speech to the Chartered Institute of Transport by Mr Coetzer were not substantiated. They were a bid to bring legal taxi operations into disrepute with the authorities, the association said.

The statement, signed by Mr D T Cairncross and Mr A L Deli, chairman and secretary-general of PEUTA respectively, was made after a meeting of the association. PEUTA is an affiliate of the South African Black Taxis Association (SABTA).

Mr Coetzer said today he did not want to start a war with taxis through the newspapers, but he challenged every minibus taxi operator in the African and coloured areas to prove to him that they were acting legally.

He said there might be one or two exceptions.

PEUTA said: "If Mr Coetzer wishes to find a scapegoat for his company's questionable operational efficiency then he must look elsewhere.

"The taxi fraternity is providing an invaluable service to the commuting public as well as being of infinite value to industrialists, as can be deduced from Mr Coetzer's own remarks.

"We can only surmise that these attempts by Mr Coetzer seek to influence the authorities, encourag-

ing them to exercise the conglomeration of laws against the taxis and, by so doing, extend his monopoly of public transport.

"We believe that in a changing and expanding economy the days of white companies enjoying selfishly the financial cream of black commuters are numbered.

"If Mr Coetzer has a fight with the pirate taxis then he should fight the pirates and not include the legal taxi operators, who are at present experiencing more than a nagging harassment by the authorities.

"Mr Coetzer's speech contains many incriminating statements. These, on the whole, are not factual. However, we feel obliged to react to two or three of these utterances.

"It appears that Mr Coetzer, judging from his remarks, feels he can take the law into his own hands. We question the right of this gentleman to stop a private vehicle carrying passengers, as he so boldly states in his speech.

"We categorically refute the accusation that taxi operators switch their permits from vehicle to vehicle. The taxi service is here to stay and it would benefit all and sundry if the many restrictive laws and regulations against taxis are reviewed and brought into line with present-day circumstances," PEUTA said.

Mr Coetzer said: "Every person is entitled to his own opinion but I can categorically state that every single legal taxi is acting today like a bus and acting along the bus routes, therefore performing an illegal act. This negates his certificate."



# ANGRY RATS

## Bid to ban kombis

By LEN MASEKO and ALI MPHAKI

ANGRY commuters yesterday slammed the proposed ruling by the Johannesburg Transportation Board not to register kombis as taxis describing the ruling as "ridiculous" and "short-sighted".

Reacting to reports in The SOWETAN yesterday, commuters said even the kombis could not cope with the demand for taxis into town and within the township.

"One only needs to go to Commissioner Street in the afternoons to see how people struggle for transport. Are they trying to force us back onto the trains?" asked a commuter.

The new ruling, which could mean that taxi owners have to revert to sedans with a carrying capacity of only five passengers, could have far-reaching implications for many taxi owners.

The SOWETAN established that many taxi drivers have committed themselves to heavy credit in obtaining these kombis. One of the manufacturers even flew a group of taxi officials to Japan where modifications to existing kombis were discussed to make the taxi operations easier.

the Examiner

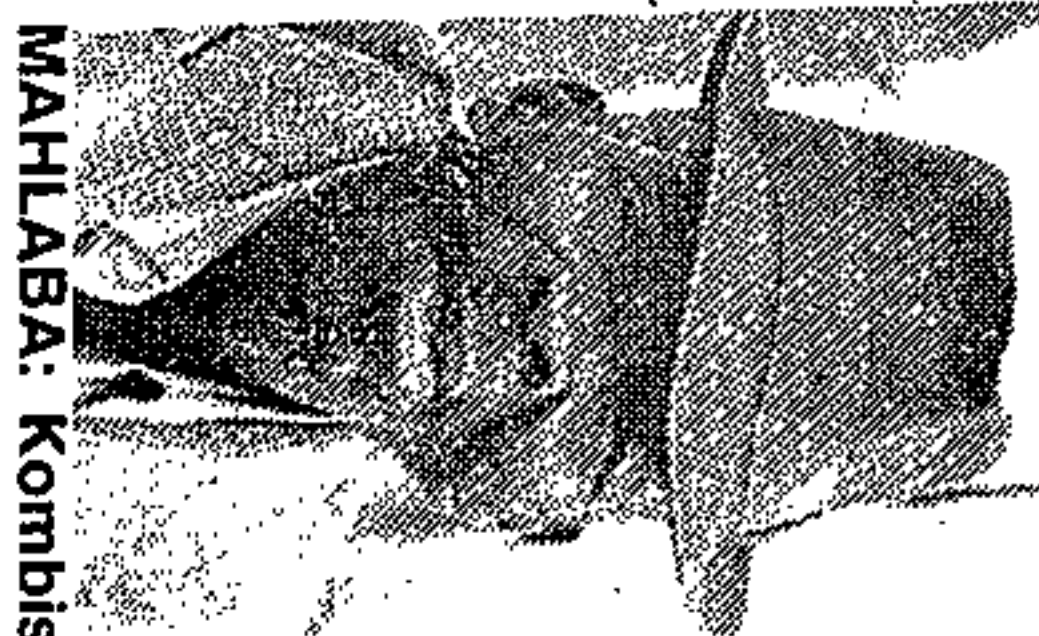
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MAHLABA: Kombis best.



MALATSI: Taxi shortage.

"Kombis are most efficient so let them leave our taxis alone. There will be confusion if the ban comes into effect. The few taxis we have will be forced to do double the rounds they are doing at the moment," said Mr Lucas Mahlaba.

Mr Allen Malatshi of Diepkloof said: "Does the Transportation Board want to see commuters packed into taxis like sardines in tin? When kombis were first introduced we hailed the move as the beginning of better things."

Mr Moses Nkosi of Jabulani said the tendency for whites to see "us" as overcrowded in "our" homes had been extended by the new move.

Ms Thandi Ngcobo of Mofolo believed the board was "ridiculous"

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# RULE



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GRACE: Comfort.



**Yesterday in Parliament**

# Bus fares could be hiked twice a year

18/3/83 332 Henry

**Parliamentary Correspondent**

BUS commuters could face twice-a-year fare increases if a recommendation from a commission investigating bus transportation is accepted by the Government.

The Welgemoed Commission also has recommended that while fare subsidies should be retained and streamlined in the short term, they should eventually be phased out.

It proposes that fare increases be implemented twice a year on a regional basis and should coincide, where possible, with railway fare increases.

April 1 and October 1 are the dates it has suggested for bus fare increases.

The commission, which tabled its report in Parliament yesterday, also recommended that public fare increase hearings be abolished and replaced with a system of private consultation between parties.

It found that there was serious need for streamlining and speeding up the processing of applications for fare rises from bus companies.

'The commission found the time lag from application to implementation of fare increases could vary from three to 15 months. The normal delay was about six months.'

The National Transport Commission should be the only body to consider and decide on applications for

fare increases, it recommended.

Evidence before the commission — which surveyed bus transportation systems in Europe, North America and the Far East — revealed that employers wanted fare increases only once a year while bus companies wanted them biannually.

The Department of Transport agreed with the bus companies, saying that this would ease the processing of applications.

The commission found that ideally every passenger should pay the whole of the fare himself, but that at present there was justification for subsidies to workers who could not afford the total fare.

## Encouraged

In the long term, however, subsidies should be phased out.

It recommended that only worker commuters should be subsidised, that employers should be encouraged to pay workers enough to enable them to bear their own transport costs, and that a parliamentary select committee be appointed to draw up a timetable for phasing out bus subsidies.

The report said that while there was a great deal of support for regular fare adjustments at fixed periods, there was no significant support for uniform nationwide hikes.

## Hold fare increase talks in camera, says commission

Political Correspondent  
TRANSPORT tariff hearings should be in camera because they had been abused for political and other purposes in the past, the Welgemoed Commission recommended.

It found that with increasing urbanisation there would have to be a greater reliance on bus services, and recommended that hearings to increase tariffs should be speeded up so that bus companies could operate more effectively.

However, there was a need for Government control.

'The reason for this finding is mainly that bus tariffs are politicised and that

many travellers have no other mode of transport than buses, and that, outside legislation, there is not sufficient protection for the interests of the traveller.'

Later the report said: 'A mechanism should be established for responsible and orderly consultation to be a link between the user and the authorities, to be a forum for reports on possible problems and the elimination of grievances, and to serve the interests of the commuter.'

'It is further recommended that no public hearings should take place in future, but that orderly consultation with various interests represented should be allowed.'



# Becalmed but not bewildered

Permanent exposure to all forms of competition in international shipping does limit strategic options for riding out the recession. In these circumstances, Safmarine, whose halfway operating profits dipped to R41,2m from R72,3m in the first six months of 1981, is about as lean a ship as you can get, says executive chairman Marmie Marsh.

Apart from offering early retirement options to older sea-going staff and allowing natural attrition to take its course in overall manning levels, there is little that can be done to trim outgoings at a time of falling trades.

It is during recessions, though, that Safmarine's conservative long-term financial planning stands the shipping line in good stead.

In sharp contrast to international shipping's enormous debt burden (the world's banking system is estimated to be exposed to shipping mortgages totalling \$35 000m), Safmarine looks decidedly under-geared with a debt:equity ratio of 1:1. In world shipping a ratio of 2:1 is commonly regarded as a far more favourable stance. Over the first half the company's long-term borrowings declined from R239,7m to R229,3m and the interest burden lightened to R10,2m from R11,8m in the comparative period last year. This is partly the result of some adroit debt "manipulation" to take advantage of lower world interest rates. Where contractually possible old loans at higher rates are repaid and replaced with new ones at current low rates.

The other option for sweetening the trading account — selling off ships into the

second-hand market — is severely limited because of the huge overhang of laid-up ships, probably more than 80 Mt. Profitable selling opportunities have simply dried up because it has dawned on buyers that there is a substantial advantage to be gained from commissioning one of the new-generation, fuel-efficient ships at almost giveaway credits offered by the yards rather than to buy a secondhand ship of the older generation at a knockdown price.

According to Lloyds Register, world shipbuilding completions fell from about 35m gross registered tons in 1973 to just over 15 Mt in 1982. In the same period, the world's order book of new buildings slumped from about 130 Mt to about 28 Mt while new orders fell from 77 Mt to about 10 Mt.

Safmarine has never been long on ships. Company policy is to maintain a ratio of 66:33 of company-owned to chartered ships. Marsh says he will now only sell a ship in the event of a cash emergency. The company has five new buildings on order with Japanese yards: three multi-purpose bulkers of 35 000 t each and two large reefers for the perishables export trade.

Says Marsh: "Once you are organised ef-

fectively, there is little you can do. I think we have succeeded in reducing the fixed portion of our costs as low as they can go by re-organising our debt and running a tight maintenance programme.

"I reckon we are about as efficient as we will ever be — our profits are falling because we aren't getting the cargoes. In shipping one's fortunes tend to follow world trade patterns, and the current trend seems to be that the troughs are longer and deeper and the upturns of shorter duration. What really knocked the stuffing out of Safmarine's operations this time around was that, for the first time I can recall, the recession in SA coincided with the world, instead of lagging it by a year or so. Its severity and its suddenness took us by surprise."

## Freight dumping

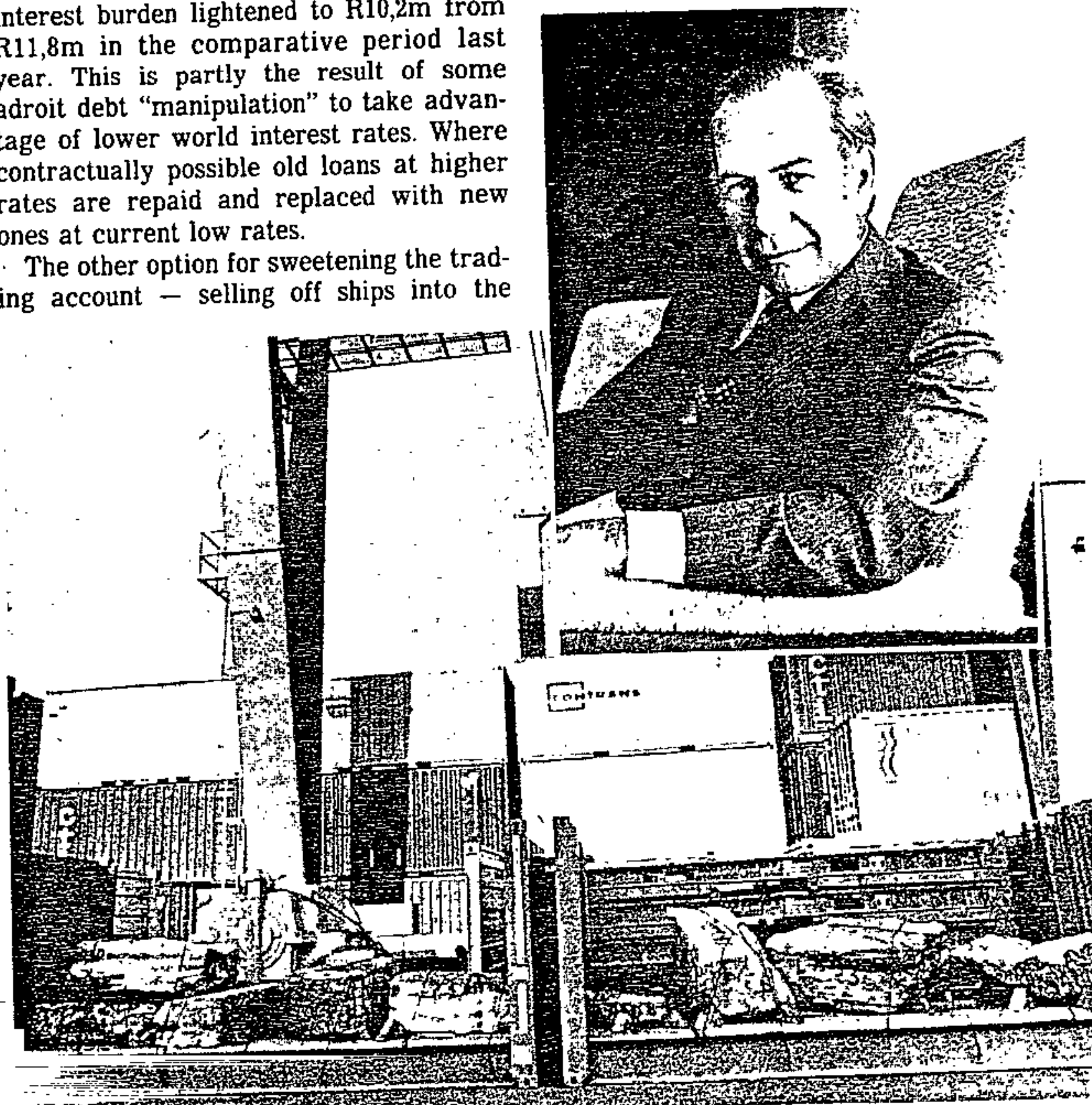
In response to falling markets, shipowners outside the formal international shipping conferences are resorting increasingly to freight dumping. By keen discounting they have apparently picked up about 20% of south-bound trades between SA, the UK, the North Continent and the Mediterranean, or about 700 000 t out of an annualised cargo flow of about 3,7 Mt. Safmarine accounts for about 40% of this trade.

According to Neil Forster, chairman of the South and South-East African Conference Lines, member lines' return on capital employed has fallen to 2,3% on an investment, in 1977 money, of more than \$1 000m. In a recent visit to SA Forster reminded government of its contractual obligations to member lines under the Ocean Freight Agreement (OFA) which, among other things, provides that in return for ensuring a regular and efficient shipping service, Conference may charge a rate of freight, giving members a 12,5% return on the cost of their ships and 10,5% on the cost of containers.

On this basis, Forster calculated that the lines' 1982 revenues ran \$600m below entitlement under the OFA and he warned that members might want to review their position under the agreement when it fell due for mid-term negotiation next year.

Government has responded to Conference's *cri de coeur* by exerting moral suasion on shippers to use the service, presumably at the expense of "interlopers" whose activities have shaved so much off Conference earnings. There is no shame in this: a contract is, after all, a contract.

For its part, Safmarine believes it has a genuine grievance. Unlike most of SA's capital-intensive industries, Safmarine, which laid out \$600m in the Seventies to build a container fleet, has no tariff protection against international competition.



Safmarine's Marsh ... dwindling cargoes



Sowetan 23/3/83 (332)

# Putco clarifies stand

## Bus company denies instigating kombi ban

PUTCO had nothing to do with the ban on kombis but was opposed to what was, in fact, "piracy of bus operations", Mr Pat Rogers, Putco's public relations executive, said about the taxi issue.

Mr Rogers was reacting to an article in an afternoon newspaper, which appeared on Friday, that Putco had said it was partly responsible for the transportation board ruling that kombis would no longer be registered as taxis. Putco was reported to have said the decision was motivated by years of representation to the board.

He said: "Our stand on this issue reflects that of the Southern Africa Bus Operations Association (Sabsa) which includes most other major private operators in the country. The kombis concerned do not gener-



**ANGER:** Taximen and commuters upset over kombi ban.

ally pick up individuals but wait until the vehicle is filled. They ply bus routes picking up passengers at bus stops, frequently packing the vehicles to the limit.

"We are looking here at an abuse of the taxi licence. It is difficult to hold our fares to the minimum when the cream is being skimmed

off the top by pirate operations," Mr Rogers said.

The Johannesburg Transportation Board ruled on March 8 to stop registering kombis as taxis. The ruling is that all new applicants will have to revert to sedan vehicles to ferry commuters.

The president of the

South African Black Taxi Association (Sabta), Mr Jimmy Sojane, last week warned of "unbearable" consequences should this ruling come into operation and his association held an executive meeting to discuss these new developments. Sabta also said they would invite officials of the transportation board to address taxi owners on the new move.



# Keep the home fires burning

Government's proclamation, gazetted last week, requiring coal distributors to hold trading licences could force 15 independents to cut their retailing business, worth some R14m on the Witwatersrand.

They fear they will face the choice of spending millions of rands on new facilities or selling directly to the merchants they now compete against.

Major distributors, which sell both bulk and bagged coal, say profits have tumbled in the past 18 months. They claim road hauliers have captured 40% of their relatively profitable Witwatersrand bulk sales market, selling directly from mines to major consumers.

The independent hauliers — who obtain their coal outside the Transvaal Coal Owners Association (TCOA) — counter that they have no more than 15%.

The leading hauliers are Edel Coal Mining, owned by LET Construction; Asecoal, owned by Fraser Alexander; and Leeufontein, owned by Murray & Roberts.

They entered the market about three years ago. Last year, established distributors tried to defend their market with a price war. Prices for bulk coal were cut by 10%-20% from an average R34/t. However, this placed them under severe pressure when margins narrowed.

About 10 of the established distributors subsequently warned the Department of Mineral and Energy Affairs they could have to either drop bagged coal deliveries or lift prices substantially.

About 3 Mt of household or bagged coal is sold annually in SA. Main buyers are black urban areas on the Witwatersrand, white suburbs and central Johannesburg.

About 15 Mt, worth some R400m, is sold as bulk coal directly to secondary industries like food, clothing and beverages.

The bagged trade is labour-intensive and highly seasonal, and merchants subsidised its lower returns with bulk trade until the independents entered the market.

MacPhails, the largest distributor, supplies about 60% of Soweto's coal. "We complained loudly," says a MacPhails spokesman. "We were victims of unfair competition and were faced with a live or die situation."

Merchants which have lost share in the bulk market to road hauliers include MacPhails, Pretoria Coal, Reliance Coal in the East Rand, Petite Hout en Kolen in Kempton Park, Express Coal in Benoni, Chandler in Krugersdorp, and Pon in Kiptown.

Requirements to obtain a licence to sell coal will be announced by April 18, when the proclamation takes effect. However,

cessary for a Witbank trader operating about 30 km from the collieries.

The main aim is to ensure that there are enough stocks of coal to supply the entire market throughout the year. Stocks will vary with the supplier's location, but they should average three to four weeks' delivery in winter and 10 to 14 days' in summer.

All operators will be expected to share the higher infrastructural costs involved in selling bagged coal. Says Roets: "We don't want to force anyone out of the market. But all must share the responsibility of catering for the entire market."

The independents prefer to wait for the announcement of licence qualifications before making any comment. And they are to take part in a meeting to be held by the department this week to discuss the licence. Notes one: "While there is room to bargain, we don't want to jeopardise relations by making accusations."



**Bulk coal haulage ... flagging profits**

the department's deputy director, Renier Roets, says the criteria will differ countrywide.

Roets notes that a Cape Town distributor would require an extensive stockpiling infrastructure because of his distance from the collieries. Rail sidings would be essential for a Bloemfontein retailer, but unne-





Mr Terence Delaney, left, and Mr John Hoffman, right, formerly alternate directors of Fashions Distributors (Pty) Ltd, ladies division of the Foschini Group, have been appointed directors of the company.

CAPE TOWN 25/3/83 332

## Smaller tax bill helps Tollgate

Finance Reporter

IN SPITE OF carrying fewer passengers in the six months to the end of December, a decreased tax bill allowed Tollgate Holdings to increase earnings per share to 9,7c compared with 7,6c in the previous equivalent period.

The group runs Cape Tramways in Cape Town, and bus touring companies.

The unaudited group results show that pre-tax profit dropped marginally to R3 548 000 from R3 579 000, but an 18 per cent drop in the tax bill from R2 222 000 to R1 819 000 pushed after-tax profit up to R1 729 000 from R1 357 000.

An interim dividend of 7,5c was declared on Jan-

uary 26, and was payable on February 28.

The brief interim report gives no indication of the reason for the smaller tax bill.

The report notes that deteriorating economic conditions have resulted in "a substantial reduction in the number of passengers carried".

The current uncertain economic situation, it says, makes it difficult to forecast results for the second half, but present indications are that these should be of the same order as the first.

The group's capital expenditure commitments at the end of December amounted to R9,7m compared with R12,1m at the end of June, and will be financed "from the the group's own resources and borrowings".

# Subsidies to bus blacks to and from their work in the 'white' cities leap to R155-million a year

A WHOPPING R115.8-million was paid out in the 1980/81 financial year to keep South Africa's cities as white as possible.

The money was paid to bus companies to subsidise transport for commuting workers.

And 23 percent of the income of the country's 970 bus companies now comes from Government subsidies.

With turnover of R612-million and expenditure of R590-trillion, the bus companies made profits of 3,7 percent.

Without the government subsidies — for carrying black workers to their employment and back — most bus companies would go bankrupt.

These astonishing facts

## Nightmare costs of the apartheid dream

By BARRY STREEK

emerge from the second interim report of the Welgemoed Commission of inquiry into public transport which was tabled in Parliament recently.

The commission itself admitted that in terms of the Group Areas Act "large numbers of people were resettled, mainly from slums and as a result of slum clearance, in new areas, and in many cases this resulted in employees now living further from their jobs than had been the case before."

"In such cases, it is ob-

viously necessary to consider the subsidisation of bus transport."

"To give these people the opportunity to work, transport services were instituted to increase their mobility."

"However, owing to the long distances, transportation costs may be high in relation to their earnings, the Government began to pay subsidies to these workers so as to enable them to be economically active while at the same time retaining their families and so as to make

sources of labour available to the employers of the Republic of South Africa."

What this really means is that taxpayers and industry have had to pay the cost of relocating people in the homelands away from their jobs.

The 1980/81 subsidies were a R21,5-million increase — or 22,8 per cent — on the previous year and a R69,9-million increase on the figure five years previously — a 152,3 percent increase over five years.

Only R16,5-million of these subsidies were raised in 1981/82 from transport levies paid by employers.

The rest came from funds voted by Parliament.

As from November last year, these levies have been increased to R3 a month for black employees and 60 cents a week for coloured and Indian employees.

The commission actually urged that the subsidisation of public transport be phased out "in the long term."

This recommendation can only be regarded as a highly optimistic hope. If black commuters had to pay the full economic fare for their transport, they would either have to suffer a substantial loss of in-

come or companies would have to fork out the extra R115,8-million a year.

In any event, the Government is fully committed to promoting the commuter worker system as much as possible.

The Minister of Co-operation and Development, Dr Piet Koornhoff, said in November last year that the number of commuters had increased from 536 100 to 739 700 in 1981.

The old grand apartheid ideal will be taken a step further in June when the R170-million railway transport system between parts of Bophuthatswana

and Pretoria is completed.

The line is expected to carry more than 46 000 commuters a day, theoretically ensuring the blacks only come to the "white" cities to work and then return home every night.

The foundations of the system were laid in the 1950s by bodies like Sabra when the commuter concept was promoted with such wonderful ideas as overhead railways and express trains.

Now, some 30 years later, the fruits of those apparently radical ideas are materialising — at a tremendous price.

The new Bophutha-

tswana-Pretoria line, linking Mabopane and Ga-Rankuwa with the South African capital, underlines the point.

It is doubtful whether the S A Transport Services will recover the capital costs and much of SATS's losses — R373-million last year and R643-million this year — are attributable to the maintenance of uneconomic routes, many of them conveying black workers to their places of work.

The Minister of Transport, Mr Hendrik Schoeman, told Parliament recently that some fares would have to be increased

by 300 percent if the deficit of R690-million was to be reduced.

The financial costs of grand apartheid are bad enough but the human costs are even higher.

In a survey of 1 045 black commuters, the Human Sciences Research Council found widespread complaints of overcrowding, lack of punctuality of both buses and trains, infrequent and insufficient transport.

It found that the average travel time for a black commuter travelling to Pretoria was 106 minutes for a single journey — only two out of 1 045 com-

muters got to work in 30 minutes or less. In another survey of the commuters between KwaNdebele and Pretoria, it was found that the majority spent between two and three hours on a bus every day.

As the commuter system has developed, KwaZulu has become the biggest commuting homeland. There were 384 200 commuters from KwaZulu, an increase of 92 900, or 31,8 percent, over five years.

In the name of grand apartheid, the commuter labour system was devised as a means to promote separation.

Government planners must now be asking whether South Africa can really afford this costly ideal.



# Move to close doors on bus fare hearings

CP Correspondent

CAPE TOWN — Public hearings about bus fare increases should be banned because they are exploited by political opportunists.

This shock recommendation has been made by the Welgemoed inquiry into public transport.

The commission says public hearings are being abused for "political and other purposes".

The commission, whose second interim report has been tabled in Parliament, says: "It is an unfortunate fact that in South Africa public bus transport is highly politicised.

"Shrewd observers will see opportunities for making political capital out of the situation."

Because of the viability of services -- there were 970 bus companies operating 13 750 buses in 1980-81 -- they "easily become a target for malice and political opportunism".

Cross-border transport is also exploited and will become a greater source of conflict than it is now."

It found: "There are certain minorities who influence commuters through intimidation or violence, associated mainly with political motives."

It found much of the criticism about the profits, efficiency, and

ownership of bus companies is "unjustified".

"This criticism is particularly harsh when tariff increases are applied for."

City Press  
27/3/83

332

## COACH OPERATORS

### Heavy load <sup>332</sup>

FM 11/183

Regulations to protect SA Transport Services (SATS) passenger services against competition are one thing. But when they actually push up the costs of private operators, there is really cause for complaint, says Martin Wentzel, of the SA Tour and Safari Association (Satsa).

"If I take a group of tourists to Durban, I am not allowed to pick up a new group and my coach must return to Johannesburg empty," he says. "That pushes up my costs by 25% to 30%."

Under the existing regulations, two types of permits are issued to private coach companies. The first, which allows the conveyance of all types of passengers, is hard to get and involves proving the need for the service to the National Transport Commission (NTC). Such applications are frequently vigorously opposed by SATS.

The second, which is restricted to educational tours only, is easier to obtain, needing only a covering letter from an

educational institution.

Inevitably, some operators use the second type of permit to carry tourists under the guise of educational trips. Outright pirates with no permits whatsoever carry an estimated 20% of the total private business. This apparently happens because the NTC lacks the manpower to enforce the rules.

#### SATS exempt

"Pirates are so common that in one instance SATS even hired one to carry its overflow traffic without knowing it," claims Wentzel.

Members of Satsa also complain that they must pay gst and duties on imported coaches, while SATS is exempted.

Satsa is hoping that the Rocco Knoble Commission, which is investigating the problems of tour operators, will recommend that some of the rules be relaxed and that existing operators be allowed open licences if they wish.

"Government could then declare a three-year moratorium on new applications until existing operators have had time to consolidate," says Wentzel. "The industry could then be opened to all comers provided they

were financially sound and able to provide a proper service."

Not surprisingly, the only private coach company with permits to operate on a nationwide basis is not in favour of hasty deregulation. Paul Braun, MD of Cape Town-based Springbok-Atlas Safaris, says: "Most in the industry believe the ideal situation would be for SATS to operate on an equal footing with private enterprise and have to make a return on investment.

"But the industry as a whole currently

suffers from seasonal slumps and you have to work hard to reach 60% utilisation over the year.

"We are also hurt by poor marketing and the lack of co-ordination between the private and public sectors. I would like to see deregulation in the long term, but I don't believe it is in the best interest of the industry or the country until we have solved these other problems," he says.



(332) ROAD TRANSPORT (269)  
**Looking again** FM 11/4/83

There is a change of heart in high government circles over transport affairs which could lead to radical legislation next year — if a recent statement by Ronnie Meyer, the deputy director general of the Department of Transport Affairs, is anything to go by.

He said SA Transport Services (SATS) could compete more freely, and win more business, if it was not tied down by its tariff structure and existing transport legislation.

Government's rethink has been brought about largely by the fact that existing legislation has proved almost unenforceable. Pirate road transport operators have been carrying an ever-increasing proportion of road traffic without the necessary permits. This is naturally hurting SATS as well as legitimate transport companies.

The only way to determine whether or not a vehicle is carrying a legal load is to offload it and check the contents against its road transportation permit. This is a lengthy process and the department lacks the manpower to check more than a minute proportion of trucks on the road.

One legal operator, Peter Burkhalter, MD of Two-way Transport, says: "Road transport traffic generally is down 30% on last year due to economic forces, and by 50% due to pirate transport activity."

"Our road system covers 180 000 km, of which 45 000 km is blacktop. There is just no way that you can enforce legislation using a police force only. We need a system that is more self-regulating."

This month there was a heavy blitz by the authorities on trucks operating on three main routes connecting Johannesburg and Durban.

"These roadblocks were intended to give us statistics on how much road traffic is carried illegally and the percentage of total goods being carried by road, as well as to catch offenders," says Meyer.

The information will be used by a panel of government and private road transport experts currently drafting new legislation expected to reach Parliament next year.

## Political Staff

A POSSIBLE cent-a-litre increase in the price of petrol, road tolls and stricter licensing regulations before the end of the year are all part of a programme to cut down South Africa's road deaths.

## Man dies in motorcycle accident

Staff Reporter

A YOUNG motorcyclist was killed when he came off his machine after it skidded and hit a traffic island kerb in Edinburgh Drive near Bishopscourt about 12.30 am today.

His name is being withheld until his next-of-kin have been notified. He was in his early 20s.

An unidentified woman was knocked down and seriously injured in an accident at the corner of Bree and Castle streets yesterday afternoon. She was taken to Somerset Hospital and was in a satisfactory condition today. Her name has not yet been established.

● Sapa reports that a total of 169 people have died and 526 have been seriously injured since the beginning of the Easter holidays, a spokesman for the National Road Safety Council said.

Transvaal roads claimed the highest number of deaths — 81 — with 37 in the Cape, 32 in Natal and 19 in the Free State.

The proposed measures were announced today by the Minister of Transport, Mr Hendrik Schoeman, who described the situation on South Africa's roads over the weekend as "murder".

Mr Schoeman said the Government was looking at long-term and short-term solutions to bring down road casualties "which now stand at 9 000 people killed and 23 000 people seriously injured every year".

## Forgeries

A major problem which would have to be solved immediately was the number of people driving with forged drivers licences.

"The forging of licences is happening on an enormous scale and must be stopped.

"Re-testing and particularly testing of eyesight regularly must be introduced. Forty per cent of drivers have never had their eyes tested."

## Money

Mr Schoeman said that in the long-term the standard of South Africa's roads had to be improved but this would cost money.

"We will have to take another one cent a litre from the sale of petrol before the end of the year."

Depending on the state of the international oil market, which is experiencing an enormous glut at the moment, the actual price a litre needn't necessarily be increased but could be absorbed because of falling import prices, Mr Schoeman said.

## "Extra cent"

"We used to get 14 per cent of the amount spent on every litre of petrol. Now we only get 4,4 per cent, that is 3,1 cents in every litre.

"An extra cent a litre will give us another R57-million a year for road building."

Mr Schoeman also announced that he hoped to have Parliament approve legislation this year that will establish the first road tolls to earn extra revenue to pay for roads.

## First toll

"The first tolls will be introduced in the Cape on bridges like Bobbejaanskloof on the Garden route on an experimental basis."

Others were planned for the main Johannesburg/Durban route and the Dutoitskloof tunnel, near Cape Town, which is still under construction.

Petrol price rise part  
of plan to cut deaths

# Road 'murder'

AR 645 6/4/83

332

ALL IN ROADS AT SAC THE WOMAN



# Residents up in arms over Bara terminus

driveway and you find yourself having to look around for the driver of

ers from taxis and commuters who ask to use their toilets.

**THE bus terminus at Baragwanath Hospital in Diepkloof is a headache for residents living in the area who want it re-moved.**

"It's a big nuisance which has made our lives a misery. There has been general disorder since this terminus was erected about a year during the day because of the noise of commuters, buses and taxis. On the days when visitors are allowed, things become worse."

"The place has now become so dirty because there are hawkers who sell all sorts of foodstuffs to commuters and you will find fruit peels, empty plastic cartons, papers and cans.

to use my toilet and I allowed her, not knowing she was pregnant.

"In the toilet she aborted and although we quickly called a doctor to attend to her, she died a short while later", said Mr Mthembu.

Residents complain about the noise caused by taxis and Putco buses which wakes them up as early as 3.30 am, hoot-

Taximen park their kombis across your gate or on your pavement and when you have visitors, they have nowhere to park their vehicles. Often they block your

"Sometimes they come into our yards to ask for water to wash their cars and if there is no one at home, they go ahead and draw water. At one stage one woman asked

Mr Tommy Moale said everybody in the area was unhappy about the terminus and when it was put up early last

year, residents protested and removed shelters which were erected on their pavements.

He said the terminus had deprived residents of privacy since at all times there is a traffic of commuters walking up and down in front of their houses and the street is congested with buses and taxis.

“When we wake up in the morning we find a bus parked in front of our gate and when you ask the driver to remove it, another one immediately replaces it.

“Public facilities were not provided when the terminus was erected. Now that we have taken a stand against allowing our toilets for public use, there are some people who relieve them-

selves on the pavement. here because they believe they are always

**"The place is also unright", he said.**

The area where the Baragwanath bus terminus used to be before, is currently being upgraded. Shelters for commuters are nearing completion and it is be-

"These taxi drivers are so stubborn that it is not worthwhile arguing with them on anything concerning their behaviour. I have been convinced that even hawkers will be provided with facilities where they can display their commodities."



## HEADACHE: Commuters at the Baragwanath bus terminus

# SPOTLIGHT

# ON SOWETO



UNIVERSITY  
EXAMINATION.

All answer books must be r

Number of books handed

Number of this book

Surname.....2007

First Name(s).....ERIC

Date 24/10

**Degree/Diploma/Certificate**  
you are registered (e.g. B.A.,

Subject..... ECONO  
(to be copied from the head)

Paper No. .... *FL/11*



Severe punishment for law-breakers

# CONFUSION OVER TAXIS CLARIFIED

*Sowetan 8/4/83*  
THE CHAIRMAN OF the Johannesburg Road Transportation Board yesterday said if taxi owners were dissatisfied with a ruling to revert to sedans then he would recommend that his board let the situation remain as it is — with eight passengers to a vehicle.

The chairman, Mr Jack Nel, gave this assurance to about 150 taxi owners at a meeting held in Johannesburg. Putco officials were represented by Mr Pat Rogers, the executive public relations officer, who told the taximen that his company had no say in the granting of taxi licences.

The meeting had been convened as a result of a "rumour" that the transportation board had decided to ban kombis from operating as taxis. Mr Nel said people had misconstrued what was decided at a meeting on March 8. Taxi-owners yesterday argued against the ruling saying they would welcome a ruling to allow them to carry 10 passengers.

The president of the South African Black Taxi Association (Sabta), Mr Jimmy Sojane, said taxi drivers wanted to expand their businesses like any other business man. "But we are expected to cut down from eight passengers to four," he said.

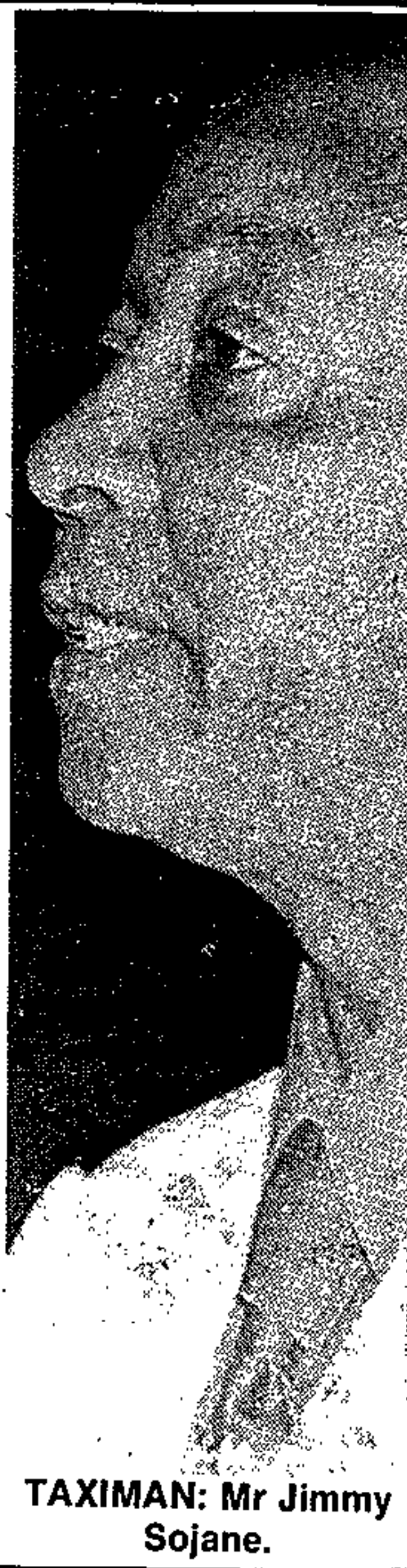
By SELLO RABOTHATA

taxi owners to buy their log books and paint their names on their cars if they wanted to avoid having their permits withdrawn.

A new act in the Gov-

ernment Gazette, will introduce a new sentence if a road transportation regulation is contravened of a R10 000 fine or two year sentence in jail or both.

TAXIMAN: Mr Jimmy Sojane.



Mr Nel warned: "The buying of motor cars will be done at your own risk. If it is not a motor car, it is a bus. The onus will be upon the applicant to prove that the vehicle will be used to ferry people. It has to carry nine people including the driver. Any other vehicle which will be in contravention of the road transportation regulations will be treading on thin ice and the owner will have his permit withdrawn."

"If it has to ferry people it has to be a sedan. If you wish to expand your business through more passengers, you will have to apply to the right authority. There is nothing that stops you from applying to run a bus service."

He said permits would be allocated on the basis of merit. Those who applied for a licence should have to show the vehicle they proposed using. If it carries 10 passengers then it is a bus and cannot be allowed to operate as a taxi.

He said he was not prepared to withdraw anybody's permit unless the owner did not toe the line.

But Mr Nel advised



CAPE TIMES 8/4/83

# Easter death toll: 'Degree of murder'<sup>332</sup>

Staff Reporter

THE national Easter road death toll was described by Cape Town's municipal traffic manager, Mr Harry Attwood, yesterday as "nothing less than a degree of murder".

Mr Attwood also criticized present traffic legislation, saying the deterrent effect was not great enough.

Commenting on National Road Safety Council (NSRC) statistics that 90 percent of people who died on roads this Easter were not wearing seat belts and that 16,4 percent of the deaths were alcohol-related, Mr Attwood said: "People don't know what driver responsibility is — they are not formally taught this anywhere. A licence gives you freedom but doesn't make you responsible."

The word "accident" gave the public a fatalistic approach to motoring and was a misnomer. "Something or someone" was always to blame.

"One feels sorry for the people killed, but what of those crippled for life?"

Possible solutions included increased safety education, particularly at high-school level, and stiffer legislation.

A meeting between magistrates and traffic department chiefs in the Cape Town metropolitan area to discuss the effectiveness of present legislation would take place in June, Mr Attwood said.

● From midnight on Wednesday last week till midnight Wednesday this week, 187 people died on South African roads and 560 motorists received serious injuries.

● Of the deaths, 120 were men, 29 were women and 38 were children.

● Most deaths (47 percent) occurred in the Transvaal, where 80 people died. The Cape recorded 43 deaths (22,9 percent), Natal 36 (19,2 percent) and the Free State 20 (10,6 percent).

● 74 pedestrians were included in the death toll.

## Accident measures 'have failed'

Municipal Reporter

ALL short-term measures to reduce South Africa's high accident rate had failed, Mr Frank van der Velde, MPC and Opposition spokesman on roads, said yesterday.

In a blunt verdict on the black Easter weekend, he said the collection of statistics was the only aspect of the road-safety campaign which had been successful.

There were no easy solutions, but the authorities had not yet addressed themselves to long-term solutions.

Suggestions he made included education at school level. Up till now, the Province had maintained there was insufficient time in school hours. But part of the youth-preparedness timetable could be set aside for a driver-training programme.

Mr Van der Velde, who is also a city councillor and member of an investigative committee of the National Road Safety Council, said the pilot driver-training scheme at Plumstead High School was so successful that it would soon be handed over to the school authorities to run themselves.

He also recommended increased fines, particularly for second offenders. Licence suspension would be effective.

But it was no use Cape Town imposing stricter licensing tests if other Peninsula local authorities did not.

Collection of data and statistics was important and the City Council had taken a lead by creating a specific department.

Mr Van der Velde called on the Minister of Transport to consult municipal traffic officers "and their wealth of experience" in attempts to find solutions.

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Cape Times 8/4/83 332

# Road deaths cost R27m

Own Correspondent

DURBAN. — The 187 deaths on South Africa's roads at Easter, and the 560 serious injuries, will cost the economy more than R27 million.

The figure reached is from an estimated cost of each fatality and serious injury as calculated actuarially for the National Road Safety Council.

It was calculated the cost to the economy of each road death is R115 000 while each serious injury costs R11 000.

When the NRSC closed down its Project Perseus computer at midnight on Wednesday, 399 accidents had been reported since March 30. During this period 187 people lost their lives, including 120 men, 30 children and 29 women.

Transvaal roads had the highest death toll, claiming 88, with 43 people being killed in the Cape, 36 in Natal and 20 in the Free State.

Of the total killed, 74 were pedestrians or cyclists, while 80 were the occupants of cars — 39 car drivers and 41 car passengers.

Thirteen motorcyclists were killed and six pillion passengers died.

The 187 dead represent a cost of R21 505 000 to the economy, while the 560 people seriously injured carry the total cost a further R6 160 000.

● 'Degree of murder', page 3



# Putco bus fare hike possible

Mercury Reporter

THERE is a possibility that another Putco bus fare increase could be implemented before the end of the year, according to the private bus company's executive manager, Mr Colin Bailey.

Last December's 13 percent increase was met angrily by black commuters and left more than 200 buses damaged and at least one bus driver badly beaten up. It also resulted in a widespread bus boycott.

Mr Bailey said there might be an increase before the end of the year, in spite of the 'partial boycott' which the company was still facing.

He said the boycott was confined to the Inanda area and Putco buses were carrying less than their usual 300 000 commuters a day, although the 'current recession was partly responsible for the decrease in commuters as well'.

Mr Bailey said he would rather not divulge the amount the boycott had cost the company, both in repairs to damaged vehicles and losses suffered by running near-empty buses.

# Higher bus <sup>ALGWS</sup> fares on <sup>11/4/83</sup> Monday <sup>(332)</sup>

Staff Reporter

INCREASED bus fares applied for by the Mitchell's Plain Bus Services and Atlantis Bus Service last month have been approved and will come into operation on next Monday.

Examples of increases are:

Hanover Park to Mitchell's Plain: Cash fare single journey — existing fare 40c, new fare 50c. Subsidised 10-ride weekly clip card — existing fare R2,25, new fare R3.

Muizenberg to Strandfontein Village: Cash fare single journey — existing fare 75c, new fare 90c. Subsidised 10-ride weekly clip card — existing fare R4, new fare R5.

Lansdowne station to Mitchell's Plain: Cash fare single journey — existing fare 55c, new fare 60c. Subsidised 10-ride weekly clip card — existing fare R3, new fare R3,50.

Wesfleur (Atlantis) to Killarney: Cash fare single journey — existing fare R1,20, new fare R1,45. Subsidised 10-ride weekly clip card — existing fare R5, new fare R5,50.

Wesfleur (Atlantis) via Killarney to city: No cash fare applicable. Subsidised 10-ride weekly clip card, existing fare R7,10, new fare R7,60.



## Is the Cape Festival worthwhile?

What do you think of the Cape Town Festival? Do you feel it is a worthwhile exercise which benefits the city or is it a waste of time and effort? If you would like to comment on this or any other issue, phone Teleletters on 41-3361 ext 219 between 9am and 12 noon today. Please give your name and address if you would like to be quoted.

## Atlantis bus fare rise causes concern

**Staff Reporter**  
CASH busfares on the Atlantis and Mitchell's Plain routes would increase by an average of 18 and 22 percent respectively from Monday, April 18, it was announced yesterday by Associated Bus Holdings, an associate company of City Tramways.

On hearing the news of the increase, the chairman of the Atlantis Management Committee, Mr Abbie Croutz, immediately asked for an interview with the Minister of Transport, Mr Hendrik Schoeman, in an attempt to have the National Transport Commission (NTC) decision to grant the increases overturned.

Mr Croutz, whose management committee was the only organization to

formally oppose the fare increase application, said yesterday that he was "most disappointed" at the NTC's decision and called the commission's operations "undemocratic".

He said bus fares were a major political issue in this country because those who suffered most through increases were coloured people, Indians and blacks who were moved to outlying areas like Atlantis under the Group Areas Act.

"Furthermore, in the current recession, it is becoming increasingly difficult for the unemployed to travel to town to seek work because of the high cost involved," he said.

● Fare details, page 2

### crack of dawn



"The referendum will have to offer three options... 'Ja' for the Nats, 'Nee' for the verkramptes and 'Ja-nee' for the Progs."

### Watchdog

Interested in a retirement annuity? Wondering how to get rich quick? Read WATCHDOG on page 9

Mr Memani was alive came as police were still trying to establish the identities of the seven men found dead amid the debris of shacks and stores at the scene of the battle.

Apparently the battle erupted between rival groups arguing over the right to represent local residents.

Seven people died and 26 were injured during the battle on Sunday morning, which took place in a dell near Klip-

## Budget

THE proposed referendum is one of the issues raised by opposition in the Budget debate in Parliament. Mr Harry Schwarz (PFP) said Prime Minister could rely on the reformists if he sought a "page 3".

He also said it appeared the PFP was trying to sell PFP policy in the kloof by-election campaign, a different tune in its campaign plans.

● Budget debate reports, page 3  
● Koornhof denial on Nylist-



### BUSINESS BRIEF

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## Men fall in 'tender t

**Own Correspondent**  
ROME. — Beautiful women are duping — and doping — male passengers aboard Italy's tourist-crowded trains.

They chat up their victims, offer them a drugged drink, and then steal them blind.

The "tender trap" scourge has become so serious that warnings in English, Italian, French and German now blare out from the loudspeakers

every 30 minutes at the main railway station in Turin.

They warn male passengers not to accept drinks from their travelling companions — "for reasons of security".

Some of the drugs used by the "sleeping powder gang" are so powerful that male victims have had to spend several days in hospital suffering from what doctors call "a confused mental state".

The women prey mainly on men aboard international express trains crossing the border.

One of their latest victims was a man on his way to Switzerland. He told police: "Two women got into my compartment. They were happy and became very flirtatious."

They had offered him a drink in a plastic cup — and he had woken up later in the north Italian city of Brescia, wearing only his

underpants.

All his luggage had been stolen and he had to spend days in a clinic.

Colonel Cirnigliaro, a top-ranking official of Polfer, Italy's railway police, said yesterday:

"The women look for a likely victim on the platform or in the booking hall."

"Once on the train they start chatting him up. They usually offer wine or an aromatic liqueur which

man drug "C" has a what drink their quick effect Ital to c Finn up t cloth aboa trains

## INSIDE

TV ..... 2  
Focus ..... 6  
Weather ... 15  
Racing ..... 15  
Classified 10-15  
Look at today 15

Aircraft ..... 15  
Burger ..... 7  
Business .. 16-18  
Cinema ..... 6  
Column ..... 7  
Comics ..... 11  
Crossword ... 8  
Editorials ... 8  
Horoscope ... 15  
Parliament ... 4

Radio ..... 15  
Sport ..... 19-20  
Transport ... 19  
Women's ..... 6  
World Report .. 5

The Fair ... 41-  
Cape ...  
Regis ... as

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6:40: Kulkuns.  
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6:54: Sportok.  
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Museum, Adderley Street.  
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head never rules my heart  
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"You see, my head and  
his palm.

and sketching instead.  
"It's not so frustrating  
in the sense of hitting the  
big time. With painting,  
you don't have to knock on  
doors and beg."

Another City busker is  
guitarist Riaan Burger. A  
former trapeze artist who  
writes songs and rock op-  
eras, Mr Burger says he  
plans to turn to painting  
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# Bus fare increases

CAPE TOWN 12/4/83 (81) 332

ASSOCIATED Bus Holdings said yesterday that notices informing passengers of the new fares on its two bus services, Mitchells Plain Bus Services and Atlantis Bus Services, would be circulated.

"In an effort to minimize as far as possible the effect of increased tariffs on our regular passengers, the Department of Transport has been requested to increase its subsidy in respect of 10-ride clipcards.

"If this request with regard to subsidies is approved, it will mean that the State, on an annual basis, will be subsidizing our passengers' bus fares by no less than R1 887 852, or approximately 49 per cent," the company said.

On the Mitchells Plain Bus Services routes, the highest increases are as

follows (single cash fare increases are given first then clipcard increases):

● Nyanga Station/Mantombeng to Mitchells Plain (from 40c to 50c; R2.25 to R3)

● Muizenberg to Mitchells Plain (from 85c to R1; R4.50 to R5.50)

● Muizenberg to Strandfontein Village (from 75c to 90c; R4 to R5)

● Mitchells Plain to Philippi Industria S-wartklip, Industria (from 40c to 50c; R2.25 to R3)

Internal cash fares for adults in Mitchells Plain will increase from 20c to 25c except for the fare from Strandfontein Village/Mandalay to the town centre, which rises from 25c to 30c.

On the Atlantis Bus Services routes, the increases are (single cash

fare increases given first, then clipcard increases):

● Wesfleur to Killarney (from R1.20 to R1.45; R5 to R5.50)

● Wesfleur or Killarney to Koeberg power station (from 90c to R1.10; R4 to R5.50)

● Wesfleur-Killarney-City clipcards only (from R7.10 to R7.60) and Wesfleur-Killarney-Hanover Park (from R7.20 to R7.70)

On the internal routes, the increases are Saxon sea-Wesfleur-Industria, from 20c to 25c; and Saxonsea-Wesfleur-ADE, from 25c to 30c.

The fares for children remain the same on all Atlantis routes and on some Mitchells Plain routes, although Mitchells Plain children's fares will mostly increase by between two and four cents a single cash ticket.



CAPL Times 13/4/83 332

# Decline in the use of buses

Staff Reporter

THERE has been a large increase in the number of black commuters entering Cape Town's Central Business District by private car and train, and a decline in the use of buses, the latest report on commuter patterns in the City has disclosed.

The report, compiled by the Transportation Planning and Traffic Section of the City Engineer's Department and released by the City Engineer, Mr J G Brand, said there had been a 64

percent daily increase in the number of black car commuters from 1981 to 1982 — a vehicle increase of nine percent.

The number of blacks travelling daily by private car increased by 6 745 from 10 516 to 17 261, while black bus commuters decreased by 514, or nine percent of the 1981 figure of 6 007.

The number of black train commuters increased by 2 310, or eight percent, on the 1981 figure of 28 422.

Other results of the survey showed that:

- The total number of commuters entering the CBD increased by six percent over 1981, to a daily total of 112 297, with whites showing a decrease of three percent to 58 811 and blacks an increase of 16 percent to 53 486.

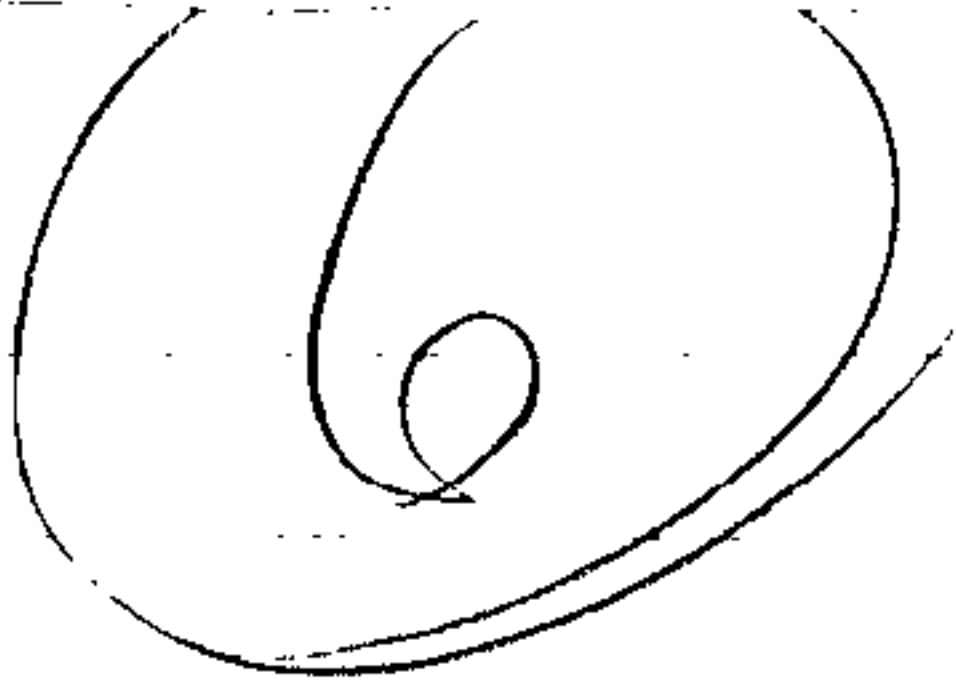
- Commuters leaving the CBD in the morning peak period increased by 13 percent to 33 209.

- The inbound flow of commuters reached its peak between

7.45am and 8am, with Eastern Boulevard carrying the highest two-hour volume of traffic, a total of 13 704. This represented an 87 percent increase on the 1981 figure.

- Table Bay Boulevard inbound commuters decreased by 23 percent to 9 386 from the 1981 volume of 12 182.

- On the remaining inbound routes, only Western Boulevard, with an increase of 29 percent, showed a significant annual change, the report said.





# Black taxis under siege

Private black taxi operators stand to lose out on a growing market if bus operators have their way.

Acting on recommendations from the SA Bus Operators Association, the Johannesburg Transportation Board (JTB) of the National Transport Commission (NTC) may rule that no new taxi licences be granted to vehicles which carry eight or more passengers.

Unlicensed operators would face fines of R10 000 and two years' imprisonment. This would put an end to the growth of privately-owned black taxi services, which now rely largely on economical 10 and 16-seat minibus-type vehicles.

Jack Nel, chairman of the JTB, will not comment. But Adriaan Eksteen, Director General of Transport Affairs, says: "The road transportation boards are autonomous bodies and carry out their functions in terms of the Road Transportation Act. This lays down that a local board must protect existing facilities if they are adequate to meet public demand."

Eksteen says that if the existing taxi fleet is sufficient, then no further taxi licences need be granted. He also points out that boards are entitled to specify that the vehicles carry less than the nine passengers they are designed to take. This has meant that many operators have removed seats from their vehicles to make them legal. Anyone dissatisfied with the action of a local board has the right of appeal to the NTC, Eksteen says.

SA has over 20 000 certified taxis, and an estimated 40 000 pirate taxis. Most operate in and around Johannesburg.

While the proposed regulations allow currently licensed operators to renew their licences, the pirates would face far stiffer penalties than now if caught, with the potential of massive debts to financial institutions.

Taxi operators argue that commuters will suffer as taxis are often their only means of transport. They can also take more luggage than buses as owners fit roof racks to attract custom. It also seems that taxis are becoming a status symbol for commuters who prefer to take the taxi at 07h00 rather than the bus at 04h00.

Fares are negotiable at around R1,30 from Emdeni in central Soweto to the city centre — not much of a premium on Putco's rates of R1,00 or R4,90 for a six-trip ticket.

The 10-seater and 16-seater black taxi market provides Toyota, Volkswagen, Sigma and Datsun with a turnover of about R50m/year. "If the black taxi market falls away, the viability of investing highly in



Minibus taxis ... a growing market to be stifled?

local content for these vehicles will be in question," says Toyota sales director Brand Pretorius. Blacks make up 74% of the market for Toyota Hiace 16-seaters. Their custom is worth 90 vehicles/month at R14 000/vehicle. And they account for 41% of Hiace 10-seater sales, their market making up 90 vehicles/month at R13 000/vehicle.

These taxis have also spawned healthy markets for second-hand vehicles, servicing, and spares. The two Toyota dealers in Soweto estimate that half their income is from sales and repairs of black taxis.

Putco PRO Pat Rogers says: "We have had nothing to do with the JTB's recent move. It came as a surprise to us."

However, Putco has complained about pirate taxis to the Welgemoed Commission into public transport, through its membership of the SA Bus Operators Association. And Putco objects when applications for licences "against our interests" appear in the *Government Gazette*.

"We are not against legitimately operating taxis, but against piracy in areas which we believe we serve satisfactorily, which are not at full capacity and where there are already sufficient taxis," says Rogers.

"While one has sympathy for the small man, pirates have brought down existing transport infrastructures in other parts of Africa when they were not checked."

SA Transport Services PRO Mike Adendorff says: "The black taxis have definitely had an effect on us and we would be pleased if legislation could be changed. Lucrative long-haul routes to the northern Transvaal, such as to Pietersburg, have been eroded the most."

Chairman of the Southern African Black Taxi Association, Jimmy Sojane, is tightlipped. "The proposals are still very fluid and I cannot say anything as this may prejudice our future," he says. He refuses to reveal any details of his organisation.

Naamsa executive director Nico Vermeulen says: "The JTB's reported intention not to register combis and minibuses as taxis makes little sense. Black taxi operators using minibuses provide a flexible and essential service for a large proportion of daily black commuters. The matter is being studied and Naamsa will, if necessary, make representation to the JTB on the proposed policy change."

Taxi-drivers in Johannesburg's Commissioner, Polly and West streets say they are adamant that they will not be forced out of business. About 150 taxi-owners met with the JTB last week. Sources in the industry say it was suggested that the 10-seater and 16-seater vehicles could operate legally as buses. But arranging this would entail sufficient red tape to put off most applications, say owners.



## CONTAINERISATION <sup>332</sup> Keeping its end up

FM 15/4/83

Despite a projected 30% drop in imports during the first quarter of the year, City Deep (CD) container depot is running at 75% capacity and breaking even.

Volumes this year are only 10% down on last and the mild drop is attributed to the continuing momentum towards containerisation in SA.

"There has been a tremendous growth in containers relative to the growth in the economy," says Braam le Roux, SA Transport Services (SATS) system manager for Johannesburg. "At its peaks in 1981 and 1982, containerisation was growing by 40% a year."

### Expansion

He says the drop in the number of containers passing through CD this year was very low in some months. In March, for example, it handled 23 975 containers compared with 24 806 for the same period in 1982 — a drop of just over 3%.

SATS is taking advantage of the breathing spell to improve the facility and to reassess expansion plans. Two new cranes are being installed and completion date for a planned second depot for the area has been postponed until the end of 1987.

Says Le Roux: "We are now thinking of building two or three small, strategically located depots rather than another large one like CD. And we may restrict the next depot to domestic containers only."

He insists the bad old days of container snarl-ups are definitely over, even once the economy booms again.

"Our problems in 1981 were mainly due to our computer being unable to cope with all the paper work. At times we were hard put to deliver 250 containers a day, but we solved that problem in July 1981. We can now handle about 600 deliveries a day and store a total of 2 300 containers. We welcome an upturn in the economy," he says.

# 4 on prison death rap

By NKOPANE MAKOBANE  
FOUR Wire Gang members and two Soweto men appeared briefly in the Johannesburg Magistrate's Court yesterday in connection with the murder and attempted murder of two fellow prisoners at the Johannesburg Fort Prison.

The four gang members are Mr Jack Mabaso (33) of Pimville, Mr Raxan Mathebula (23) of Klipspruit, Mr Elliot Baloyi (20) of Chiawelo and Mr Morris Macebele (22) of Meadowlands.

The other two men are Mr Ben Mtileni (29) of Chiawelo and Mr Macks Makhubela (22) of Pimville. They have all pleaded not guilty to the charges before Mr M P Prinsloo who has adjourned their case to May 4 for further investigation.

The State alleges that the six men on December 31 last year killed Mr Boyboy Moloi and attempted to murder Mr William Makanya by kicking, hitting, trampling and strangling them.



Mrs Virginia Lloyd (in the foreground with baby) sits among the furniture and other belongings left out by Erab employees after her shack was demolished. (See Page 2.)

## Taxi furore looms

By ALINAH DUBE

THE Pretoria United Taxi Association (Putu) is to take the local transportation board to court for not registering ordinary kombis as taxis.

The battle for kombis was started in Johannesburg when it was reported that the local transportation board would disallow kombi-type vehicles on the Soweto routes.

In Pretoria local taxi-owners who had applied for licences were issued with sedan-type licences which allow for only four passengers in the vehicle. They had originally applied for the kombi-type vehicles

which take ten passengers.

A spokesman for Putu, Mr G S Tlatleng, said at a Press conference yesterday that the board should have consulted his organisation before a decision was made on the future licensing rules for taxis.

He said the taxi-owners' association asked the chairman of the board, Mr Jack Nel, what the situation for taxi-owners would be in Pretoria, after the Soweto taxi-drivers' controversy had been discussed.

The board would not discuss the matter with Putu and we were angered by its move to issue

approval for registrations which were not applied for," said Mr Tlatleng.

A document in The SOWETAN's possession shows that taxi owners were issued with sedan vehicles' permits on March 28 this year. It is stated in a December 1982 Gazette that those people had applied for kombi registrations.

Mr Tlatleng said it was disastrous for the transportation board to implement such regulations when taxi-owners had to cope with long queues at the ranks. "This is one of the drastic moves by officials to discourage blacks from operating in the taxi business," he said.

**R2 000 to be won**  
**CHICKEN LICKEN SOCCERPOT TOMORROW**

**Infant deaths**  
**PAGE 4**

**INSIDE TODAY**  
**Friends in Love**  
**PAGE 12**

**Racing results**  
**PAGE 18**

## BUSINESS

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## Benoni taximen unite

A NEW umbrella body for Daveyton/Wattville taxi owners was formed on Wednesday.

Three local associations were dissolved to form the new body — Benoni Taxi Association — at a meeting held at the Lionel Kent Centre, Daveyton.

An executive committee was elected which consists of Mr K G Mokoena (chairman), Mr John Kgobe (vice-chairman) and Mr J Lesenyego (general secretary).

Mr Mokoena told The SOWETAN after the meeting: "There was an urgent need for one association to represent all the taxi bodies in the Daveyton and Wattville areas." The new body will affiliate to the South African Black Taxi Association.

The association will hold its inaugural meeting at the same venue next Wednesday.

332

Sowetan 15/4/83

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BENONI 845-2016  
ROODEPOORT

WITBANK — the Coal City — came into being as a result of the discovery of coal in the area and people

By SELLO RABOTHA



## Busfares go up on Monday

BUSFARES for Mitchells Plain and Atlantis will go up by up to 25 percent next Monday, April 18.

This could pave the way for a further increase by City Tramways who have also applied for higher busfares with the National Transport Commission (NTC).

The NTC approved the Mitchells Plain and Atlantis applications after a one day hearing in March where the only objector was a representative of the Atlantis Management Committee.

Community organisations had decided against objecting because they felt "Government-appointed bodies like the NTC would not be able to properly judge whether or not we can afford increases".

This new stance by civic bodies, who previously packed busfares hearings, was again shown when they did not object against the City Tramways application by the due date last Friday.

In terms of the law, all objections to applications for increased busfares have to be lodged within 21 days of it appearing in the Government Gazette.

The Atlantis and Mitchells Plain companies said they have applied for an increased Department of Transport subsidy for 10-ride clip cards which would push the State's subsidy to R1 887 852 or about 49 percent annually.

The cash fare from Hanover Park to Mitchell's Plain will go up from 40c to 50c. The subsidised clip card will increase from R2.25 to R3.



# Salem: Nearly a R12m loss

Political Correspondent

MR FREDERICK Soudan, one of the alleged chief conspirators in the Salem fraud, nearly lost both the \$12-million (about R12,5m) tanker and the company to which it belonged.

Mr Soudan fought successfully in the New York courts in January 1980 to prevent his partner, Mr Anton Reidel, acquiring the Oxford Shipping Company, whose sole asset was the Salem.

The record of the case in the New York Supreme Court shows that Mr Soudan purchased the Salem for \$12,3-million and registered it in the name of Oxford Shipping.

## 'Agreed to pay'

He agreed to pay \$300 000 (about R310 000) for Oxford provided the Salem arrived off Durban on or about December 27, 1979 — the exact date the tanker subsequently began discharging oil there under the assumed name Lema.

If the oil deal fell through, Mr Soudan was to pay \$25 000 (about R26 000) for the company.

According to a book freely available in South Africa, "The Piracy Business" by Barbara Conway, another tanker named Lima was due off Durban at the time Salem/Lima was contracted to arrive at the port.

However, once the Salem had successfully off-loaded, but before Mr Soudan's purchase of Oxford Shipping was complete, the company owners threatened to sell it to Mr Reidel instead.

Mr Soudan brought an urgent action in the New York courts seeking to prevent what he said was an illegal action which could lose him \$12,3-million.

His lawyers said in papers before the court that "two dramatic and serious events" had led to the action.

Mr Soudan had sought to pay \$300 000 as agreed for Oxford on December 28, 1979. He had been told by one of the sellers, Mr Andrew Triandafilou, to contact him again on December 31. Between then and January 4 he had been told Mr Triandafilou was "not available" while Mr Soudan's lawyers had been told "it is too late".

Mr Soudan was told by Mr Reidel that Mr Reidel was about to purchase Oxford — and with it the tanker Salem — for \$300 000. Mr Soudan sought to stop the sale, which he said would lose him a vessel "purchased with his money".

## Out of court

The New York action began on January 4, 1980 and was settled out of court with Mr Soudan retaining Oxford Shipping Company.

The Salem, however, was lost. It sank on January 16 off West Africa in suspicious circumstances.

Investigations by insurance companies and police, and information put before British courts, led to Mr Soudan and Mr Reidel being among those for whom arrest warrants were issued on charges of conspiracy to defraud.

# EMERGENCY MEETING <sup>(332)</sup>

THE Johannesburg Region of the Soweto Taxi Association has called an emergency executive committee meeting for tomorrow at the Orlando East Donaldson YMCA Centre at 10am.

Mr Jimmy Sojane,

chairman of the association, said it was imperative that all executive members attend because burning issues affecting taxi-operators are to be discussed.

He said they were con-

cerned about taxi licence applicants being tempted to accept sedan cars allowed to carry only four passengers. He said they have objected against this ruling and have agreed for the moment to rather settle for eight

<sup>Sowetan</sup>  
passengers in the Kombis.

22 APR 1983

He added that the meeting was going to issue a warning to taxi people to stop taking overloads in their vehicles.



## Rain augmentation

\*5. Mr. P. R. C. ROGERS asked the Minister of Environment Affairs and Fisheries:

- (1) Whether the Cabinet Committee referred to in paragraph 3.7.6 on page 11 of the Advocate-General's Report in terms of section 5(1) of the Advocate-General Act, No. 118 of 1979, which was laid upon the Table on 31 March 1983, has completed its evaluation of the reports on the possibility of rain augmentation; if so, what was the decision of the Cabinet Committee;
- (2) whether consideration is being given to employing any of the methods mentioned in the reports for the augmentation of rainfall to alleviate the prevailing drought situation?

## †The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

- (1) No.
- (2) No. Weather modification aimed at possible rain stimulation is still in the research stage.

## Eshowe post office

\*6. Mr. B. W. B. PAGE asked the Minister of Posts and Telecommunications:

Whether provision has been made in his Department's building programme for additional private boxes for the Eshowe post office; if so, when is it anticipated that such boxes will be provided?

## The MINISTER OF POSTS AND TELECOMMUNICATIONS:

Provision exists in the Department's buildings programme for extensions and alterations to the Eshowe post office to provide improved facilities for the public as well as the staff, including additional private boxes. Unfortunately, owing to the extent and cost of the proposed work and the large number of other capital

priorities coupled with the scarcity of funds, it has been necessary to defer the project to the 1985/86 financial year. The earlier installation of additional private boxes to afford interim relief is being examined and if found to be economic and practicable the additional boxes will be provided as soon as possible.

## Kalahari stock watering scheme

\*7. Mr. P. C. CRONJÉ asked the Minister of Environment Affairs and Fisheries:†

- (a) What is the estimated cost of the proposed Kalahari stock watering scheme and (b) how many farmers will be served by this scheme?

## †The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

- (a) R10,053 million for a scheme based on water from Askham and R13,864 million for a scheme dependent on water from the Orange River.
- (b) The number of farmers is not known but 50 farms, in total 347 550 ha in extent, will be served by the scheme.

## Bethlehem: cloud seeding project

\*8. Mr. M. A. TARRR asked the Minister of Transport Affairs:

- (1) Whether an inquiry has been instituted into the cloud seeding project at Bethlehem in the Eastern Orange Free State; if so, when is it anticipated that a report on the matter will be submitted;
- (2) whether the findings arising from such inquiry will be made public; if not, why not?

## The MINISTER OF CO-OPERATION AND DEVELOPMENT (for the Minister of Transport Affairs):

- (1) No such inquiry has been instituted.
- (2) Falls away.

10-ride clipcards: subsidy 20/4/83

\*9. Mr. S. S. VAN DER MERWE asked the Minister of Transport Affairs:

Whether the National Transport Commission has received a request for an increase in the subsidy in respect of the 10-ride clipcards used on the bus services serving the (a) Mitchell's Plain and (b) Atlantis routes; if so, (i) when, (ii) from whom and (iii) what is the attitude of the said Commission to these requests?

## †The MINISTER OF CO-OPERATION AND DEVELOPMENT (for the Minister of Transport Affairs):

- (a) and (b) Yes.

(i) On 25 January 1983.

- (ii) Associated Bus Holdings Limited.

(iii) The National Transport Commission on 25 March 1983 recommended that increased subsidy be paid with effect from date of implementation of increased fares. This recommendation must still be considered by the Minister of Transport Affairs.

\*10. Mr. H. H. SCHWARZ asked the Minister of Community Development:

Whether any representations have been made to the Government for the proclamation of any group area for Indians in the Orange Free State; if so, (a) by whom and (b) what is the (i) nature of the representations and (ii) Government's attitude thereto?

## The MINISTER OF COMMUNITY DEVELOPMENT:

- No;
- (a) and (b) falls away.

## Orange Free State: Indians

\*11. Mr. H. H. SCHWARZ asked the Minister of Constitutional Development and Planning:

- (1) Whether, in discussions concerning the proposed constitutional amendments with leaders of the Indian community, the question of Indians residing and carrying on business in the Orange Free State has been raised with him; if so, (a) when, (b) by whom, (c) in what terms and (d) what was his response;

- (2) whether any communications have been addressed to (a) town clerks and (b) other municipal officials in regard to this matter; if so, (i) by whom and (ii) in what terms;

- (3) whether he has received any response to such communications; if so, what was the nature of the response?

## †The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) Yes, but I am not prepared to disclose details as discussions with leaders of the Indian community regarding the new constitutional dispensation are held on a confidential basis.

- (2) (a) and (b) No.

- (i) and (ii) Fall away

- (3) Falls away.

\*12. Mr. D. J. N. MALCOMESS asked the Minister of Environment Affairs and Fisheries:

- (1) Whether the captain of the *Long Dar* 101 has been issued with a permit to fish off the South East Coast; if so, for what period is the permit valid;

- (2) whether he or his Department has been informed that the conditions of

# Taxi men rally to help widow

332  
SOWETAN  
21 APR 1983

THE Atteridgeville-Saulsville Taxi Owners Association has launched a financial campaign to help the destitute widow of a local taxi driver who has been threatened with the selling of her house if she did not pay R10 000 damages to Mr Michael Rantho, a community leader and senior member of the local Anglican Church.

Mr Jerry Phiri, president of the association yesterday said they were requesting donations from the local taxi owners and operators "to help the distraught widow". He added that the local Taverners and the Mamelodi Taxi Association had shown in-

terest in helping the troubled widow.

Mrs Monica Pamela Makabela (44) of 1 Masipha Street, Atteridgeville, whose husband Mr Johannes Makabela died last year with a R10 000 damages claim on his head, has made a plea for help from church organisations, members of the public and the community council following threats from Mr Rantho's lawyers that her house may be sold to meet the debt.

Mrs Makabela, who is also a member of a local Anglican Church is presently not working after she lost her job with a Johannesburg factory in 1970 because she had

epileptic fits.

Her husband was ordered by a Pretoria Supreme Court judge on April 29 1981 to pay R8 000 plus taxed costs for the amount of R2 665,71 to Mr Rantho. Mr Makabela was originally found guilty and fined R30 in the local magistrate court in 1979 for assaulting Mr Rantho.

Mr Makabela, who subsequently lost his public service certificate and was unable to operate his taxi until August 1982, died in an accident in November last year — three months after getting back his public service certificate — before paying the claim.



# Transport Bill not in our interests say private hauliers

By SIMON WILLSON  
Industrial Editor

**PRIVATE**-sector road transport hauliers have attacked Transport Minister Mr Hendrik Schoeman over the introduction of the Road Transport Amendment Bill.

The Bill was introduced in January, has passed its third reading stage in Parliament and is headed for the statute book.

Its intention is to regulate "pirate" road transport operators and prevent undercutting of existing licensed hauliers.

But two private-sector road transport pressure groups, the Public Carriers Association (PCA) and the National Association of Private Transport Operators (Napto), say the Bill's legislation will be difficult to implement and will not be in the economic interests of the private sector.

Napto's chief executive, Mr Jack Webster, also claims that the authorities have taken little, if any, notice of the views it expressed in consultations before the Bill was tables.

The two pressure groups

question whether Mr Schoeman, as parliamentary sponsor of the Bill, has the private sector's interests at heart since private hauliers are in direct competition with SA Transport Services.

The PCA and Napto have sent documents setting out the private-sector's case against the Bill to Mr Schoeman and to Mr Adriaan Eksteen, the Director-General, Transport.

Parts of the arguments against the Bill will make sobering reading for Mr Schoeman. The two pressure groups say at one point:

"It would appear that the Minister (Mr Schoeman) is not genuinely concerned with the interests of our country or the economy as a whole because, as Minister of Transport, he is responsible for the SATS results (and) is primarily concerned with protection of SATS.

"The interests of the private-sector road transport industry and the interests of commerce and industry appear to be of little consequence to Mr Schoeman."

The wrangle between PCA, Napto and the Transport Ministry is part of a long-running saga which is dupli-

cating, on land, the maritime skirmishing between conference sea-freighters and their non-conference, "pirate" opposition.

Recent figures showed that SATS carried only 40% of all goods transported by road in South Africa last year, against 50% in 1979.

Subsequent Government moves to regulate the road-haulage industry have been widely interpreted as part of a campaign to protect SATS against undercutting by private competition.

In support of this view, PCA and Napto quote Mr Schoeman in Parliament during the Bill's second reading.

In response to accusations that the Bill would reduce transportation efficiency and have a detrimental effect on the national economy, Mr Schoeman is quoted as having replied: "What about the 250 000 people who are employed by SATS?"

The pressure groups' documents list detailed complaints against 10 sections of the Bill. The Government is accused of "creating" sweeping powers which are not necessary or justifiable".

332  
204  
22/4/83  
269

# Putco signs Fosatu pact

PUTCO, the giant bus company, has signed a recognition agreement with the Transport and General Workers' Union (TGWU) which is an affiliate of the Federation of South African Trade Unions (Fosatu), a statement released by the company said yesterday.

The agreement covers negotiating procedures, discipline and grievances, retrenchments, victimisation, the election and functions of shop stewards, and other issues involving labour and management. In terms of the agreement, Putco will recognise TGWU in any of its divisions — the company has about a dozen — where the union can prove more than 50 percent support.

So far the agreement applies to Springs only, but the TGWU has shown strength also in Durban where its head office is located. TGWU signed a preliminary agreement with Putco as far back as November, 1980 — before the union was registered.

Sowetan 12 2 APR 1983



## What's wrong with pirate taxis?

Demand for transport in SA is so great that there are twice the number of licensed taxis operating illegally, mostly around Johannesburg. Yet vested bus interests are objecting to any new taxi licences being granted on the grounds that they themselves provide facilities that meet public demand adequately.

The best that can be said for that argument is that it is flimsy in the extreme. If 40 000 illegal taxi drivers can make a living — at fares generally well above bus fares for the same distances — then it must stand to reason that bus facilities are inadequate.

What the taxi drivers have to offer is a journey that takes significantly less time and more space for luggage. Clearly, black commuters are prepared to pay a premium for those advantages. And by providing their taxis they are offering a public service that bus operators are unable or unwilling to provide.

But that is not all the Johannesburg Transportation Board needs to consider when it deals with the bus operators' request for no more taxi licences.

There is growing unemployment in this country. And it is an accepted economic fact that a telling means of overcoming it is to encourage private enterprise right down to the lowest possible levels. To this end a Small Business

Development Corporation has been formed to which millions have been subscribed. It has the firm support of government.

In these circumstances it would be ironic if a semi-State body, such as a transportation board, should block the growth of what is clearly vigorous small business growth.

The 40 000 illegal taxis are an established fact of business life. If they are now forced out of business, both the motor manufacturing industry, which has already laid off many workers, and some financial institutions will be hit. Yet more unemployment could arise.

In the interests of road safety, there may well be a need for some order to be brought into the operation of these taxis. For instance, clearly recognised areas from which they may operate unharassed by petty bureaucracy.

A firm rejection of the bus operators' dubious argument would bring home to them that unless they operate more efficiently, they are going to have to whistle for passengers. And if in consequence they go bust? Well, there will just be more taxis around.

It seems to us to make no sense to discourage black participation in free enterprise capitalism. Surely that is a trend to be welcomed and fostered in the interests of growth and peace.

CONTAINERS 1 (332)

**The tide turns**

FM 22/4/83

The glut of empty containers which clogged local depôts during the boom years could turn into a shortage — thanks largely to continuing high levels of containerised exports and a 25%-30% drop in imports in the first quarter.

"We may have to ship in additional containers if the situation carries on like this for another three months," says Ian Wicks of Sea Containers, a large international leasing firm.

In the meantime, shipping companies are trying hard to get exporters to containerise consignments to SA which are normally shipped as break bulk.

Leasing firms are usually the first to feel a change in the economic climate because

they are used by shipping companies to fill gaps in their own container fleets. When demand is down, the leased containers are the first to be let go.

At the peak of the boom, as many as 7 000-10 000 empty containers were stored in the PWV area alone, causing major headaches.

Cause of the glut is the fact that SA imports more containerised goods than it exports. About three container loads come in for every two sent to Europe and the Far East. But the ratio is more even with the US because many imports from that country are too large to be containerised.

One shipper estimates that between 15% and 20% of the international trade with SA can still be containerised. He predicts that specialised units such as tank and refrigerated containers will become more common.



TRANSPORT **332**  
**SATS bites the dust**

FM 22/4/83  
Despite their protestations about poor economic circumstances and victimisation by SA Transport Services (SATS), private road

hauliers had a record 1982. At the same time revenues and tonnages carried by SATS declined.

That, at least, is the message contained in the latest figures released by government's Central Statistical Services.

According to this document, private carriers' earnings rose 12,5% to R1 137m. Their tonnages increased 4,8% to 251 Mt, they employed 5,6% more carrier units and enjoyed 4,7% more operating days than in 1981. They travelled distances exceeding 1 billion km for the year while employment increased by 2%.

**Decline**

Total tonnages carried by road and rail declined by 0,26% from 420,6 Mt in 1981 to 419,5 Mt last year.

By contrast, SATS's total tonnages slumped 6,9% to just over 168 Mt — only 67% as much as private transport contractors handled. This is a poor showing after its performance in 1980 when it carried tonnages equivalent to 90% of the goods handled by the private sector.

Last year its road services carried an insignificant 1% of all freight, and only 1,5% of tonnages carried by private contractors.

Goods services accounted for 75% of the R514m total deficit recorded by SATS over the 11 months to the end of March. Revenues of R2 025m were 16% short of the expected R2 410m. And volumes carried by

road and rail during January and February slipped below 10 Mt for the first time in recent years. Last year, SATS carried 14,4 Mt and 13,8 Mt of goods in January and February compared with 9,9 Mt and 9,6 Mt in the same period this year.

Business drained away at a rate of 370 000 t/month in the period under review.

In the boom year of 1981, when SA agriculture and industry moved record tonnages, SATS was unable to equal its previous year's figures, slipping marginally from 181,6 Mt to 181,0 Mt.

The latest figures are unexpected in view of the burgeoning business in private road transport which is naturally not recorded in official statistics. In recent years private transport is thought to have grabbed an ever-increasing share of the private transport business.

If they are to be believed, the figures underline the futility of government's attempts to protect State-run transport services at the expense of the private sector.

RSA

## Cape likely to get first SA toll

Weekend Argus Reporter

THE Cape will probably have one of the country's first toll roads.

It will serve all three bridges being built on the Garden Route — at Bobbejaans Kloof, Groot River and the Bloukrans gorge.

Although exact details of the countrywide toll scheme are not yet available the first gates should start operating, on an experimental basis, by the first half of next year.

Toll fees have not been decided — it will vary on different roads — but they could be between R1,50 and R2 for cars and up to R20 for trucks. The big commercial road users will be able to use a coupon system.

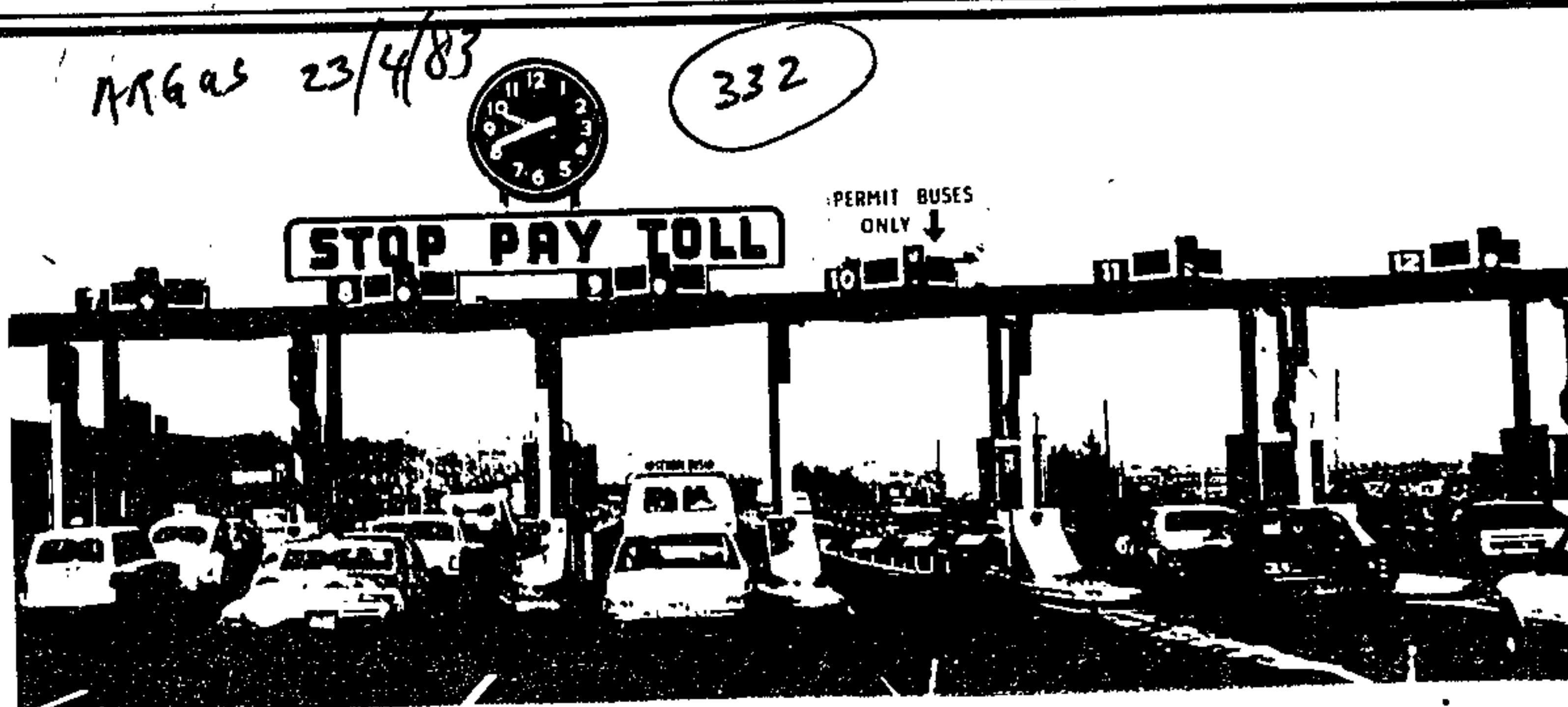
Announcing toll-road legislation in Parliament recently, the Minister of Transport, Mr Hendrik Schoeman, said alternative routes must be available before a toll gate could be established.

According to Dr Jan S Marais, chairman of a consultant firm which did an international investigation on toll gates, the system should boost the Garden Route tourist trade.

He says the toll scheme will also ease traffic congestion during the busy periods.

Recent surveys showed that about 4 500 vehicles use the Du-toitskloof mountain pass and by the time the toll gate there is opened this figure could easily have doubled.

However, there has already been significant opposition to the scheme.



# TOLLS

America

## As old as the States itself

Weekend Argus Foreign Service

NEW YORK. — The toll system in the United States has long been regarded as a necessary inconvenience by the public.

And, according to officials of local authorities canvassed countrywide, the public is generally in agreement with the basic principle of making the users of roads pay for their upkeep.

The toll system is as old as the history of the United States itself but it became organised on a countrywide basis only with the advent of the motor car and the tarring of roads.

### Adopted

Prior to this, land-owners, who built roads across their properties, charged fees for use and the system was immediately adopted by local authorities when they took over control of integrated road systems.

Tolls are found on many major highways

in the United States and there are toll booths at many bridges and tunnels, especially in the north-east.

The toll system generates millions of dollars each year where it is in operation and total revenue, in fact, works out at more than is needed for the day-to-day maintenance of roads and installations like bridges. But the balance makes improvements possible, and in past years helped pay for part of the inter-state highway system that crosses America.

"People grumble about the tolls but the system is generally a good thing and there is not much opposition to it," a spokesman for the New York City Council said today.

"If we didn't charge tolls at our bridges and tunnels then the money for their upkeep could be slapped onto local taxes.

United Kingdom

## Dangerous, say the Britons

Weekend Argus Foreign Service

LONDON. — Tolls through tunnels and bridges in Britain have become irrational and should be abolished, says the Freight Transport Association in Britain. And the Government agrees where new ones are concerned.

Stopping and starting vehicles to pay tolls imposes heavy costs on road users and the resulting tolls do not cover the cost of the structures and the booths, the association charges.

Revenue from tunnels and bridges around the main estuaries (there are no motorway tolls here) amounts to R46-million a year, a study showed, and half that amount went on operating costs.

The official policy of paying off the capital cost of R720-million has become a farce, the association says, because the actual revenue falls short by R60-million of paying interest charges and operating costs.

As a result the debt is mounting instead of reducing.

Britain's most costly structure is the Humber Bridge, with a R12 charge for a heavy lorry and R1,60 for a car. Across the Severn Bridge the charges are only 65 cents and 30 cents respectively.

To raise tolls to cover capital and operating costs would involve tripling the charges for a lorry across the Humber, it is estimated. Users would find this totally unacceptable, the Government has been told — they would simply divert their journeys or business elsewhere.

Tolls provide the Government with only R36-million in net revenue annually, and should be abolished, the Freight Transport Association argues.

The Government seems to accept the argument to the extent of new bridges and tunnels. Recently the Under-Secretary of State for Transport ruled out the imposition of tolls as a means of financing road maintenance and construction in the near future.

There have always been protests in Britain from some quarters at the imposition of tolls. The most colourful protest came from a man who in 1960 pointed to an ancient law absolving "the man from Bosham" from paying tolls. His difficulty lay in proving that he was THE man of Bosham.



Cape Herald  
23 APR 1983  
**Bus blues** 332  
**on Mondays**

By Aneez Salie.  
MONDAY MORNINGS are by no means the most joyous time of the week to make your way to work.

Commuters would be understandably angered if, on this the first morning of the working week, there was mucking about with transport. And if this happens every Monday, well...

Those, like myself, who are unfortunate enough to be somewhere on the Hanover Park/Cape Town bus route have been hard hit.

City-bound buses are crammed full in Hanover Park and drivers do not bother stopping when they reach our part of the world, Crawford. That is if there are buses at all.

It is not unusual to wait up to an hour for a bus in Belgravia Road, Crawford, especially on a Monday morning.

Commuters have now had it up to their eyebrows.

Said Mr N Adams: "What is wrong with City Tramways — busfares are constantly increased yet we have to wait so long for a bus. It's ridiculous. Something must be done."

And Miss G Galant: "I wake up so early, finish my chores, prepare for work and generally rush around like a mad thing only to spend an hour waiting for a bus. I suppose my reward is going to be another increase in busfares."

Cape Herald contacted City Tramways and a spokesman provided the following explanation:

"Every day of the week but especially on Mondays we have staff shortages because some of our drivers do not report for duty."

"This Monday morning 28 trips from the Klipfontein and Tollgate depots alone, had to be cancelled. This indicates how big a problem we have on Monday mornings."

"But we are taking the necessary steps and by next Monday the situation should be significantly improved."

# Woodlands bus service to be re-introduced

23 APR 1983  
Cape Herald  
332

THE BUS service for Woodlands, which was withdrawn last week despite commuter protests, will be re-introduced soon, possibly within the next two weeks.

This was the outcome of the talks last Friday between officials of Associated Bus Holdings (ABH) and members of the Woodlands Action Committee (WAC), an affiliate of the Mitchells Plain Co-ordinating Committee.

WAC members said after the meeting they were "very satisfied" that the bus service was being brought back.

"We asked for the service so that our aged and disabled would not suffer from having to walk long distances. This victory is the result of our continuous pressure," a WAC spokesman said.

## LETTERS

They had given the ABH officials letters from businessmen and doctors in the area in support of their call for the bus service to be re-introduced after it was withdrawn last Monday.

Some doctors said they had many patients from outside Woodlands whom they saw daily. Also, they sometimes send people by bus for treatment to the Day Hospital in Hanover Park.

The businessmen said they employed many people living outside Woodlands who would be inconvenienced if the service was withdrawn.

## RESOLVED

A spokesman for ABH said: "The discussions took place in a very good atmosphere and, as far as the company is concerned, we have resolved the problem."

"We have decided to re-introduce a service for Woodlands, as soon as is practically possible, hopefully not later than April 25."

"We originally decided to withdraw our Wood-

lands bus service because we will be re-routing all our buses through the new Eisleben freeway.

"The service to be re-introduced in Woodlands will be similar to the service they had. The only difference is the buses will run every 12 minutes and not every seven minutes."

## Church plans 'Gospel Explosion'

THE UNITED Mission Church of Atlantis has organised a "Gospel Explosion" with several local Gospel groups for Sunday May 1.

Featured on the bill are The Revolutionaires, Walter Brown and Jesus Company.

The Revolutionaires recently celebrated their seventh year on the Cape Town Gospel music scene.

Laid-back items will be provided by the Advent Herald Quartet, a toddler singer only known as Jerome and another surprise artist.

The concert, in the Three Arts Theatre, is scheduled to start at 8 pm and tickets costing R3 can be bought at the Psalm 99 Bookstore in Wynberg; the Deo Gloria Bookshop in Halt Road, Elsie's River, and the Cornerstone Bookshop in Lower Burg Street, Cape Town.

tinuously even though she said she would tell them everything she could

Mrs Daniels and her daughter were taken to the police station where, Clara claimed, she was told to watch "television" which meant looking through a small window while her mother was beaten up and insulted

## PLASTIC

She said a black plastic bag soaked in salt water was pulled tightly over her head 11 times

Clara said her brother, Clive, had undergone similar treatment and had a telephone broken over his head.

Andrew Basson's pregnant girlfriend, Miss Rita Jones of Manenberg, said she was slapped and threatened with a stick.

A police liaison officer, Captain Jan Calitz, said: "The accuracy of the allegations made by the Daniels family would be investigated thoroughly by the police and thereafter the matter will be forwarded to the Attorney-General for his decision."

## ANGRY

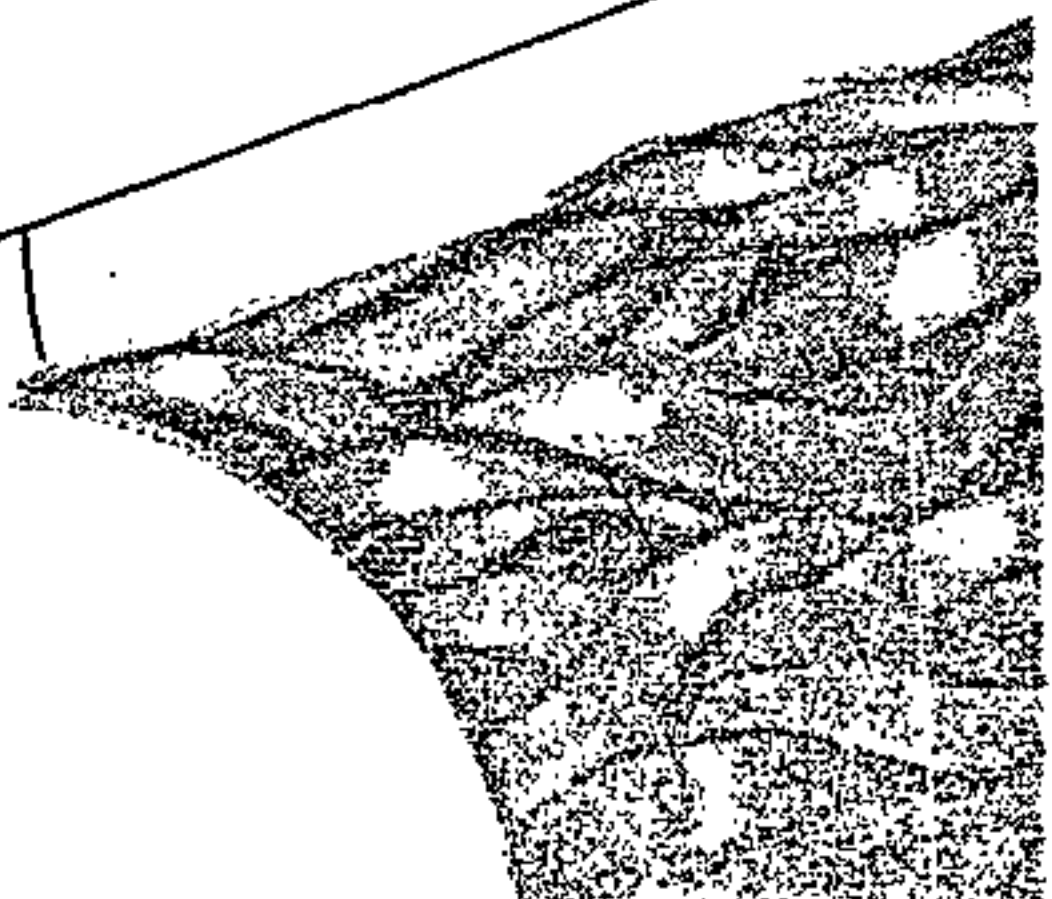
Her story has drawn an angry response in the community.

Mr Trevor Manuel, secretary of the KFRTA, said: "We are appalled by what Mrs Daniels has said. Mrs Daniels has been a stalwart and active member of the association for some time. We are deeply disturbed at what happened."

"It is impossible that the Daniels family could fabricate these claims."

"Mrs Daniels' track record, in fact, compels the community to believe what she says."

lect — a blend of  
Virginia tobaccos  
ive Multi Filter —  
flavour balance.  
Rich pure flavour.  
available in 30's.



ASTHMA?

Here is the answer

Mr. Photographer!



COMES TO



# SAAF crew blamed for horror air crash

By JOUBERT MALHERBE  
Pretoria Bureau

THE crew of a South African Air Force aircraft have been blamed for causing the horror mid-air collision between a SAAF Merlin and a civilian aircraft just outside Pretoria on July 14 last year.

The crash killed 13 people.

An accident inquiry board, headed by Mr J C Kriegler, SC, a Johannesburg advocate, found the cause of and the responsibility for the collision was the negligence of the Merlin crew.

According to a report of the board the primary cause of the collision was the failure on the part of the Merlin crew to keep a proper look-out and the report said the crew of the Merlin could and should have seen the civilian Piper Navajo.

The crew of the Navajo could not have seen the Merlin, the board deduced.

The gravity of the Merlin crew's failure was increased by the following factors:

- The Navajo was approaching from the Merlin's right and it had the right of way;
- The Merlin had entered or was about to enter uncontrolled air space in an area which had been expressly publicised as a potential traffic conflict area;
- The Merlin should have remained well clear of the uncontrolled air space below the Johannesburg terminal air space and should have maintained such

separation until it had entered the Waterkloof control zone;

● Nothing was known of the presence or position of civilian aircraft under the Johannesburg terminal air space and, as far as aircraft movements at Swartkop air base were concerned, their "absence" was merely an assumption by Waterkloof Air Traffic Control communicated to the Merlin as such.

The board found the crew of the Navajo could not be faulted in any respect.

The collision occurred between Laudium and Erasmia, west of Pretoria, and claimed the lives of two air force generals, two senior treasury officials, an army colonel, a young air hostess on the Merlin, both Merlin pilots, the pilot of the Navajo, his two sons, as well as two civilian passengers in the Navajo.

The SAAF aircraft was en route from Grootfontein in South West Africa to the Waterkloof air base and the Piper Navajo was returning from Vereeniging to the Wonderboom Airport when the collision occurred in the early evening — in full view of a drive-in cinema.

The board also recommended that liaison be established between the Department of Civil Aviation and the SAAF regarding aircraft movement in the area.

It said a secondary cause of the collision was "undoubtedly" the fact that the two aircraft were traversing the same air space without any common control or compulsory radio frequency.

"The Merlin was traversing or about to traverse air space in which civilian

aircraft below the Johannesburg terminal air space could have and should have been anticipated," the report said.

The complexity of the air space in which the collision occurred was well known and, the board added, the consequences of such complexity were now manifest.

The board — whose other members were Commandant G H Marais and Mr F C Smit — sat last October in the Pretoria Supreme Court where they heard evidence from witnesses who graphically described the dying moments of the two aircraft, which exploded in a ball of flames on impact.

There were no survivors.

The cause of death of Mr Charles Marais and his co-pilot Mr E A van der Walt, of the Navajo, was given as multiple injuries.

Blood specimens taken from their bodies were free of alcohol and carbon monoxide traces.

The cause of death of the flight crew of the Merlin — which was piloted by Capt J I T de Villiers — was given as multiple injuries caused by the effects of high kinetic energy with secondary burns.

Specimens taken for alcohol and carbon monoxide were clear, the board found.

An SAAF spokesman last night did not want to comment on the finding of the board, saying the SAAF was still investigating the accident and until this investigation had been completed they regarded the matter as sub judice.

# Car licence fees to rise 33 percent

ARGUS 25/4/83 332

By BRIAN STUART  
Provincial Reporter

districts within the Cape Province.

Licence fees will increase next week and a new system of motor vehicle registration will come into being on August 1, in two major steps affecting all Cape motorists.

The new licence fees which come into operation on May 1 are on average 33 percent higher than at present. But owners of two popular categories of private vehicles will find themselves facing a second increase in two years.

About 300 000 Cape motorists who own cars from 750 kg to 1 000 kg in mass paid R30 a year from 1976 until the fee was increased to R36 last year. On May 1, the fee will increase to R48 — a 60 percent hike in two years.

## 170 000

About 170 000 motorists own cars between 1 001 kg and 1 250 kg. They paid R36 from 1976 until the fee was increased to R42 last year. Now they will pay R57 — a total increase of 58 percent.

On the other hand, a new registration system to come into force on August 1 will save Cape motorists thousands of rands in registration and re-registration costs.

Under the new laws Cape motorists will have the simplest system of car registration and annual licence fee payments in the country.

The measure, expected to be supported by all parties at next month's sitting of the Cape Provincial Council, will mean it is no longer necessary for motorists to re-register their vehicles when they move to other

They will be able to retain their existing registrations, saving them the costs of new registration, until they buy another vehicle. However they must still notify the provincial authorities of their change of address.

To make it more convenient for motorists, from August 1 motor vehicles will be registered by local authorities — no longer at receivers of revenue or magistrates' offices. This will increase the number of registration offices in the Cape from 123 to 172.

At present vehicles need a clearance certificate — a "roadworthy" — from the local authority, but have to be registered with a receiver of revenue. In future, the local authority will handle this as well.

The system of motor vehicle licence renewals introduced last year will remain in force. Instead of renewing licences at offices of receivers of revenue, motorists can pay their annual fees at any post office anywhere in the Cape.

Post offices will also accept cheques in payment — receivers of revenue accept only cash.

The Administrator, Mr Gene Louw, and the MEC in charge of roads and traffic, Mr Jan Pienaar, have given assurances that the Cape will retain its present registration numbers, and not change to the Transvaal system.

It has been found that Cape motorists wish to retain their traditional registrations — CA for Cape Town, CB for Port Elizabeth, CE for East London and so on.

"We regret the finding of Dr. Neil Aggett a of the evidence. 0 detainees shows a vic which Neil was a responsible for until our demand is

The Detainee's Parents S the following statement:

as Dr. Aggett's suicidal responsible' for Dr. Agg death. He even accused support the claim that pc According to the magistra

after was found hanging i minutes. Neil Aggett fa to squat continuously. testified that he was han and had elastic bands sho heavy exercises; he was h interrogation; he was made Naidoo claimed that a can scars on his arm from belt of torture. Shrish Nana At the inquest, 14 people

like press-ups and sta end made to run on the nobody could come in. "They closed the door a

gave evidence: At the inquest for Dr. Agg

shocked through the handc In a statement made the day They made me sit down and awake since the morning of

dead in his cell. He had was detained in November, 1 Neil was an African food and



ty laws." continue

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idents

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was as kept y 1982...

police, found

He



# Govt must act to save Sats

26/4/83  
Industrial Week

Staff Reporter

THE Transport Industry is at the crossroads as South African Transport Services (Sats) - an ailing giant that has lost over R500-million in the past 11 months - seeks a solution to its massive drop in goods traffic.

Of the R514-million deficit shown by Sats, lost goods revenue accounts for R385-million, or 75%. Sats is slowly bleeding to death, and the Minister of Transport Affairs, Hendrik Schoeman is expected to act fast.

Industry sources say that the Department of Transport will have to revise radically the Road Transportation Act which, until now, has succeeded in protecting Sats from private sector competition. For a time it looked as though the philosophy of tying private transport operators to a rigid permit system, with every application closely scrutinised by the Road Transporta-

tion Board and Sats, was working.

But the deepening depression has exposed a vital flaw. "A boom-time tariff book for rail traffic doesn't work when times are bad, say observers.

This is why business is being switched to road traffic legislators and Sats top executives acknowledge that Sats is not able to compete with the private sector on its present basis of operation. Neither are the authorities able to police the permit system.

Hence the need for drastically revised rules which, in the opinion of many, will necessitate giving rail services a freer hand in fixing tariffs.

## Review

Said a senior Sats executive: "The difficulty with rail is that it is at its most efficient when carrying low-tariff traffic, such as minerals. Unfortunately, this traffic doesn't merit the revenue requirements and we must have high tariff traffic, too."

Sats says it is in the advanced stages of a total transport review, embracing all related services, air, land and sea.

One informed source said that among options that might be considered is the abandoning of the Sats road operation in favour of private road transport facilities.

"One argument says that since Sats road transportation handles little more than 1% of total goods traffic travelling by road, this could be carried by private operators. But

they would also have to take on the uneconomic rural and border services which are causing Sats to run into the red," said the source.

This would be counter to Government's declared intention to push Sats road transport deeper into the private sector market in competition with professional carriers.

It would also effectively eliminate a potentially vital buffer for rail services against competition from private road transport operators.

The situation has reached stalemate because Sats Road Transport is hamstrung by the same legislation that shackles private operators - the permit system.

## Beta deal for experts

ITALIAN manufactured Beta Utensili range of tools, used exclusively by "formula one" racing teams such as Ferrari, Brabham, McLaren and March, are now available locally through Tool Tyre-quip, writes Lynn Carlisle.

According to marketing director Des Hillary, the range is backed by a lifetime guarantee.

"As exclusive franchise holders we will stick to the last detail of the warranty," said Hillary.

A full complement of tools for the panel-beater is also included in the range.

For further details contact Tool & Tyre-quip, (011) 739-2484/5.

Private operators, in the meantime, carry on hauling anything and everything that they can get hold of.

There is no shortage of customers as the battle for business intensifies.

# Vaal bus fares to go up

128 APR 1983  
SOWETAN  
332

By LEN MASEKO

**VAAL residents will be expected to dip deep into their pockets when bus fares go up by a minimum of 11 percent in the area next month.**

The fare increases, which will come into effect on May 4, were announced last week by the Vaal Transport Corporation. Residents in Sasolburg, Orange Free State, will also be expected to pay three cents more in bus fares from this date.

However there will be no fare increases for pupils travelling in buses in the area. This month's one-cent drop in the price of petrol had made it possible for the corporation not to raise pupils' fares, Mr D Brick, a senior manager of the corporation, told **The SOWETAN**.

## COSTS

Mr Brick said the hikes were necessitated by R3,2-million running costs the bus company had incurred last year.

He predicted that the fare hikes would help reduce the costs to R2-million.

The 11 percent hike, which will affect those passengers using weekly coupons, represents an increase of four cents per journey. While those not using coupons will pay six cents more — an increase of 15 percent — in their travel.

"A Government subsidy has made it possible for us to increase the fares to a rate not higher than 15 percent. And we also hope that costs will be kept to a minimum this year," Mr Brick said.

The Transvaal Transport Commission has approved the hikes while the Vaal Community Council — in a carefully-worded statement — said it "noted" the increases. "We do not want residents to say we agreed that the fares should be increased," Mr Esau Mahlatsi, the council's chairman, said.



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# Only one objection to busfare increase bid

ONLY one objection has been lodged against City Tramways' latest application for increased busfares.

A spokesman for the National Transport Commission (NTC) said they would be sitting in Cape Town this Thursday, April 28, to consider an application by City Tramways for increased busfares.

He said from Pretoria that at least three members of the commission would be hearing the application for average increases of up to 12 percent.

"Only one objection to the bus company's application has been received since it appeared in the Government Gazette," he said. He did not want to name the objector. The deadline for objections has passed.

## SECOND

Any increase for City Tramways would mean the second busfare rise in the Western Cape this year.

Busfares for Mitchells Plain and Atlantis were increased by up to 25 percent last Monday.

When they announced the application, City Tramways said they applied for higher busfares because of wage and salary increases of about six percent.

## EXTRA

The new fares would mean an extra five to seven cents on most rides.

From Claremont to Hanover Park, the fare would rise from 45 to 50 cents and from Claremont to Manenberg it would increase from 52 to 58 cents.

The fare for freeway buses from Cape Town to Hanover Park, Lotus River, Bridgetown and Heideveld would be increased from 92 cents to one rand.

The busfare from Langa to Mowbray sta-

tion would be increased from 42 to 47 cents.

• Taxi operators in Mitchells Plain and Atlantis are not likely to increase their fares immediately.

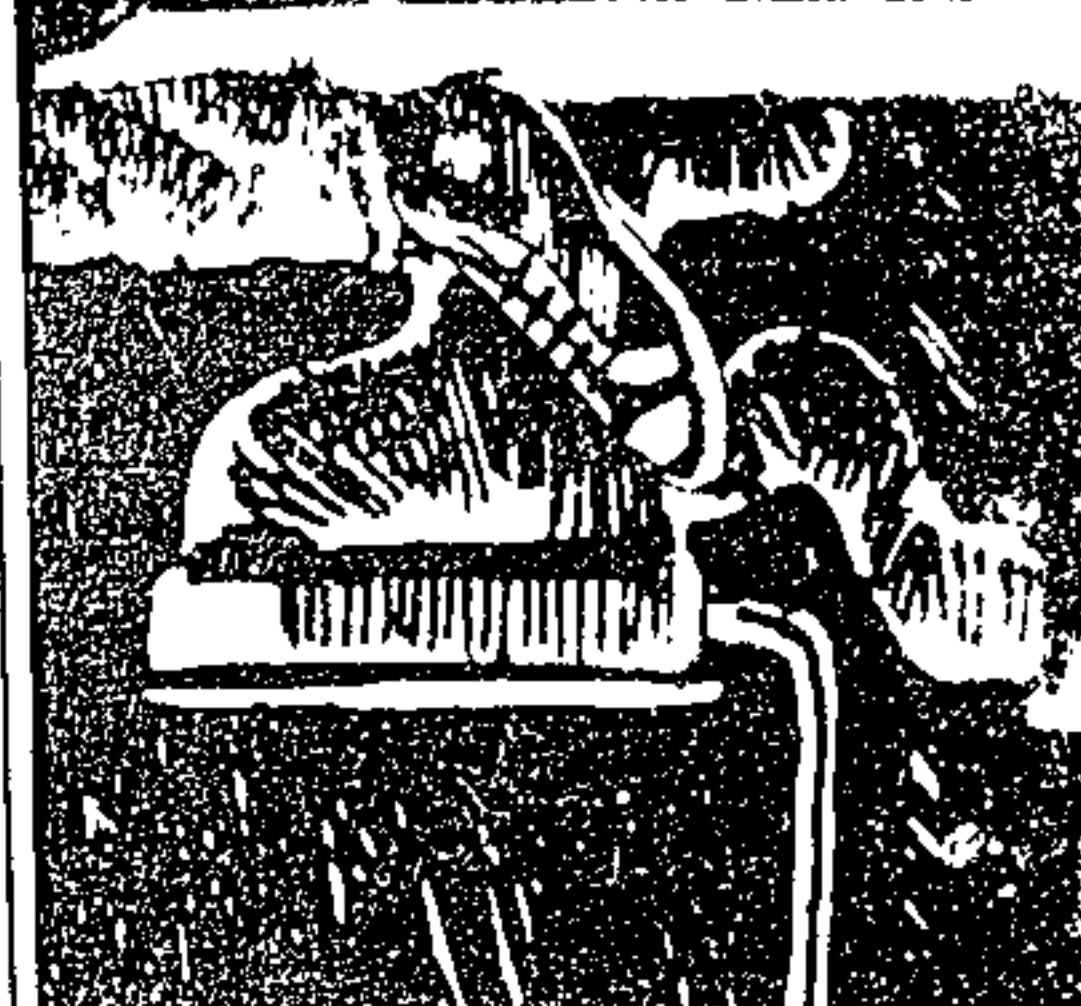
Mr Mogamat Abrahams of the Mitchells Plain Taxi Association, said they had not yet discussed the possibility of increasing their fares.

"Mitchells Plain taxi fares were always more than busfares, but at the moment they are the same. We intend keeping it that way," he said.

## ATTACKED

The Atlantis Taxi Association has attacked the latest busfares increases in a pamphlet widely distributed in the area.

A spokesman for Atlantis Bus Services Limited said the pamphlet was "untrue" and was not based on proper facts of how the bus company's fares were applied.



"We regret the following state-

As Dr. Aggett's su-

At the inquest, 14 people handed in

"They closed the door and put a

At the inquest for Dr. Aggett, Au-

In a statement made the day before

Neil was an African food and cann-

He was detained in November, 1981, and



# a calls 'racist'

he Paris confer-  
SWA/Namibia  
a close, bluntly  
resident Rea-  
United States

esty mood at a  
ference on the  
ay of the Paris  
attended by 126  
Mr Nujoma  
journalists and  
s in his appar-  
tration at the  
over the Cuban  
question at  
international  
plans have

joma was irri-  
questions about  
reas Shipanga,  
or of the break-  
apo-Democratic  
o was expelled  
conference on  
and what his

attitude to Mr Shipanga  
would be after indepen-  
dence.

"Shipanga is an agent  
of the South African  
racists," he said of his  
former close colleague.

"Are you an agent of  
Shipanga?" he berated  
the journalist who had  
raised the question.  
"Some of those (inter-  
nal) elements are Nami-  
bians. Certainly after  
liberation they will  
have to be there, and of  
course they will have to  
be disciplined."

In a savage attack on  
the United States gov-  
ernment, Mr Nujoma ac-  
cused President Reagan  
of promoting conflict  
between black Africans.

"Reagan is a racist.  
He supports the white  
settlers, arms them and  
gives them money to  
suppress the majority.

"I must warn those  
who are in responsible  
positions today ...  
President Reagan will  
be responsible for what  
happens to the future  
generations of white  
people in Southern  
Africa," he said.

South Africa's arro-  
gance "in defiance of  
the world" in refusing to  
permit the implementa-  
tion of the UN peace  
plan demanded that  
sanctions be imposed.

Mr Nujoma repeated  
his statement at the  
start of the conference  
on Monday the Western  
contact group had "out-  
lived its usefulness"  
and although he repeat-  
ed his offer, given  
several times over the  
past five years, to have  
direct talks with South  
Africa he insisted that  
the UN, through the Se-  
curity Council, now take  
direct control of the in-  
dependence process.

## Big fine for SA fishing skipper

DURBAN. — The skip-  
per of the Durban trawler  
Morning Star,  
Captain Peter Davids,  
was fined R167 000 by a  
maritime court in  
Maputo yesterday for  
fishing in Mozambican  
territorial waters.

The owner of the ves-  
sel, Mr Aubrey Shooter,  
said he was still await-  
ing official confirmation  
of the sentence.

The Minister of  
Foreign Affairs and In-  
formation, Mr Pik  
Botha, said last night  
that the Mozambican au-  
thorities were believed  
to have released the  
crew of the vessel.

In a statement re-  
leased in Cape Town,  
Mr Botha said he under-  
stood that the crew had  
been released but that  
their vessel had been  
impounded pending  
payment of the fine im-  
posed.

The minister said he  
intended to communi-  
cate with the Mozambi-  
que Government on the  
question of the fine. The  
owners and crew of the  
vessel had been under  
the impression that  
they could fish legally  
as long as they re-  
mained outside Mozam-  
bican territorial waters  
of 12 nautical miles.

Mr Botha also urged  
South African boat-own-  
ers and crews to take  
note that Mozambique  
had declared a 200-nau-  
tical-mile economic  
zone.

"South African boat-  
owners should therefore  
be in no doubt that they  
would be in contraven-  
tion of Mozambique law  
in fishing within Moz-  
ambique's economic  
zone," he said. — Own  
Correspondent and  
Sapa

## Death of Perskor man

Staff Reporter

Mr J "Kotie" Viljoen, an  
advertising representa-  
tive for Perskor for the  
past 32 years, died yes-  
terday in the Karl Brem-  
mer Hospital. He was  
60.

Mr Viljoen, who  
joined Perskor in 1951,  
was transferred to Cape  
Town during the 1960s.  
He managed the group's  
advertising bureau for a  
period

## 'Threat' by Tramways — councillor

By MARTINE BARKER

THE City Tramways ap-  
plication for a 12 per-  
cent fares increase con-  
tained a veiled threat to  
the National Transport  
Commission (NTC) and  
to the bus commuting  
public, City Councillor  
Mr Sam Gross told the  
commission yesterday.

The company has said  
the proposed fares in-  
crease will pay for a six  
percent increase in staff  
salaries — a salary in-  
crease that, in terms of  
an agreement with the  
Tramways and Omnibus  
Workers Union, will  
come into effect only if  
the application is grant-  
ed.

Mr Gross, represent-  
ing the Green and Sea  
Point Ratepayers' Asso-  
ciation, objected to the  
company's suggestion  
that "serious conse-  
quences" would result if  
the commission did not  
enable the company to  
meet the wage increase,  
and that the increase  
was needed to "ensure"  
the continued provision  
of the bus service.

This implied that dis-  
ruption could occur if  
fares were not in-  
creased. By effectively  
making the commission  
decide whether or not to  
increase company

wages, it was holding  
the commission respon-  
sible for this possibility.

Appearing for City  
Tramways, Mr S Se-  
likowitz said no threat  
was intended.

Mr Gross proposed on  
behalf of his association  
that the commission  
grant half the requested  
increase and that the  
other half be absorbed  
by the company.

Mr Selikowitz said the  
company was already  
absorbing other expen-  
diture increases.

Mr Gross asked the  
commission to allow  
competing bus com-  
panies, to end City  
Tramways' monopoly.

Mr Selikowitz said fig-  
ures based on a 147-day  
sample showed that the  
company's profit for the  
year would be about  
R3,3-million — R2,2-mil-  
lion less than was an-  
ticipated when fares  
were increased last  
year.

This "shortfall" ex-  
cluded the R1,5-million  
increase in wages and  
staff benefits that would  
come into effect if the  
fares increase were  
granted. The fares in-  
crease would cover the  
wage increase.

The commission is  
studying the submis-  
sions.

## Six charges of rape

Staff Reporter

TWO further charges of  
raping two girls under  
the age of 13 were put in  
the Wynberg Magis-  
trate's Court yesterday  
to a man, already  
charged with raping  
four young girls in addi-  
tion to robbing two of  
them.

Mr Isaac Samuel Ges-  
windt, 37, had previous-  
ly pleaded not guilty to  
raping four girls under  
the age of 13 between  
September 9 and No-  
vember 11 last year.

He also pleaded not  
guilty to robbing two of  
the victims of R2 in cash

and potatoes valued at  
30c.

Mr Geswindt pleaded  
not guilty yesterday to  
raping two girls aged  
eight and 13 at Mitchells  
Plain during September  
12 and November 13 last  
year.

He also pleaded not  
guilty to robbing one of  
the girls of a weekly  
train ticket valued at  
R1,10.

The hearing was ad-  
journd to June 21 and  
Mr Geswindt's bail of  
R500 was extended.

Mr PD Theron was the  
magistrate. Mrs PJ Atkin-  
son appeared for the State  
and Mr J Kudo for Mr Ges-  
windt.

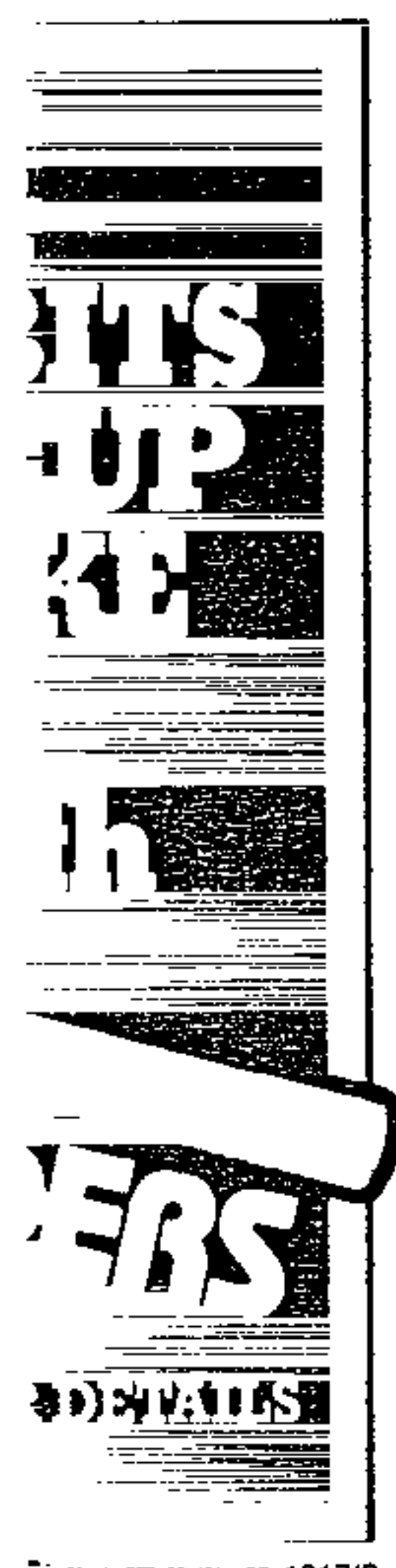
## Oil slick: R150 fine


Staff Reporter

THE MASTER of a  
Taiwanese fishing ves-  
sel, the Chien Tai 2, was  
fined R150 (or 75 days)  
by a City magistrate yes-  
terday for allowing oil  
to be discharged in

read with regulation 161  
— of the Harbour regu-  
lations, by allowing  
crew members to dis-  
charge an unspecified  
amount of diesel oil in  
the harbour on Wednes-  
day.


Fu Te told the court





**ANTEX**

**HIGH QUALITY  
DERING IRONS**





# Act 'will force small hauliers off market'

SMALL road hauliers face being forced out of the market if they have to contend with falling volumes and "protectionist" amendments to the Road Transportation Act introduced recently.

"The amendments are bound to lower the efficiency of transport and have a detrimental effect on the economy," says the Public Carriers Association.

The rapid development of the inter-city express parcel delivery service unquestionably demonstrates the need for normal postal and SATS services to be complemented, according to the PCA.

A slump in the economic growth rate from 8% in 1981 to negative growth last year is one of the reasons necessitating "protectionist" amendments to the Act, according to the Ministry of Transport.

When the economy began to slump and goods volumes fell, increased competition in the industry led to contraventions of the Act which necessitated stricter measures.

The amendment to the one-ton vehicle exemption means that operators of these bak-kies will now have to apply for a permit to operate an inter-city express road service.

The PCA fears that implementation of this amendment will render "a necessary service impracticable and inefficient".

By Amrit Manga

In addition, amendments to section 2 of the Act imply that the transport authorities could prevent the conveyance of any goods even if a valid permit is held for the transport of such goods, says the PCA.

"To remove or curtail the service of private road carriers will certainly force commerce and industry to revert to the already inadequate State services," says the PCA.

The PCA objects to these amendments, saying they are unwarranted interference in private-sector operations which will lead to wastage and an increase in costs to both the public and private permit holders.

"SATS increased the volume of goods handled by its road operations by 29% over the past year at the expense of the private sector and regardless of the economics of the situation," says PCA vice-chairman Phil Erasmus.

The SATS has been quoting tariffs up to 50% lower than the private sector and so introducing a substantial loss into the industry, says Mr Erasmus.



City Tramways users will face average increase of 12 pc from Monday

# Bus fare rise

HK445 4/5/83

332

Staff Reporter

CITY TRAMWAYS have been awarded an average 12 percent increase in bus fares by the National Transport Commission.

The new fares will come into effect on Monday and will affect both cash customers and commuters using the subsidised 10-ride clipcards.

Last week the company brought an application before the NTC, claiming it needed the increase to enable it to pay for a wage and salary increase negotiated by some of its employees.

The NTC heard that the Tramways and Omnibus Workers' Union had, during its negotiations with City Tramways earlier this year, demanded an increase of 19 percent. The wage agreement had been necessary and overdue because the previous agreement had expired on April 3 this year.

## Settled

City Tramways and the union had finally settled on an increase of six percent on condition the application to the NTC for the 12 percent increase in bus fares was successful.

The increased cost of the new wage bill to City Tramways was estimated to be about R1.5-million annually, the NTC was told, while the new fares would result in an increase of R1 557 072 in the company's annual income.

Mr Selikowitz, for City Tramways, said the company was not asking for the increase to cover any of the other extra costs incurred by it since the

(Turn to Page 5, col 4)



Cape Times 5/5/83

# Higher <sup>332</sup> bus fares for City

By CHRIS BATEMAN

BUS fares in Cape Town rise by an average of 12 percent from Monday following the approval of an application to the National Transport Commission by City Tramways yesterday.

The increase has prompted an outcry from the lower-income group and at least two City councillors have called for a public utility company to be set up.

## Clipcards

A spokesman for City Tramways emphasized that the increase was necessary to enable payment of a "modest wage and salary increase" (six percent) to its employees.

The increase also affects subsidized 10-ride clipcards purchased from Monday.

The director of the Cape Town Chamber of Commerce, Mr Brian MacLeod, said the increase was "regrettable".

There appeared to

have been no choice in the decision and there was "no doubt that the bus company would have lost many of its employees, including many bus drivers, thus seriously disrupting services".

A spokesman for the Federation of Cape Civic Associations said he did not believe the increase would go toward the Tramways' employees.

"The mass of Tramways' workers have always been and still are grossly exploited by the company. The increases only mean increased profits to fill the already swollen coffers of Tramways. We call on all organizations to expose the blatant exploitation of the mass of oppressed commuters."

City councillor Mr Sam Gross predicted that a time would come when City Tramways would force a situation where competitive transport organizations would enter the commuter market.

"If the monopoly terminates, a more balanced tariff will come into affect," he said.

Councillor Mrs Eulalie Stott said the only way in which passengers, "particularly in the so called re-settlement areas" could be satisfied that increases were justified, would be if a public utility company, which was not answerable to shareholders, were established.

Staff Reporter  
SUSIE and Shrimp, two of the seven monkeys from Groote Schuur Zoo, were moved to a new home at Tygerberg Zoo yesterday.

Accompanying Susie, known to many as the lonely monkey of Groote Schuur, was her sole play-thing — a grubby old tennis ball.

The remaining monkeys, all blue vervets, will be moved to Tygerberg Zoo as soon as possible.

The curator of the Tygerberg Zoo, Mr John Spence, said a mate had been ear-marked for Susie, a blue vervet, and a female crab-eating ma-

## Zoo monkeys move home

caque had been found in Bloemfontein for Shrimp.

"I will put them in separate adjacent cages at first, let them get to know their respective mates, and then, with time, try and rehabilitate them back into a natural family group," he said.

Mr Spence has successfully rehabilitated other confiscated monkeys, destined to be put



Mr and Mrs Cy Steyn, part owners of the Ty Shrimp, a crab-eating macaque, and Susie, a blue vervet, whom they took over from the Groote

**SPECIAL OFFER**

**Truco**

**RAINCOAT**

DOUBLE TEXTURED RUBBERISED TRENCH COAT

**M**

**Musica**

**MOTHER'S DAY**

**SUNDAY 8th MAY**

## Alleged rapist sought

Crime Reporter

A POLICE manhunt was launched yesterday for a man who allegedly

## Trespass case dr

Staff Reporter

CHARGES have been withdrawn against the man who drew a bucket of water from a Beaufort West farm dam to give to his children and don-



# Taxi drivers threaten to strike

5 MAY 1983

Sowetan

338

332

**TAXI OWNERS on the Reef have threatened to stop operating for a week if the local transportation board persists refusing to register kombis as taxis.**

Mr Noel P Mlokoti, the chairman of the Transvaal Taxi Association (TTA), said if all went according to plan, the strike would be staged within the next three weeks.

TTA is affiliated to The South Africa Black Taxi Association (Sabta), the motherbody for all taxi associations across the country.

Early last month, Mr Jack Nel, the chairman of the transportation board, issued a directive that in future only sedan vehicles would be registered as taxis and that no more kombis will be allowed to ferry passengers. The announcement drew angry reactions from taxi people, community leaders and commuters.

Mr Mlokoti said he was aware of the inconvenience the strike would create, but "in order for the transportation board to allow us to use kombis as taxis we have no alternative but to take this step".

Mr Mlokoti said his association would conduct a series of meetings throughout the Transvaal to mobilise and to plan strategies for the proposed strike.

He said taxi owners would start operating

By  
**MZIKAYISE EDOM**

again on condition that the transportation board guaranteed the withdrawal of their directive.

"If all fails we will demand the resignation of Mr Jack Nel as chairman of the transportation board. He is the one responsible for this directive. We will also ask taxi associations in Pretoria and the Orange Free State to join in the strike."

Mr Mlokoti revealed that since the beginning of last month the transportation board has issued more than 1 000 certificates, allowing taxi owners to ferry only five passengers in a single trip, irrespective of whether they are using kombis or sedan vehicles.

Mr Jack Nel was yesterday not available for comment. Meanwhile Mr R G Meyers, the deputy director of the transportation board in Pretoria said a few weeks ago that they were not aware of this directive but any local transportation board could use its discretion to determine the kind of vehicles to be used as taxis under its jurisdiction.

# PE Tramways wants 8,97% fares increase

332  
E. Post 6/5/83

By GARTH KING

**PORT ELIZABETH TRAMWAYS** today applied for an average 8,97% increase in its bus fares — an effective increase of 3c a single trip for commuters.

The application, made before the National Transport Commission by a Port Elizabeth Tramways' assistant general manager, Mr S van der Merwe, at Port Elizabeth's Local Transportation Board offices, does not affect the New Brighton feeder service or school pupils' fares.

No objections were lodged at the hearing.

Mr Van der Merwe said the economic downturn had caused a drop on contract service revenue and that this, coupled with increased costs, meant that his company was unable to pay a promised increase to their employees which has been pending since December.

He said that through the Bay Busworkers Union, the Transport and Allied Workers Union and the PE Tramworkers Union, employees had been told that their wage increases could

be paid only after the amended fares had been successfully implemented.

"These unions bore the disappointment and acted responsibly in agreeing to bear with the company for a while. However, they are anxious that their wages are increased with the least possible delay," he said.

Mr Van der Merwe said the increased fares would "only cover additional expenditure in respect of the promised 12,5% increase in salaries and a 20% increase in wages — an amount of R2 056 708".

He said that additional revenue accrued from the tariff rise would amount to R20 179 less than this amount, which his company would absorb, as it would other costs.

The decision will be made known later.

● PE Tramways reduced its original application of a 14,3% increase in fares because of requests from the Department of Transport and other objectors that the company absorb all costs other than salary and wage increases.



6 MAY 1983 Sowetan

# Taxi group can enter Sandton 332

THE Alexandra Taxi Association (Ata) has been granted permission to enter the Sandton municipal area, which was previously a pirates' hunting ground, Mr Adam Moekelets, the association's secretary said yesterday.

Mr Moekelets said the taxis started operating in the area from yesterday. The Ata was due to meet yesterday evening to decide on fares to be paid for trips to the area. At present the pirate taxis are charging commuters up to R1 a single trip to Bryanston.

He said: "We applied

for permission to operate in the area late last year. Permission was eventually granted on March 8, this year. Twenty-six taxis will operate between the township and Sandton from tomorrow and by then fares will have been announced."

He said the public should know that registered taxis will be taking over the operations. The service will be of great help to commuters who work in the farthest parts of Sandton and who had difficulties when trying to get transport to those areas.

Page 10

Member

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to move its product as economically as possible, it must control its own shipping.

**"This liner service can offer benefits to different types of customers other than the car business."**

"Our ships carry an assortment of cargo apart from Datsun parts — and we have been astonished

## REDUCE HOLDINGS

"We operate two ves-	61
sels a month westbound	
from Japan and one ves-	61
sel a month eastbound	
from South Africa.	61

"Our schedule is based on fixed sailing dates from Japan, Taiwan, Hong Kong, and Singapore and consequently fixed arrival dates in this country, with a transit time of 25 days."

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Year



# Taxis call indaba

By MZIKAYISE EDOM

332

TAXI owners on the Reef are to meet at the Davey Social Centre today to discuss the controversial ruling by the Transportation Board not to register any further kombis as taxis in the area.

The Transvaal Taxi Association's secretary, Mr Noel Mlokothe, has appealed to all members to attend, as several issues, including a work stoppage by taxis, will be discussed.

The Transportation board's ruling has caused concern among taxi owners and already several sedan-type taxis have been seen ferrying passengers in most Pretoria-Witwatersrand-Vereeniging black townships.

Mr Mlokoti said that the meeting would also try to mobilise a "strike" by taxi owners throughout the country in an attempt to register their protest against the ruling.

More than 1000 certificates allowing taxis to carry only five passengers have already been issued by the Transportation Board. This is irrespective of whether they use kombis or sedan-type vehicles.

Call taxi for 9 am  
Call taxi for 9 am  
Call taxi for 9 am  
Call taxi for 9 am

11-11-11

11-11-11

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11-11-11

# Blue Monday for commuters hit by new fares

Staff Reporter

IT WAS blue Monday for commuters who had to pay increased bus fares awarded to City Tramways by the National Transport Commission last week.

The increases average 12 percent.

Commuters interviewed at the Castle Street terminus this morning emphasised it would be the low income groups and those living furthest from the city who would be hardest hit with the greatest fare increases.

## TAKE THE TRAIN

A regular commuter, Mr V Abrahams, who described the increases as "absolutely ridiculous," said he would "have to take the train to Cape Town" from tomorrow as he believed his fare from Mitchell's Plein had increased by 10 c.

Some commuters were not aware their fares had been increased. Mrs D Castle of Woodstock said it was "shocking" when she discovered she had paid 34 c instead of 30 c to get to town.

Mrs J Luyt of Woodstock, said: "What about

the people from far away? The fares have increased more in the coloured townships."

## DELAYED

Mrs Veronica Mandida, the only breadwinner of her family in Langa, said it was going to be "difficult" now for a lot of families. She had paid an extra 5 c on her previous fare of 42 c to Mowbray, and an extra 4 c on her usual fare of 30 c from there to town.

A commuter on a Tamboerskloof bus to the city said everyone on her bus had been delayed today as the driver told each passenger individually their fare had increased.

"Nine out of 10 people did not know about the increase," she said, and had to get the extra money out of their purses.

"We only get one increase a year, but the bus fares go up about every six months it seems," she said.



## cars

and Eldorado

30 such cases  
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**SAFE!**

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38-8077.

CANN-ERICKSON 5813

to write an open letter to  
Dr Piet Koornhof,  
Minister of Co-ope-  
ration and Devel-  
opment, calling on him  
to keep his promise of  
allowing 2 500 sites for  
housing in the township.

The spokesman said:  
"He must build houses  
rather than send admini-  
stration board officials  
and police to confiscate  
materials and teargas  
the people. The civic  
leaders condemn this ac-  
tion, which is prolonging  
the people's agony  
rather than solving the  
basic problem."

Asked to comment on  
the confiscation of ba-  
bies' medicines at the  
camp, Professor J B van  
Niekerk, deputy Dean  
of the University of  
Cape Town medical  
school said: "On any  
reasonable humanita-  
rian grounds, when  
somebody requires  
medicines for their well-  
being it is unethical to  
remove them."

Professor Van Nie-  
kerk, who is chairman of  
the Ethical and Re-  
search Committee of the  
medical school, said:  
"As a medical person I  
am appalled by this type  
of action."

Professor Van Nie-

# Taxi-owners warn Schoeman of strike

MORE than 150 taxi-  
owners have resolved to  
send a memorandum to  
the Minister of Trans-  
port, Mr Hendrik  
Schoeman, asking him to  
reverse the controversial  
ruling that no further  
kombis should be regis-  
tered as taxis.

The resolution was  
taken at a meeting of  
Reef taxi-owners held at  
the Davey Social Centre

in Wattville yesterday.

Delegates also re-  
solved to ask the Minis-  
ter to meet them before  
June 10, failing which  
they will be forced to  
stop operating their  
vehicles for a week start-  
ing on June 13.

The meeting, which  
was called to discuss the  
ruling by the transporta-  
tion board to stop regis-  
tering kombis as taxis,

also resolved to pass a  
"no confidence resolu-  
tion" on the three chair-  
men of the transporta-  
tion board in Pretoria,  
Johannesburg and Pot-  
chefstroom.

The owners blamed  
the chairmen for being  
responsible for the refu-  
sal to register more  
kombis as taxis.

They asked the Minis-  
ter to allow taxis to ferry  
10 passengers on a single  
trip instead of the five  
which the board has  
ruled.

## TALKS

Mr Noel Mlokoti,  
chairman of the Trans-  
vaal Taxi Association,  
said other taxi associa-  
tions in the country af-  
filiated to Southern Af-  
rican Black Taxi Asso-  
ciation (Sabta) would be  
asked to join in the  
"strike", if their pro-  
posed talks with the  
Minister of Transport  
failed.

The ruling has caused  
much concern among  
taxi owners and resi-  
dents who have con-  
tended that the board  
was trying to "stifle at-  
tempts by blacks from  
feeding their children".

Taxi-users have also  
slammed the ruling by  
saying that the sedan  
type of taxi will not be  
able to cope with hun-  
dreds of people who  
stream into cities from  
urban black residential  
places daily.

Mr Mlokoti said that  
his association would  
fight the issue until "we  
are once more allowed  
to operate our kombis as  
taxis".

## Research work stolen with car

A PROFESSOR's car containing six months' re-  
search material was stolen on Friday afternoon  
from the University of the Witwatersrand.

Professor E Rankin from the Department of  
Artistry at Wits University found her car missing  
on Friday afternoon after she had parked outside  
the university's business school.

The metallic blue Mazda 1300 with a tan  
coloured briefcase which contained the important  
material has been reported missing to the police.

Professor Rankin requests SOWETAN readers  
who might have seen the Mazda or know of its  
whereabouts to telephone her at 716-3440 or 728-  
2479. The registration of the vehicle is  
GLP 072 T.

**SWOP-A-STAMP**

is here!

**R25 000 IN PRIZES**

**DON'T MISS <sup>city</sup> Press THIS WEEK**

332

FM

13

5/83

## TRANSPORT

Black taxi drivers are threatening to strike if the Minister of Transport Affairs turns down their request for discussions on the recently-imposed restrictions on certain licences.

This week 150 members of the Transvaal Taxi Association voted to suspend services for the week commencing June 13 if their demand is not met. At the same time, they called for support from other taxi bodies around the country.

The strike move, if chairman Noel Mlokoti's figures are correct, will deny transport to 150 000 commuters around the country — or compel them to find other ways of getting to and from work.

The trouble started in March when the transportation boards in the Transvaal decided to withhold further taxi licences to kombis and limited carrying capacity to five passengers. Unlicensed operators face maximum fines of R10 000 and/or two years imprisonment.

The boards say the move is designed to protect established bus and rail operators.





FM 20/5/83  
ROAD TRANSPORT

## A mesh of rules 332

There is little joy for private road hauliers in the latest pronouncements by Adriaan Eksteen, Director-General of the Department of Transport Affairs.

Having assured bus operators last week that the provisions of the new Road Transportation Bill are designed "to move towards free enterprise by removing restrictions," he has now listed measures which will increase red tape.

According to Eksteen, new regulations will require would-be carriers to prove that they are "competent on all conceivable levels to operate transportation.

"Individuals working for such undertakings must possess a certain level of training and a national register is envisaged for drivers listing accidents, traffic violations and licences.

"A central register for vehicles will also contain details on numbers, types, utilisation, age and other aspects of the national vehicle fleet."

Eksteen goes on to say: "With the aid of this information, it will be possible at any time to identify problem drivers and undertakings, and whether or not there is a de-

mand for additional permits. Better control and stability will be achieved and maintained. Law enforcement will be enhanced, since each agency or local road transportation board will have at hand a complete document of, for example, the conditions under which applications for permits were made. It will identify misinterpretation of permits, the peddling with permits by one operator to another and habitual law violations."

Industry observers say the measures are unlikely to have much success in achieving what must be their main objective — to stem the flow of transport business from SATS to private operators.

Since SATS's difficulties are primarily due to pirates who operate outside the permit system, such legislation will serve mainly to make life more difficult for those already operating legally.

Says Eksteen: "I readily concede that there is a need to move towards free enterprise in transportation and personally I am a proponent of such a move. I do, however, believe that a certain measure of regulation will always be necessary to maintain orderly and sound conduct."

# Plain bus terminus wrangle

*GRK Times 21/5/83*

*332*

## Municipal Reporter

A WRANGLE between the City Council and the Mitchells Plain bus company over who is going to pay for safety barriers and signs in the new bus terminus, has left passengers wet and cross.

And until the problems are ironed out, the recently-built R430 000 complex is unlikely to be used.

Commuters complained yesterday that they were forced to queue for buses in the winter rain while the covered terminus stood empty.

Asked to comment, a senior spokesman for Mitchells Plain Bus Services said the terminus, built with government funds, had not been completed "to our satisfaction".

The company was aware that its passengers were suffering. However, it was not prepared to use the terminus until safety barriers and signs had been erected because of the danger of hitting pedestrians.

This equipment was part of the company's original "requirements", he said. The company was negotiating with the council on temporary means of getting passengers under cover, but until then

only the outside perimeters of the terminus would be used.

The City Engineer, Mr Jan Brand, said it was originally expected that the bus company would equip the terminus and foot the bill.

However, as in the case of the newly-built Castle Street bus terminus, the company had asked the council to equip the complex.

Mr Brand said the cost of providing the facilities at the Mitchells Plain terminus would be about the same as those at one in Castle Street — R20 000.

In the latter case, the council had claimed R18 000 from the Department of Transport and expected to receive about 80 percent back.

However, the council had not yet agreed to the Mitchells Plain request.

The Department of Community Development had "generously" paid for the terminus and it was unlikely that it would pay the additional bill, Mr Brand said.

The City Engineer's Department was considering recommending to the council that it do the work and "hopefully" claim the money back from the Department of Transport.

*GRK*





TRANSPORT TROUBLE ... just why Putco bus fares must go up

THERE is no way Putco can avoid adverse knee-jerk reaction to its 12,5% fare increase application.

Nor is there any way it can avoid making the application without committing financial suicide.

What it can and does do is to provide an essential service for more passengers than anyone else except the railways, at a cost structure which has passed scrutiny at regular Government hearings over the years.

What it would like to do also is to correct a lot of misconceptions about all this in the public mind.

Putco is not a subsidised monopoly here to make a fat profit.

In fact, earnings return on average capital employed, after adding back interest paid, fell from 11,4% in 1980 to 7,3% in 1981 to 6,7% in 1982 ... and a loss for the first six months of this financial year.

Since the end of June 1982, the base on which its last increase was calculated, inflation has pushed up its operating costs by 12,39% (SEE TABLE).

There are only three sources from which the additional operating revenue required can be derived, and they are: absorption by the company itself, passenger fares and assistance from the State (which provides subsidies to the passengers or recoverable discount as far as the operator is concerned).

# Why another Putco bus fare increase?

332

RDM

24/5/83

CONT

	JUNE '82 BASE	% INCREASE	NEW BASE
PEOPLE COSTS	34,8	16,0	40,37
FUEL	27,0	—	27,00
MAINTENANCE & SPARES	20,2	20,0	24,24
ASSETS (BUSES)	13,5	16,7	15,75
OTHER	4,5	14,0	5,13
	100,0		112,39

By PAT ROGERS

Public Relations Manager for Putco, puts the case for higher fares

competition removed, there is need "to restrain any abuse and to place the efficiency of the monopoly under constant scrutiny" (The Marais Commission).

It could be argued that there are, in any event, a couple of hundred bus companies, in South Africa, apart from various alternative and competing modes of transport, legal and illegal.

Attitudes on fare increases are also influenced by the fact that, for the worker, transport represents necessary rather than discretionary spending ... he cannot cut down on it.

When fares go up, he may feel that he is paying too much. In fact, the problem may be that he is earning too little.

No bus company can solve that problem, nor the socio-political issues raised by those who see the bus as a target through which to strike at the system.

Quality of service is, of

ed reaction and resistance to fare increases.

Unlike the suppliers of other services and goods, bus companies cannot set their own price but must apply for it to the National Transport Commission, and justify any increase at hearings where they may be opposed.

There are two good reasons for this.

Factors considered by the department in this regard may include time and distance between home and work-place, the extent to which these are governed by the policy of separate development and transport modes available.

Putco's KwaNdebele run, for instance, is up to 160km each way and is necessary



The company is not in a position to effect any significant cost-cutting, as has been established not only at fare hearings but through its published audited accounts as a public company listed on the Stock Exchange.

One measurement of this is the ratio of employees per bus, which has been reduced to 2,69.

A ratio of three employees per bus seems to be an acceptable level of efficiency internationally, and in South Africa a figure of up to four is not uncommon in larger operators.

Improvement in this area and the generation of revenue are, however, also influenced by the numbers of passengers carried per bus ... and here there has been a steady decline, giving serious cause for concern.

One cause is road congestion, which affects particularly the Soweto operation.

Where the number of trips per bus during the peak demand periods used to average more than two, it is now down to little more than one.

A trip takes more than twice as long during the peak period as it does during the valley.

Johannesburg's road system is being jammed by around 48.000 new vehicles a year ... and the only answers apparent are the higher passengers-per-vehicle ratio offered by public transport and the creation of a separate bus lane.

The first is the subsidy provided by the Government from taxpayers' funds and from the transport levy paid by all employers of black labour.

The Department of Transport acts as the trustee of these funds, and has a duty to ensure that they are not misspent.

It is not generally understood that it is the passenger who is subsidised in this way, not the bus company.

The subsidy is the difference (paid against tickets sold) between the economic fare tariff — as established at the fare hearing — and what it is deemed that the passenger can afford to pay.

heavily subsidised ... a five-day, weekly return ticket sells for only R7,70.

City services on the other hand carry very little subsidy.

Overall, the subsidy paid is less than that generally paid overseas.

Another reason why the Government controls fares is that bus companies enjoy exclusivity on those routes where they are licensed to operate.

Various commissions of inquiry have agreed that this system best provides for rationalisation, cost efficiency and responsibility.

But it is recognised that, with the salutary effect of

acknowledges that there are late buses, dirty buses and rude drivers and where it is at fault seeks to correct this.

But it maintains that these involve only a fraction of the trips required to carry 400-million passengers a year, and it would suggest that it is the thoughtless passenger who is often the greatest problem for other commuters ... whether dirtying the bus, jumping the queue or tendering his fare with a R10 note.

Right now the company faces the fact that general unrest and resistance to issues — such as fare increases — are often reflected in a rising level of service complaints, sometimes orchestrated.

Contributing to the loss of passengers per bus are those taxis plying bus routes and touting for bus passengers.

The problem is aggravated by the growing use of minibuses of the kombi type, and it is significant that the manufacture of such vehicles has increased from 7 300 in 1978 to 14 750 last year.

The "parasitic" type of taxi operation increases traffic congestion during peaks and decreases the valley-time passengers who make use of public transport.

The present downturn is also of some significance as is, on the other hand, the rise in private vehicle ownership among blacks.

Presently estimated at around 35 cars per 1 000 people in Alexandra, it is likely to rise to 460 per 1 000 by the year 2000, according to the PWV Transportation Study.

A University of South Africa report on the Pretoria area indicates that transport costs account for only 4,6% of expenditure of the average black household on the minimum living level (MLL) of R281 per month.

However, the company is concerned that many of its passengers have been severely affected by spiralling inflation, and will be making representations to the Department of Transport for all or as much as possible of any increase granted to be subsidised.

Misconceptions about subsidies and monopolies account in part for condition



# TWO FREED OF ASSAULT

TWO EMPLOYEES of the South African Transport Services (Sats) were found not guilty and discharged when they appeared in the Johannesburg Magistrate's Court yesterday on charges of assaulting three women, including the wife of Transkei's Minister of Justice.

The magistrate, Mr C A Alcock, discharged Mr Gert Slabbert (38), and Mr Gerrit van Rooyen (35), both of Volksrust, after finding that there was contradictory evidence in the State's case.

Both had pleaded not guilty.

The State had alleged that they assaulted Mrs Pamela Letlaka, wife of Transkei's Justice Minister and Mrs Precious Nozi and Mrs Glenrose Mwanda in the Trans-Natal train to Umtata on June 9, 1981.

Mrs Letlaka told the court that on arrival at the station they had been unable to find a passenger's lift on the platform and consequently boarded the 'first class' compartment. A white man who saw them shouted: "Dont you know where blacks go?"

She said that Mr van Rooyen, who had been wearing a guard's uniform, had displayed a "hostile" attitude toward her. He grabbed her by her clothes, assaulted her and threw her train ticket onto the platform. As a result of the assault, her nose bled and she sustained bruises on her back.

She lost a gold wristwatch valued at R2 000 and R4 000 in cash. She was to have used the money to buy air tickets to Britain for herself and her daughter.

Another State witness, Mr John Chaka, who had accompanied the three women, testified that he was also assaulted after the alleged assault on the women. During the incident the words "we will kill kaffirs" were used.

In acquitting the two men, the magistrate, said State witnesses gave conflicting accounts of what happened that day. He said it was untrue that the accused assaulted anyone, nor was the word kaffir used. The court was satisfied that the defence evidence was not contradictory, he said.

~~403~~ 332 Jowle 26/5/83

# Putco warned over fare hikes

A PUTCO fare increase of 12,5 percent is in the pipeline following an application by the bus company, but the Azanian People's Organisation (Azapo) warned yesterday that this would evoke strong resistance from the black community.

Putco's public relations manager, Mr Pat Rogers, said in a statement inflation had pushed up the company's operating costs by 12,39 percent since the end of June last year — the base on which its last increase was calculated.

There had been a steady decline of passengers carried per bus because: road congestion affected the number of trips made by buses; taxis plied bus routes and touted for passen-

gers.

A trip takes more than twice as long in peak period as it does in normal traffic flow, he said, adding that the problem with taxis was aggravated by the growing use of mini-buses.

He added: "There is no way Putco can avoid adverse knee-jerk reaction to its fare increase application. Nor is there any way it can avoid making the application without committing financial suicide. Right now the company faces the fact that general unrest and resistance to issues like fare increases are often reflected in a rising level of service complaints."

But Azapo's publicity secretary, Mr Ishmael Mkhabela, dismissed reasons given for the fare hike as "beyond the

control" of the black community. "The blame should be placed on the doorstep of the Government. The black community is helpless in this respect in that it has no voice or representation in all structures of the society including in the Transportation Board," he added.

Mr Mkhabela denied that pirating taxis affected the number of passengers per bus. "Neither Putco nor the Railways can at present cope with the transport problem," he said.

"We find the proposed increase unacceptable especially when we are experiencing the most severe period in our lives with many blacks jobless and the cost of living escalating daily."

411  
332

Sowetan

26/5/83



# News EXTRA

## Strike <sup>Sowetan</sup> 26/5/83

THE majority of the 140 bus drivers at Putco's Springs division went on strike yesterday demanding the re-instatement of a fired colleague.

A statement released by the bus company's public relations executive, Mr Pat Rogers, said that a strike was called yesterday morning and talks were being held.

"The driver concerned was fired after being found guilty, through an internal inquiry, of causing a serious accident. Also, those striking workers have chosen to ignore established grievance procedures which would allow the driver concerned to appeal, and to be retained on full pay until the appeal is heard.

"The timing of the strike was particularly unfortunate as officials of the Transport General Workers' Union (TGWU) were at Putco's head office attending the annual negotiations on conditions and service. A couple of these officials have now arrived in Springs," the statement said.

# Buses go for slice of travel cake

2nd 5/83  
By Richard Paris

332

South Africa's passenger transport industry will change radically if the National Transport Commission allows two bus companies to operate coach services to Durban.

The licences were granted to the companies by the local transportation board in Johannesburg in October 1982 — the first in 55 years. The South African Transport Services (SATS) immediately gave notice of appeal.

SATS, which operates all rail services between the Reef and Durban, presented its case against the licences at a five-hour NTC hearing here yesterday. The two bus companies had leading figures from the commerce, tourism and Defence Force fields give evidence.

## DAILY NON-STOP SERVICE

The Sandton Coach Pty Ltd, plans to run a non-stop high-speed coach service leaving Johannesburg and Durban every day at 8 am and arriving at 4 pm. There will be only one rest stop en route but the buses would have lavatories on board and a hostess to serve snacks and look after children.

The company's managing director, Mr Stuart Hunter, said the licence was to carry travellers of all races at a cost of R35 one-way or R65 return, with discounts for pensioners, Defence Force personnel, students, and for hotel groups and tour operators.

A major Rand bus operator, Greyhound Bus Lines, is licensed to carry white passengers daily to Durban and can drop off and pick up passengers en route.

## OVERWHELMING SUPPORT

Mr Hunter's attorney, Mr C L Green, told the commission the overwhelming support of the travel industry for the private buses was sufficient reason to reject the appeal.

He said there was no day service to Durban and the shortest rail journey was about 13 hours. Many travellers, particularly the disabled, did not like to travel by train while many tourists wanted to travel during the daylight hours.

An SATS spokesman said the coach services would take passengers away from the Railways, contributing to even greater financial losses.

The NTC should announce its decision within 10 days.

Observers said if the appeal was rejected, the private operators will be able to start their services by November, paving the way for private sector competition in long-haul transport nationwide.





Currently some 25% of bus companies' income is derived from subsidies, but this system must be phased out. Ultimately commuters, such as these passengers waiting to board their buses below Port Elizabeth's Market Square, will have to pay more.

# Transport subsidies very costly

KLERKSDORP — In the past financial year, R920 million was paid out in direct and indirect subsidies to public — train and bus — transport, Dr P J Welgemoed, chairman of the Commission of Inquiry into Transportation, said here.

Opening a new R3.2-million Western Greyhound bus depot, Dr Welgemoed said bus companies in the Republic obtained about 25% of their income from subsidies.

And, he added, "subsidisation of worker commuters will have to be phased out in some or other way in the long run."

"Since subsidies have economic, social and political connotations the commission recommended a select committee of all parties in Parliament to draw up a timetable to phase out subsidies."

Dr Welgemoed said long talks had been held about the desirability or undesirability of subsidies.

"The commission received a great amount of oral evidence and literature about subsidies.

"From this it is clear that by far the majority of people

and bodies with practical knowledge of the passenger transportation business are of the opinion that it is necessary to subsidise bus passenger transportation.

"However, there is also a school of thought that subsidies will probably not be needed if all restrictions on passenger transport are lifted and the free market is allowed to determine fares."

There had been a number of reasons why the commission could not support this view.

"The commission came to the conclusion that we cannot continue with subsidisation at the present rate," Dr Welgemoed said.

"Politicisation," he said, "is one of the most serious problem areas developing in public transport, and in bus transport in particular.

"The commission has underlined the subject heavily, because of the grave consequences this matter has. This is a matter which is slowly but surely getting out of hand.

"I do not wish to throw stones, but I do wish to request that all political parties,

and denominations that play a part in this, refrain from doing so. Disturbances continue to occur and are not always concerned with bus transport, and if the situation is not defused in some way, it will become progressively worse.

"It is already happening that when people no longer get beer, as happened a short while ago, they burn buses. The worst thing about this is that tariff increases are not at issue here. The matter goes deeper than tariff increases. These are people who use bus transport for political purposes.

"The fact remains that it is much more difficult to get things done when those who should be helping you are trying to block progress merely in order to try and score political points. Bus passenger transport is too fundamental a need for economic progress for it to be left at the mercy of those who do not mean well with it.

"The fact that the commission is in favour of depoliticisation of the subject does not mean that the in-

tention is to sweep the problem under the mat but rather that the problem can be addressed free from the deliberate bias or distortion or overemphasis, call it what you like, which is inherent in party politics."

On tariff increases, Dr Welgemoed said the present procedure in regard to applications for tariff increases can be improved and speeded up.

"The delays experienced at present make it not only difficult for the supplier of transport services but also for the Department of Transport to follow a sound financial policy. The result of this is that tariffs have to be adjusted by large amounts at times and these large adjustments arousing some degree of resistance among travellers.

It was found by the commission that the time lag from the date of application to the date of implementation could vary in practice from three to 15 months. The normal period seems to be about six months.

The commission therefore recommended that the procedures related to tariff

increases be adjusted so that it not only speed up the procedure, but also that a mechanism should be established for responsible and orderly consultation. This consultation must be between the bus user, the authorities and the supplier of the bus service.

"In our country we are fortunate in that our slum problems are, seen in terms of the world picture, relatively minor.

"It is, however, most important that we should be aware of the situation and that the danger of the problem getting out of hand should be kept in mind.

"Transport plays a primary role in the process of economic development. The problem of getting people to work at reasonable cost is fundamental but transportation costs alone should perhaps not be the deciding factor.

"The overall considerations should be whether people are economically active or not, whether transport costs are justified or not in a wider sense, social stability, etc.



# Bus strike has ended

Labour Reporter

Striking bus drivers at the Putco bus company's Springs depot returned to work early today.

About 140 drivers went on strike yesterday over the dismissal of a colleague after Putco held an investigation into the man's involvement in a motor accident.

A Putco spokesman said that officials of the Transport and General Workers Union would confer today with management.



## Railmen not guilty of assault

Two South African Transport Services employees were found not guilty by a Johannesburg magistrate yesterday of assaulting Mrs Pamela Letlaka, the wife of the Transkei Minister of Justice, when she entered a "whites only" coach at a city station.

Mr Gert Petrus Slabbert (38) and Mr Gerrit Thomas van Rooyen (35), both of Vrystaat Street, Volksrust, were charged with assaulting Mrs Letlaka and two friends when they boarded a Maritzburg-bound first-class coach on June 9, 1981.

They pleaded not guilty to hitting the women with their fists and open hands.

The magistrate, Mr C A Alcock, said the State evidence was contradictory and could not be reliably true.

Evidence by a man who accompanied the women that Mr Slabbert had said "we will kill the kaffirs" was a malicious lie, he said.

# Striking drivers go back to work

THE STRIKE by most of the 140 Pucca bus drivers in the Springs division was called off on Wednesday afternoon and commuters were not inconvenienced as the service continued to run normally, a spokesperson for the company said yesterday.

The spokesperson said the strike was called off after talks between the company's management and worker representatives of the Transport and General Workers' Union (TGWU). The negotiations between the two parties were still going on yesterday morning and both hoped to reach a satisfactory agreement.

The drivers went on strike on Wednesday morning demanding the reinstatement of a fired colleague. Management had said the driver concerned was fired after being found guilty, through an internal inquiry, of causing a serious accident.



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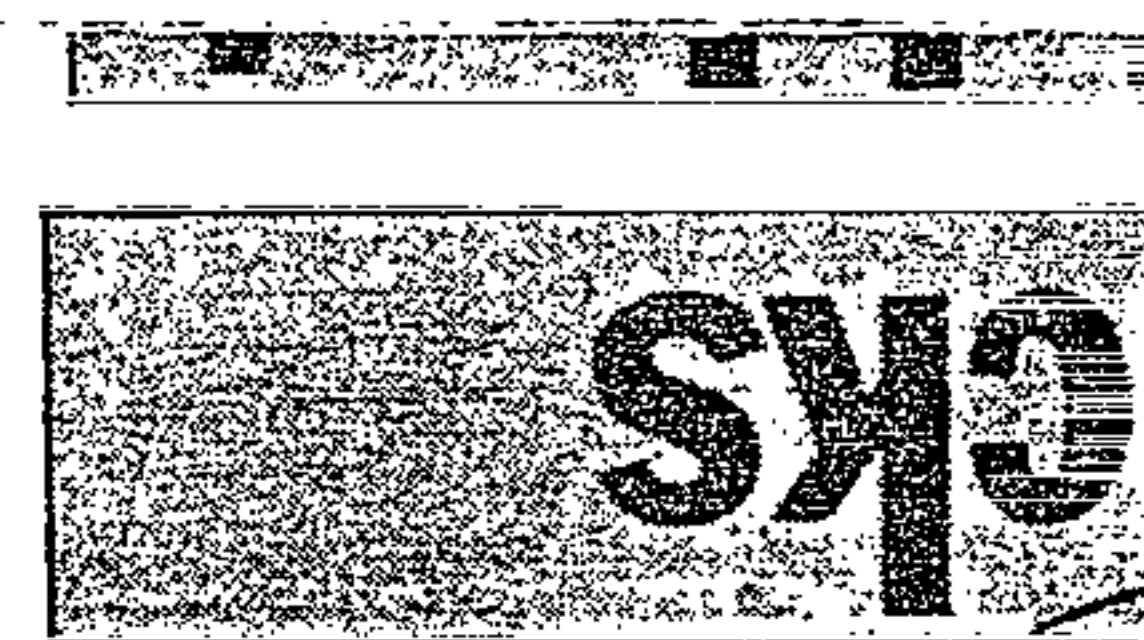
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Geldenhuy's speaks out



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# Trucks, trailers impounded, says SAIC spokesman

Mercury Reporter

THE South African Indian Council's member for transport affairs, Mr Ramcharitar Panday, claimed last night that more than 17 trucks and trailers owned and operated by Durban Indian hauliers had been impounded in the Transvaal early yesterday and their drivers detained.

'There is no immediate explanation for the action taken by road transportation inspectors,' Mr Panday said before leaving for Johannesburg to investigate. He said lawyers were being briefed.

An inspector of the Local Road Transportation Board at Grootvlei in the Transvaal, Mr J Smith, last night confirmed in a telephone interview that 'many trucks, trailers and kombis' were ordered off the road by inspectors.

The drivers would be appearing before the Balfour Magistrate's Court today on charges under the Road

Transportation Act No 74 of 1977, he said.

Mr Smith said the charges mainly concerned permits to transport goods on roads.

Mr Panday said that for a long time the SAIC had been inundated with complaints from Indian hauliers of harassment by the Government-run South African Transport Services.

The SAIC was preparing a memorandum to send to the Minister of Transport Affairs, Mr Hendrik Schoeman, to highlight problems faced by Indian hauliers operating in competition with SATS.

'We have been told by SATS that it has no intention of squeezing small operators out of business, but we have yet to be convinced,' he said.

Mr Panday said many of the Indian hauliers had poured thousands of rands into family-owned businesses.

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# ### 332 ### E. Post Pebco rally to hear report on talks with PE Tramways

30/5/83  
 Post Reporter

A FULL account of what transpired at a meeting between civic and trade organisations and PE Tramways officials will be given at a mass rally of the Port Elizabeth Black Civic Organisation (Pebco) in Kwazakele tomorrow.

The rally will be held in the New Daku Hall from 2pm.

The recent meeting between the organisations and the bus company discussed the pending bus fare increase, validity of the weekly clipcard, the extra 10c charged on the Peak Hour Express Bus and the conduct of some of the company's employees.

Organisations included in talks with Mr

Carl Coetzer, managing director of the company, and some of his officials, were Pebco, the Motor Assemblers and Component Workers' Union of South Africa (Macwusa) and the African Food and Canning Workers Union (AFCWU).

Mr Vuyisile Oliphant, secretary-general of Pebco, said a guest speaker at the rally would come from the Cape Areas Housing Action Committee, based in Cape Town.

Organisations invited to the rally included the Kwazakele Soccer Board, the Domestic Workers Association of South Africa, the United Women's Organisation, the Congress of South African Students, the Port Elizabeth Youth Organisation, the Gelvandale Civic Organisation, Macwusa and AFCWU.



Said.

# Memo highlights (332) ~~shocking~~ plight of private hauliers

*Mercury 2/6/83*

## Mercury Reporter

THE 'shocking' plight of hundreds of private hauliers refused permits by local road transportation boards to transport goods in competition with the Government-owned South African Transport Services has been highlighted in a memorandum drafted by the Private Hauliers' Association.

Mr Ramcharitar Panday, the South African Indian Council's spokesman on transport matters, said last night the 'free right' of people to earn a livelihood from their businesses was being threatened.

'This is a shocking state of affairs and we want the Government to investigate it as a matter of urgency,' he said.

'It is no secret that SATS is running at a great loss. It is also ironic that one of their first attempts to recoup some of the los-

ses was straight away aimed at private truckers who are mainly Indian,' he alleged.

'It points towards an ominous sign of latent discrimination.'

Mr Panday, who is also the chief spokesman for the hauliers' association, said the memorandum had been given to the SAIC for forwarding to the minister.

'We are pressing for an urgent investigation,' he said, claiming that many industrialists, particularly on the Reef, had been 'coerced' into using the Railways because private hauliers were often denied permits.

Mr Panday said the minister was being urged to grant annual permits to private hauliers to enable them to offer their services even in competition with the Railways.

# Bus fares in PE up from Sunday

Post Reporter

THE National Transport Commission (NTC) has approved the application by PE Tramways to increase its bus fares in Port Elizabeth.

Cash fares will be increased by 3c for a single journey from Sunday except in the following cases:

- On the adult cash fare on the Zwide-Njoli feeder service.

- On any cash fare for pupils on any service.

- On existing racecourse service fares.

Clipcard prices will be increased by 30c for a 10-ride clipcard except in the following cases:

- On the R1 clipcard on the Zwide-Njoli feeder services.

- On the R3,50 "no date" clipcard for pupils.

Passengers with clipcards bought before Sunday at the old prices may use these tickets till the date of expiry stamped on the ticket.

The NTC has also authorised an increase from R1 to R2 in the penalty fare for passengers found travelling without a valid ticket.

This penalty will be increased to R5 in the case of clipcards being used fraudulently twice.



# Crackdown on truckers is intensified

Star  
3/6/83  
332

By Colleen Ryan

The Department of Transport and police are intensifying their crackdown on hauliers who transport goods illegally.

Last Friday scores of trucks travelling on the Johannesburg/Durban road were stopped at a roadblock in Grootvlei. One truck was confiscated and 30 drivers later appeared in the Balfour Magistrate's Court charged with infringements of the Road Transportation Act.

The roadblock was manned by police and Department of Transport officials who were checking that trucks had permits to transport their goods.

The chief magistrate of Balfour, Mr P J Venter, confirmed that one truck was impounded and that 30 drivers were fined R500 for transporting goods without a Road Transportation Board permit.

Roadblocks are being set up regularly in an effort to curtail the activities of illegal operators.

Similar checks were made in Maritzburg and Villiers in March when

police checked the contents of some vehicles.

The situation has reached crisis point because of the decline in transport trade.

A 30 percent reduction in traffic through Durban Harbour, coupled with the general decline in the country's economy, has resulted in a deterioration of the relationship between private transporters and the SA Transport Services (SATS).

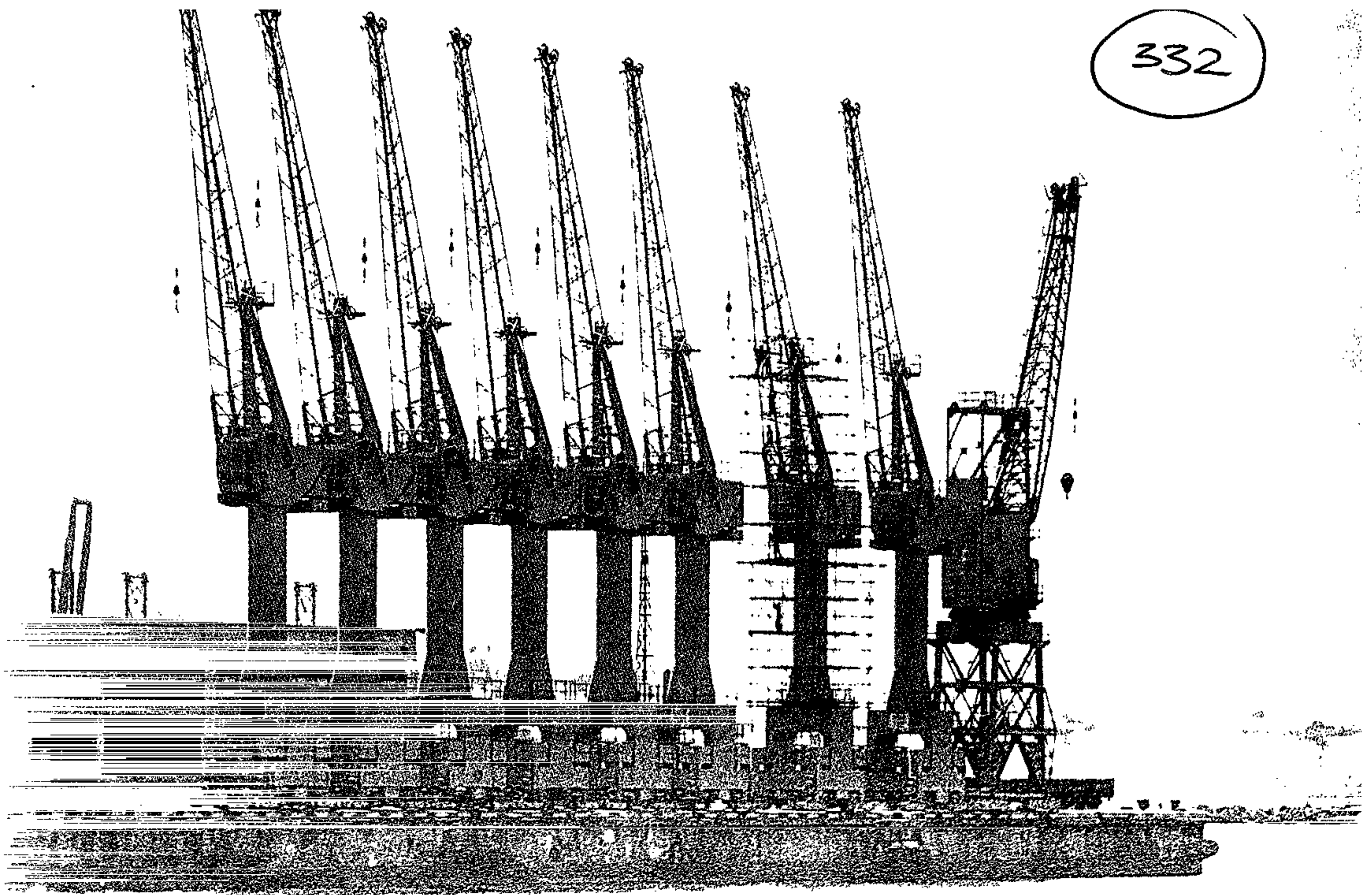
Faced with a staggering R514 million deficit in its last financial year, SATS is making a determined effort to capture a larger share of a declining market.

The executive director of the Public Carriers Association (PCA), Mr Jack Webster, said today his organisation was not opposed to the crackdown on "unauthorised" transporters.

"While we do not support all aspects of the road permit system, we have to obey the law.

Unauthorised hauliers were taking business away from members of the PCA who held the necessary permits, he added.





# SHIPPING

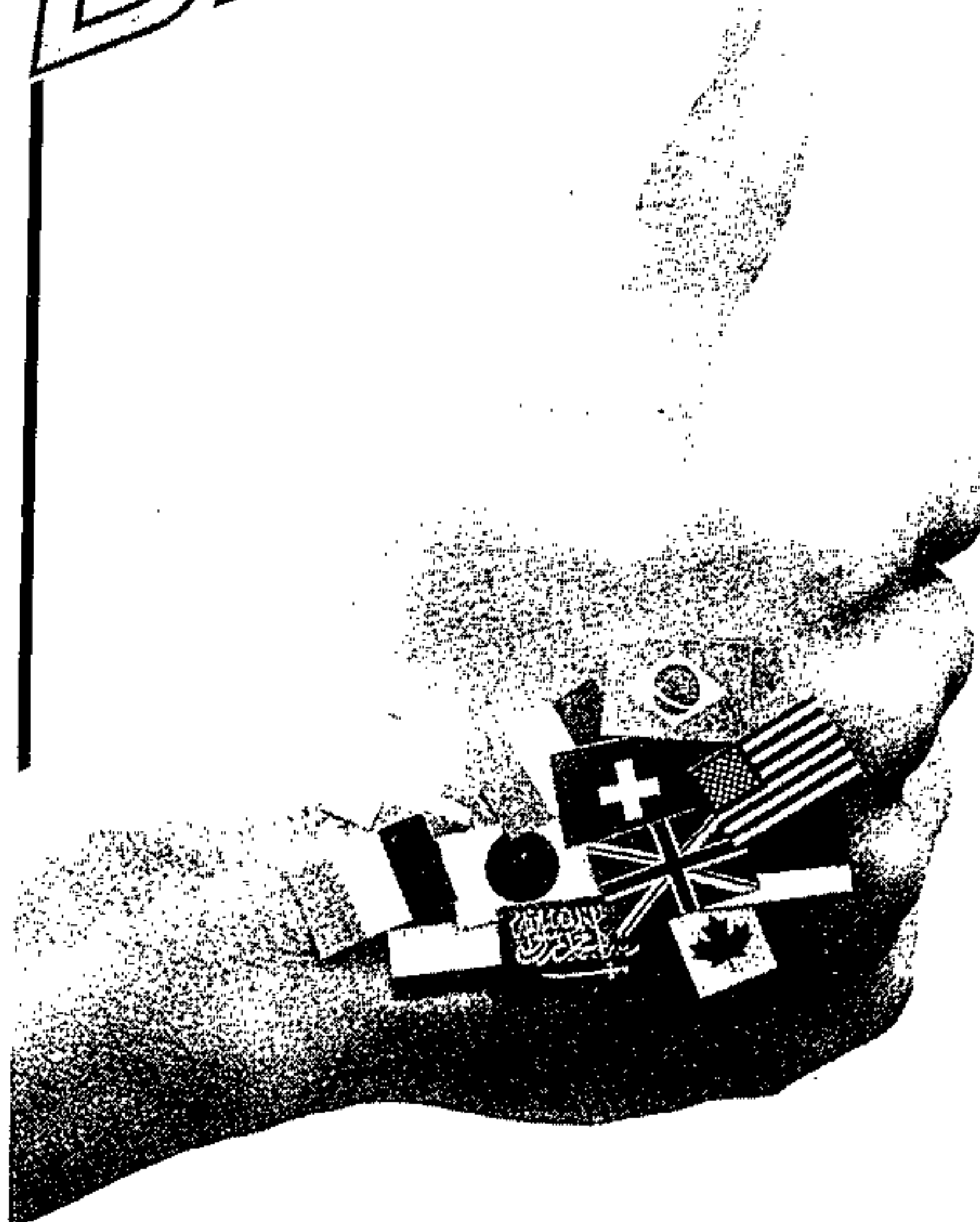
A survey. Supplement to Financial Mail. June 3 1983



# Contents

<i>No light at the end of the tunnel</i> .....	5
<i>Time for a re-think</i> .....	8
<i>Circling the globe</i> .....	10
<i>Competition on the coast</i> .....	16
<i>Stormy weather ahead</i> .....	18
<i>Boxed in</i> .....	20
<i>Too high a cost?</i> .....	22
<i>Coming of age</i> .....	25
<i>Covering the cargo</i> .....	29
<i>Cutbacks at the ports</i> .....	32
<i>Ships' services in distress</i> .....	38

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## Foreword

SA, with its open economy, is inextricably bound into worldwide trends. Nowhere is this more evident than in the realms of trade and shipping.

The persistent international recession has damaged this country's exports, while the ensuing local downturn has dampened import demand. At the same time, an over-tonnaged world fleet is dumping surplus shipping capacity on the local market.

In the short-term at least, increased competition and rate-cutting can only benefit those traders still active in the market.

On the whole, however, importers and exporters are not maximising their transport options. Allegations that SA industry loses millions of rands a year through poor freight management may be exaggerated, but some indictment of the expertise of the in-house transport function is valid.

Even in today's diminished international market, many companies ignore the extent to which effective transport management makes a difference to the price of their products on the shelves. They do so at their peril.

SA is dependent on a worldwide economic revival and an upturn in the US in particular for the export-led recovery that, so far, has proved elusive. And if for any reason exporters fail to perform, freight rates will be a convenient scapegoat.

Certainly this country's distance from its markets and suppliers makes the freight rate a critical factor. And the strategic nature of SA's industry will continue to make it subject to innumerable regulations and restrictions over which the shipper has little control. But that's only part of the story.

With the advent of containerisation and the development of the Richards Bay and Saldanha Bay bulk facilities, SA has evolved one of the most sophisticated shipping operations in the world. But it's about time transport management came of age as a matter of concern at boardroom level.

Only then will this country take full advantage of the vast investment in its shipping infrastructure.

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# No light at the end of the tunnel

*The SA shipping industry is reeling under the impact of the worst slump since the Thirties. Recovery depends on external factors*

The SA economy — with its continued reliance on gold — has been shielded from the worst effects of the world recession. But the shipping industry enjoys no such protection.

Shipowners, shipping lines, ships' agents, freight forwarders, ship repair yards and stevedores are battling for survival. Competition is fierce and rates are being slashed as companies struggle to retain their share of a diminishing market.

The outlook is bleak. Merchandise imports (excluding oil and armaments) more than doubled in value during 1980 and 1981, to meet a high level of domestic demand. Last year they rose less than 2% in value to reach R14,01 billion.

But these figures tell only part of the

story, for import values peaked in the third quarter of 1981, and started to fall off dramatically in the second half of 1982. This, says the Reserve Bank, was entirely due to a sharp decline in import volume, since import prices in terms of rands continued to rise.

SA Transport Services figures bear this out. Import tonnages soared in 1981. But volume started to decline in the fourth quarter, and last year tonnage landed fell 19% to 13,39 Mt.

While this is still far higher than the 1979 level, by the end of 1982 the flow of imports had slowed almost to the level of three years before.

In January and February imports contin-

ued their downward trend, shedding 18% by value and 33% by volume compared to the first months of 1982.

Imports have been hit by a combination of factors, not least the overall decline in economic activity and consumer demand. Last year's soaring interest rates and the introduction of a 10% import surcharge last February also had a dampening effect. The subsequent reductions of the surcharge to 7,5% in December and 5% from this February were too gradual to register a clear impact.

Building materials, machinery and appliances, and chemical products — all down more than 30% by volume — have taken the biggest knock. This is largely because the major capital projects of the Seventies — Richards Bay, Saldanha Bay, Sasol, chemical factories, steel works — are now through the system.

Imported project cargo probably accounted for R1,6 billion or one third of the R4,9 billion of machinery, appliances and



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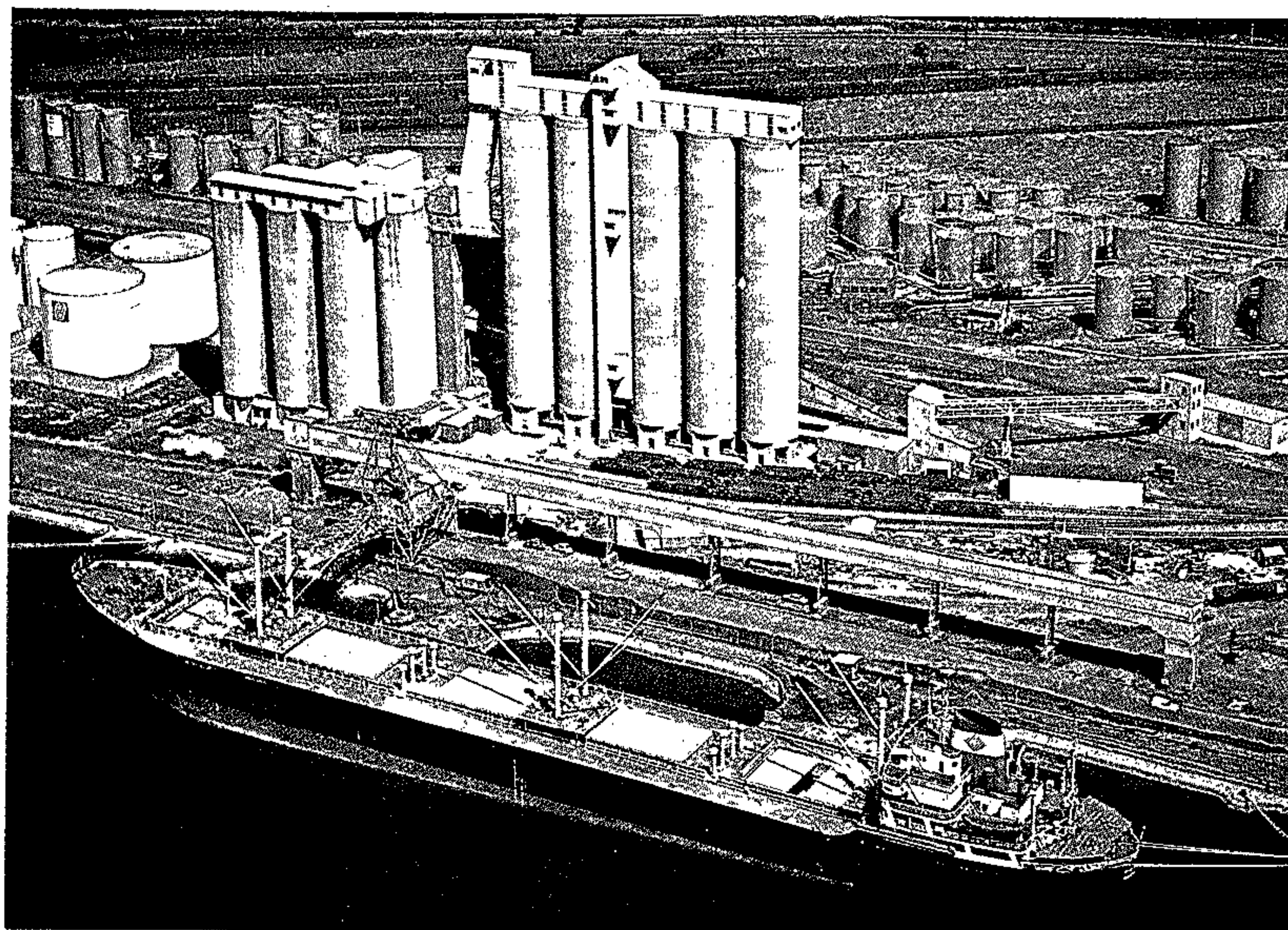


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are already nearly six years old. The conference will need to start examining replacement options before the end of the decade, looking at a replacement bill of around \$4 billion. "Who," asks Forster, "will make this sort of investment without security?"

Some change in financial arrangements may be made when the OFA comes up for mid-term review at the end of next year. But if government and the conference cannot reach a satisfactory solution, the lines are unlikely to renew their commitment when the OFA comes up for renegotiation in 1991.

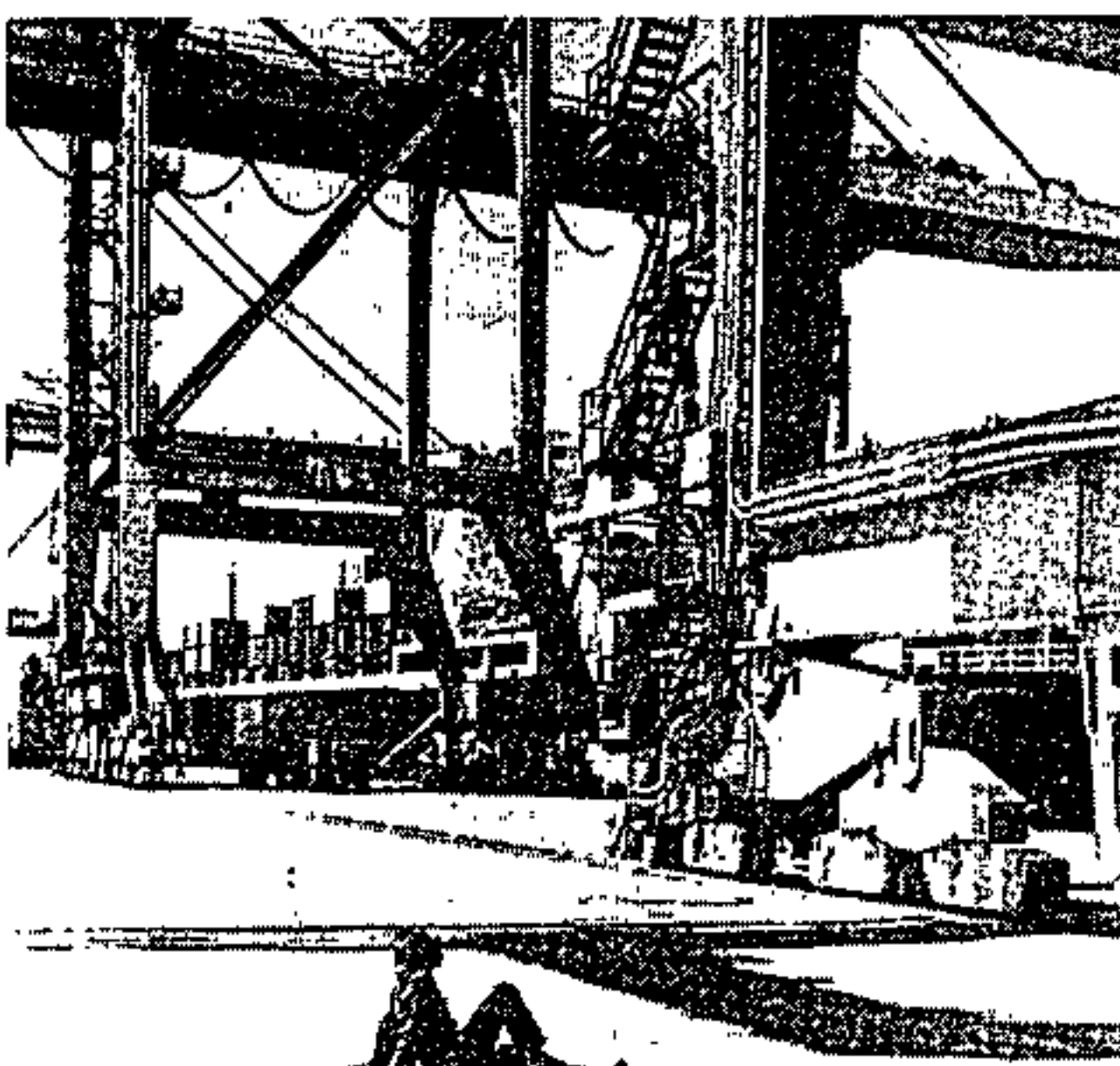
This, says Forster, could mean the end of the 100-year conference. "Individual members who see a future in the trade could go it alone, looking after their own interests by taking only high-paying freight and leaving the rest, as their non-conference competitors generally do at present."

The SA-Europe conference is one of the dozen-odd conferences serving SA's trade with the rest of the world. Each operates as a cartel or price ring, in which participating shipping lines (in theory at least) quote the same freight rate for a particular commodity, and share the responsibility of running to a regular and reliable sailing schedule.

These consortia are not, however, monopolies. All have to contend with the "interlopers" or "pirates" who, they argue,

charter ships at next to nothing, cream off the high-rated cargo to earn a quick buck and leave when things get tough.

Most freight forwarders and shippers like



to see reputable independent operators in the market, not to carve up business, but to act as a brake and a lever; to provide some competition to conference, and to ensure reasonable freight rates.

Shipping conferences are formed to reduce competition and avoid rate-cutting while reducing overheads through rationalisation of vessels and fuller loads. The benefits are passed on to the user by way of regular sailings and stable freight rates which enable shippers to make forward commitments.

In one independent study, the University of Wales' Institute of Science and Technology concluded that "the conference system is a prerequisite of stable liner services and operates in the interest of shippers."

"In liner shipping unfettered competition is unworkable and can lead to instability, inefficiency and high costs. Liner operators should be encouraged to form strong, effective conferences in recognition of the efficient, low cost and stable services they provide."

The report sets out to explode the "popular myth" that the primary purpose of conferences is to keep up prices and that they are therefore bad. It points out that: "Although conferences are technically cartels, they do not in fact possess monopoly power; that is because of competition from new

## TRANSPORT POLICY

A massive National Transport Policy Study (NTPS) is being undertaken by the Department of Transport Affairs.

Under the chairmanship of the department's Ray Smith, the NTPS steering committee consists of representatives of government, SA Transport Services (SATS), the CSIR and private sector user bodies in the areas of road, rail, sea and air transport, both passenger and freight. These include the Transport Consultative Committee (TCC), the SA Shippers' Council (SASC), the Federated Chamber of Industries (FCI), the Association of Chambers of Commerce (Assocom) and the Afrikaanse Handelsinstituut (AHI), among others.

A consortium of three consultancy firms with expertise in transport engineering and transport economics has been appointed to conduct the investigation. Local participants are Van Wyk and Louw, and Scott and De Waal. Experience of European and North American conditions is being fed in by an overseas partner. The final cost of the NTPS is expected to be around R3m.

The NTPS will have to come up with answers in two thorny areas: regulation and control versus the application of free

enterprise principles to transportation; and the subsidisation of uneconomical services on social grounds.

TCC chairman Don Masson (MD of Trek Petroleum) voices the private sector conviction that many of the country's transport problems will be alleviated by a move towards less rather than more control and regulation.

At a recent SA Foreign Trade Organisation (Safto) transport seminar, he stressed that: "The primary emphasis of current investigations into a national transport policy for SA should be on an analysis of the degree to which private enterprise principles could be applied to the SA transport system in the long term without creating inefficiencies and disruption."

He added, however, that the TCC "is not asking for complete *laissez faire*. It realises that a degree of regulation and control will always be needed in SA."

Masson voiced concern that while the investigation into the future of transport policy is being conducted, *ad hoc* piecemeal solutions are being used and more legislative restrictions introduced, cutting across the entire investigation. "What is urgently needed is to telescope

the study." This could be done by first spelling out the basic principles for transport reform, then elaborating on and adapting these principles.

So far the NTPS has, by way of questionnaires and interviews, conducted a large-scale investigation into the current transport situation. A major preliminary report — unfortunately circulated only on a limited and confidential basis — has been prepared.

The next stage will be to identify urgent and pressing problems and, finally, to present recommendations to a national body, such as the proposed Transport Advisory Council (TAC).

After years of lobbying by the TCC and the SASC, the government has agreed to set up such a body. The SASC could serve as one of several sub-committees of the TAC. A home could also be found here for the Shipping Board. Joep Steyn's baby, this joint public/private sector board has not met for three years.

The position of the official National Transport Commission (NTC) will also have to be re-assessed, if the TAC is to move centre stage to oversee the implementation of a new transport dispensation for SA.



eight-day schedule to conserve fuel.

On the Mediterranean route, three smaller (1 350 TEU) cellular ships maintain a 17-day (previously fortnightly) service.

Backing up the cellular service are four roll-on, roll-off (ro-ro) ships, two owned by Saecs and two by Transatlantic Shipping of Sweden. They operate between Scandinavia and southern Africa.

Most shippers agree that conference's \$1.2 billion investment in containerisation has resulted in a highly efficient and reliable service. "We'll pay a certain premium for conference reliability," comments one merchant. "But the question is how high?"

Certainly, the outsider service has a far from healthy track record. Some 17 independents have disappeared from the route in the past five years. Of the rest, two national shipping lines, Hellenic Lines of Greece — which has been active in the trade since 1963 — and Consortium Line of Spain, have joined the conference. Both are participating in the Saecs service on a slot-charter basis.

Hellenic Lines was offered a slice of the Mediterranean service provided it withdrew its north-west Continent service. According to SA line representative Bram Dijkstra, the line is filling 85%-90% of its slot allocation. Around 25% of cargo is bound for Greece and the campaign to attract cargoes bound for the eastern Mediterranean and the Middle East has proved successful. Hellenic's long-term aim, once the traffic warrants it, is to put a vessel on the run.

After months of rumours, Africa Europe Shipping Line (AESL) — established in 1978 as a successor to MEAL and ECL — quit the run in January, with Maritime Carrier Shipping (MACS) of Hamburg taking over two of its charter vessels. MACS — very much in ascendance — is experiencing little shortage of cargo. It is offering very favourable rates to European forwarders and to South African exporters.

The longest serving independent on the trade, the Mediterranean Shipping Company (MSC), has experienced severe scheduling problems since inception in 1972. Recent moves to turn around some ships at Durban rather than at slow-working Mozambique ports could overcome the problem.

One newcomer is Proodos Marine Carriers (PMC) of Piraeus, which got off to a shaky start at the beginning of this year, in partnership with Cape Lines (which subsequently pulled out of the north-west Continent route only to go bankrupt when its US service got into difficulties). And another new entrant, Scinicariello Line, withdrew from the route after only a few months of operation.

#### Far East

The sudden withdrawal of the Bank Line

from the Far East trade in March sent shock waves through the shipping industry.

One of the pioneers of SA-Far East shipping, the Bank Line had been active on the route for close to 80 years. A member of the eastbound conference, it operated independently on the westbound run. The decision to withdraw was based on the continual erosion of freight rates and escalating costs. The line could no longer afford to continue

absorbing losses on the service, believing it could better employ its vessels elsewhere (it is still active on the SA-US trade).

The Far East route is certainly the most over-tonnaged, with some 13 independents in operation at the last count. Observers estimate that from 15% a few years ago, they now carry 40% of the traffic.

Soaring trade with Japan, Hong Kong and South Korea, as well as developing econom-

## CARRYING THE FRUIT

Perishable products form a large part of the SA-Europe Container Service's (SAECS) northbound carryings. About one-third of container capacity on the large cellular vessels is refrigerated.

Some 85%-90% of SA's perishable exports are headed for European tables and deciduous fruit and citrus make up 90% overall. Shipping arrangements for perishables are controlled by the Perishable Products Export Control Board (PPECB) — SA's oldest control board.

Under the Ocean Freight Agreement (OFA) between the SA government, the PPECB and the Europe-South African Conference, SAECS has a firm commitment to carry a certain amount of deciduous fruit and citrus exports. The PPECB has first option on additional reefer (refrigerated) slots set aside by the conference.

The bulk of deciduous exports is carried outside the conference on a charter

basis by Salen of Scandinavia, in partnership with Blue Star Line of the UK, and by Universal Reefers.

Last year, deciduous exports reached a record 833 400 m<sup>3</sup>, with volume up 19% and turnover up 49% over 1981. Results this year are likely to be less favourable.

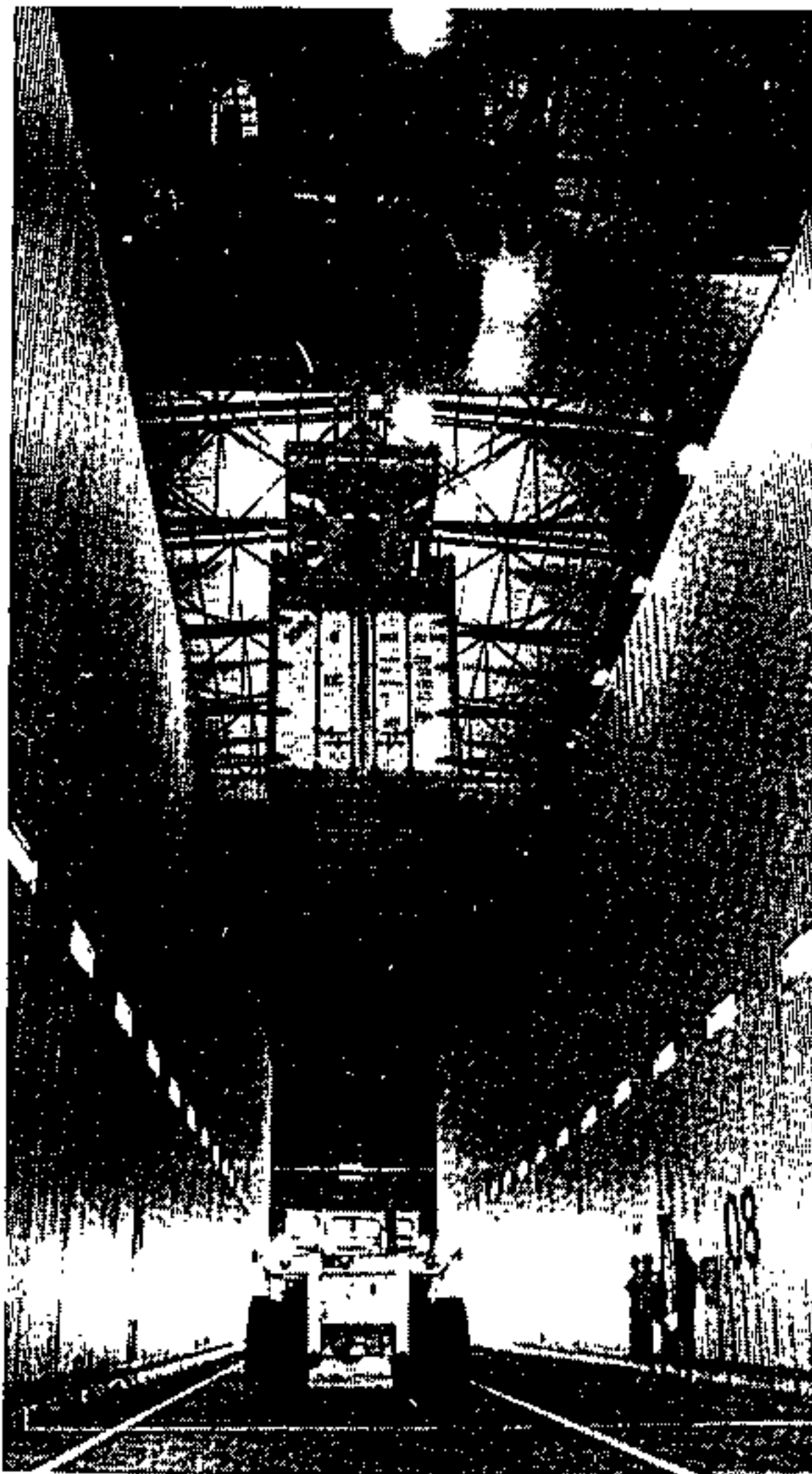
There were good shipments of stone fruit — peaches, apricots and plums — from mid-December to end-February. But apples — the mainstay of the deciduous crop, running from February to June — have been hit by smaller harvests in SA, combined with heavy competition from Chile, Argentina and New Zealand. A large European crop caused the EEC to slap a 32% quota reduction on imports from SA.

Citrus exports may show a decline against last year's 920 700 m<sup>3</sup>, as a result of lower yields caused by the drought. The citrus season runs from April to September. In addition to shipments carried under the OFA, citrus is carried by Lauritzen of Copenhagen, in partnership with Peninsular Reefers of the UK, and by Universal Reefers. Space is also chartered on the open market.

Under the OFA, the conference has first option on other perishable cargo, provided "reasonable" freight rates can be negotiated. In 1980 the lines were successful in wresting substantial shipments (29 400 m<sup>3</sup>) of avocado pears — an attractive off-season commodity — from the airlines. But the longer transit times caused some problems. Cut rates and a 12c/kg subsidy enabled the airlines to win back 50% of the traffic last season. This year the lines have renewed their bid for the fruit, but the crop has been reduced as a result of the drought.

Frozen beef exports, mainly from Botswana, dropped from 24 000 m<sup>3</sup> in 1980 to 8 000 m<sup>3</sup> last year as a result of foot-and-mouth disease. But quantities increased last year and are expected to reach 20 000 m<sup>3</sup> in 1983.

Overall, however, the conference will be hard pressed to pick up the additional 7% in perishable exports that it seeks this year.



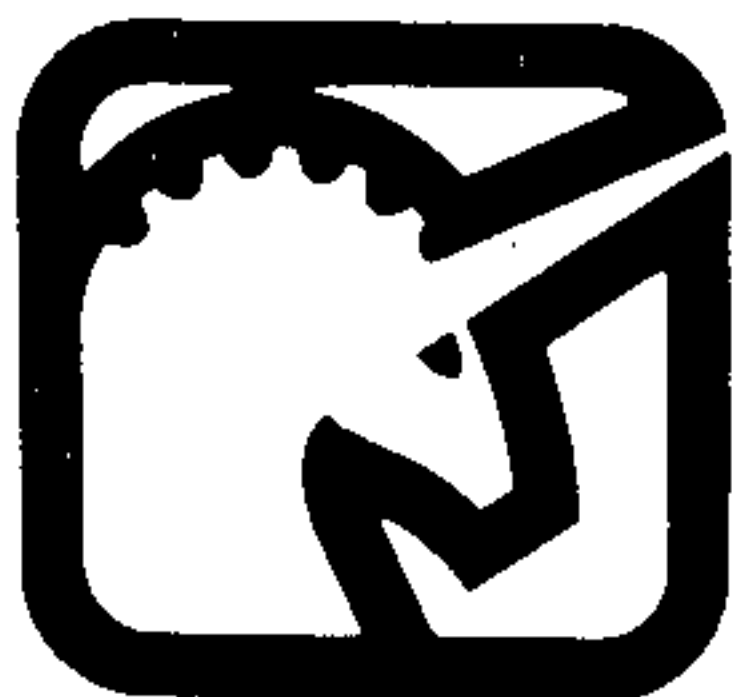


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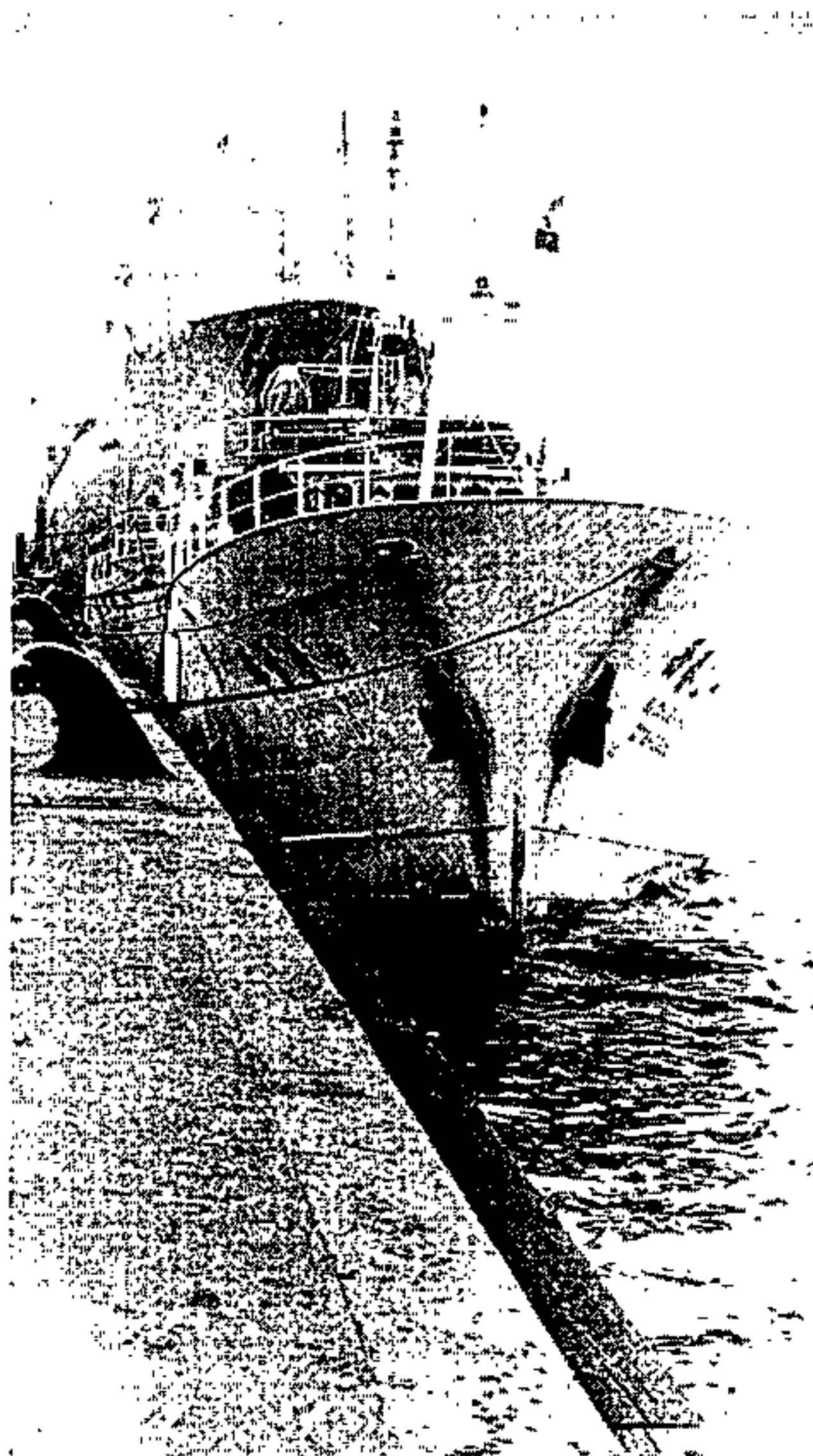
The NVOCCs took advantage of the low freight-all-kinds (FAK) rates introduced by Cape Lines, and later by conference, for groupage containers. The rebate they received enabled them to file rates up to 20% lower than those of the lines themselves. Many made huge profits, in some cases making more on a container than the line did.

Now the NVOCCs are protesting against conference's 13% FAK rate hike announced in April. This, combined with an increase in packing costs on the US east coast, could add 25% to their operating expenses.

According to Gene Kauffman, owner's representative of Direct Container Line (DCL), if this cost is passed on, it could seriously prejudice the position of small importers.

The NVOCCs are forming an association to take up the matter with the conference. They are also considering throwing their weight behind independent operators on the run.

Conference members include Safmarine, Moore McCormack Lines and Lykes Lines. Hellenic offers a northbound service within the conference, while Bank Line, for years a member of the southbound conference, re-



cently applied to join the northbound as well.

In the early Eighties, the US-SA route was an extremely lucrative one, as imports soared and the US moved through the ranks to become SA's number one trading partner. The conference lines — bound by a tariff agreement rather than a pooling of resources or revenue — operated with little outsider competition.

Safmarine is the only operator consistently to provide a direct service between the US east coast and SA. Virtually all the other lines include stop-offs at South American east coast or east African ports (or both), resulting in considerably longer transit times.

In a trade where liner imports generally outweigh exports by four to one, all the lines have been hard hit by the drastic fall-off in imports from the US. Last September Safmarine decided to reduce its sailings from more than one a week to fewer than three a month.

So new entrants Proodos Marine Carriers (PMC) and Armada-GLTL are likely to find the going tough. Both got off to a shaky start early in the year, when they were forced to cancel initial voyages, but sailings are now under way.

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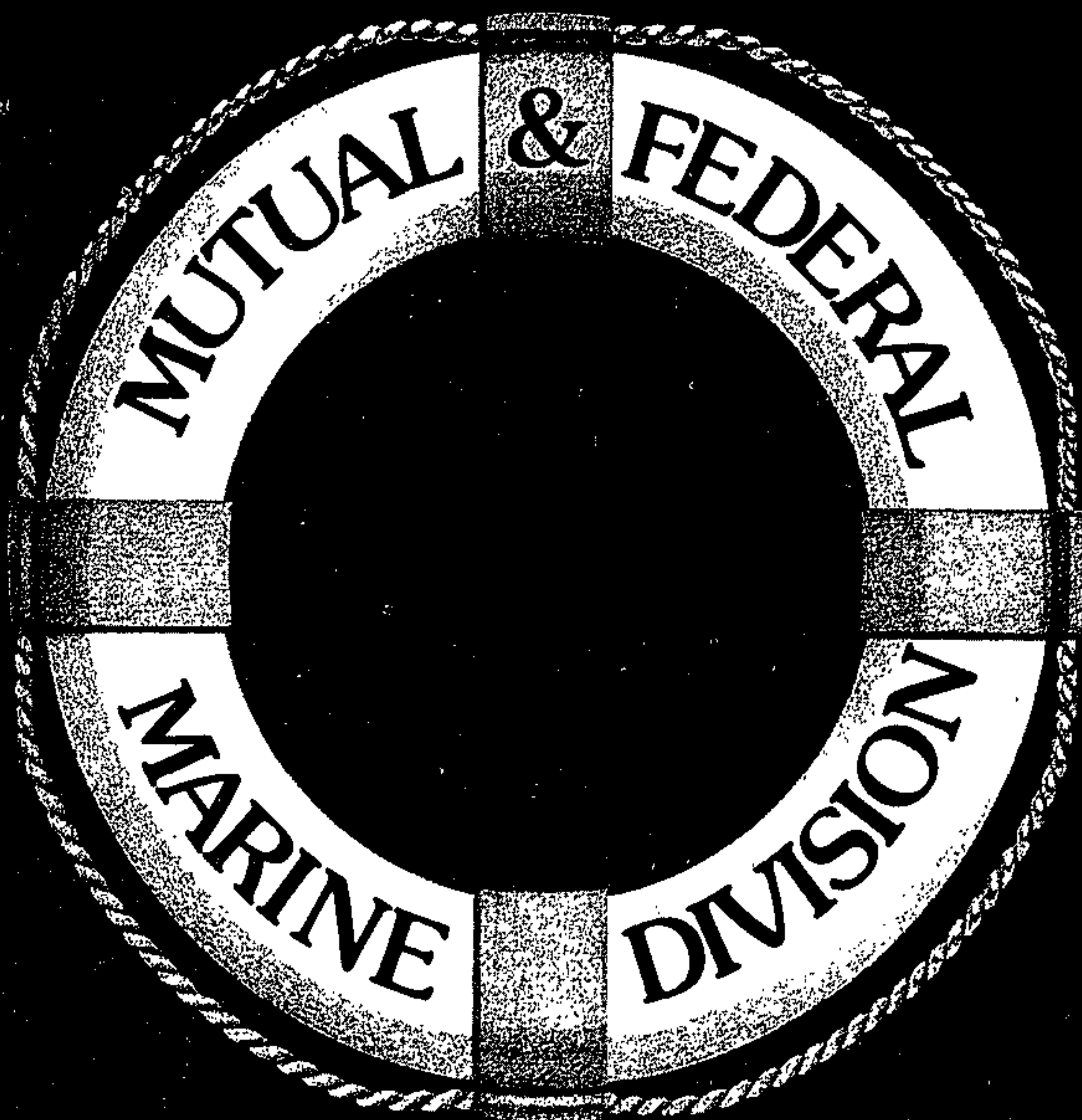


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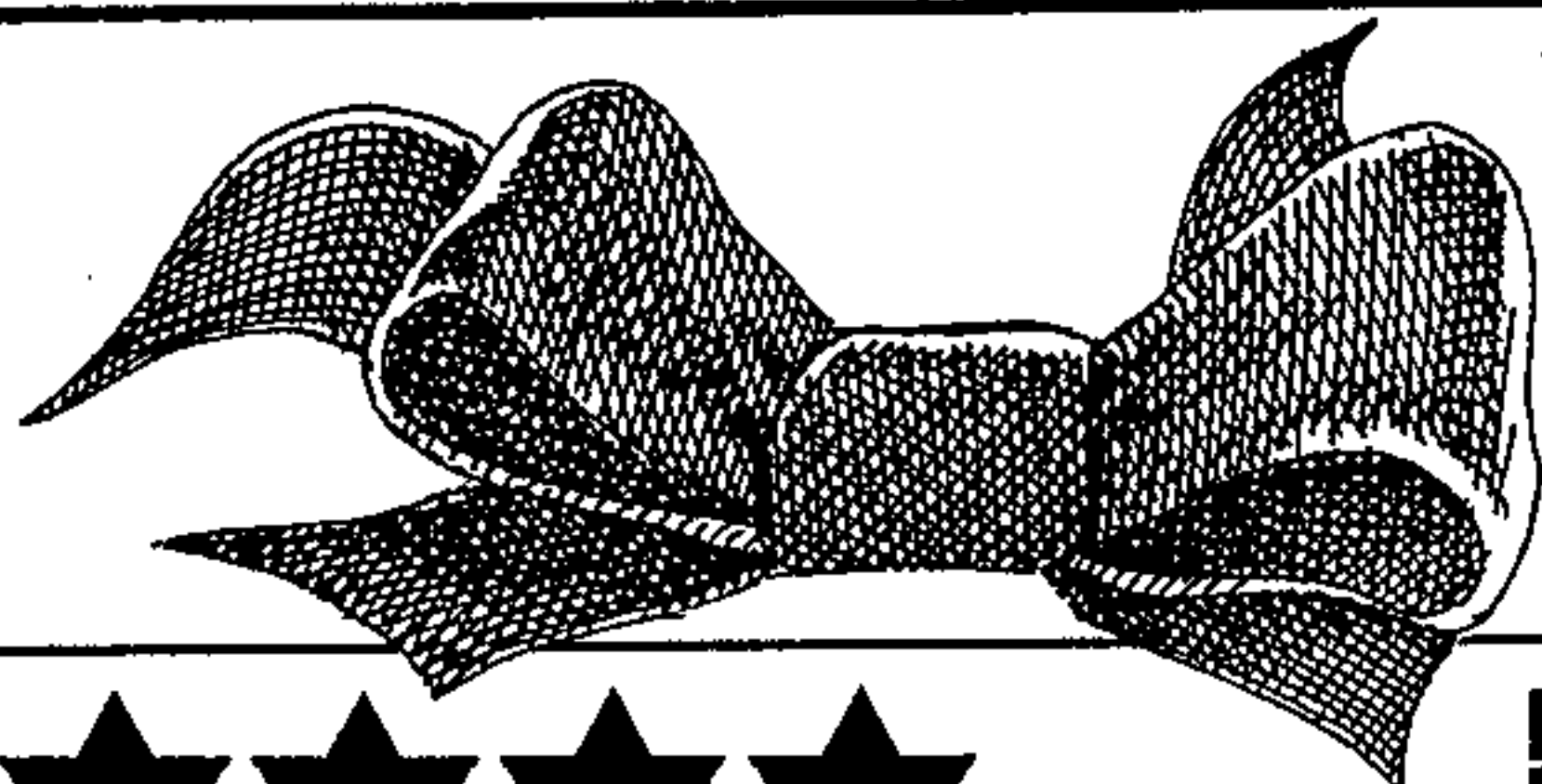
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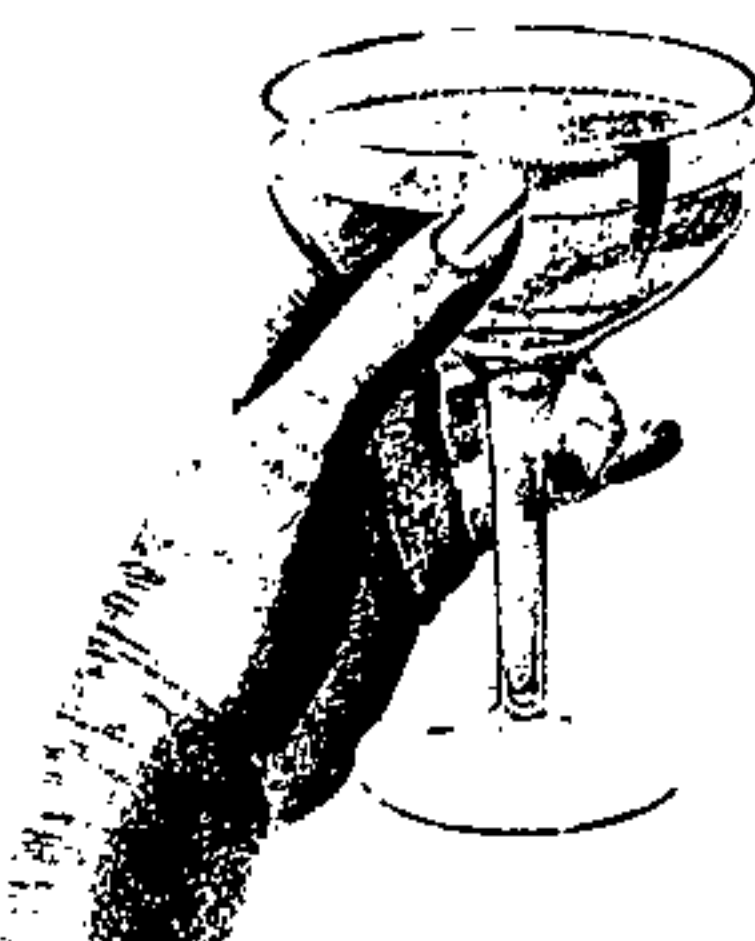
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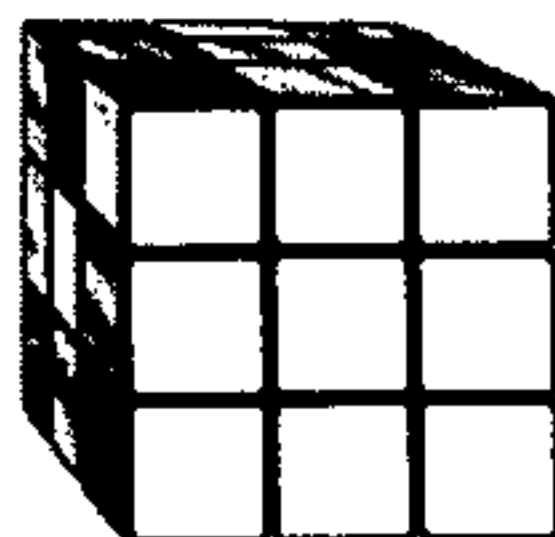
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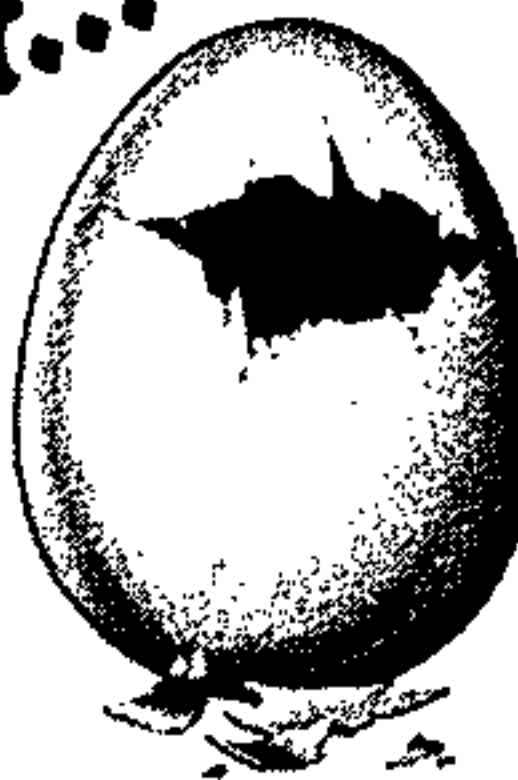
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1978 to R138,6m last year.

SA's "Mr Shipping" concedes that the immediate outlook is bleak. "Shipping is totally dependent on world trade," avers Marsh, "and currently there are very few optimists around."

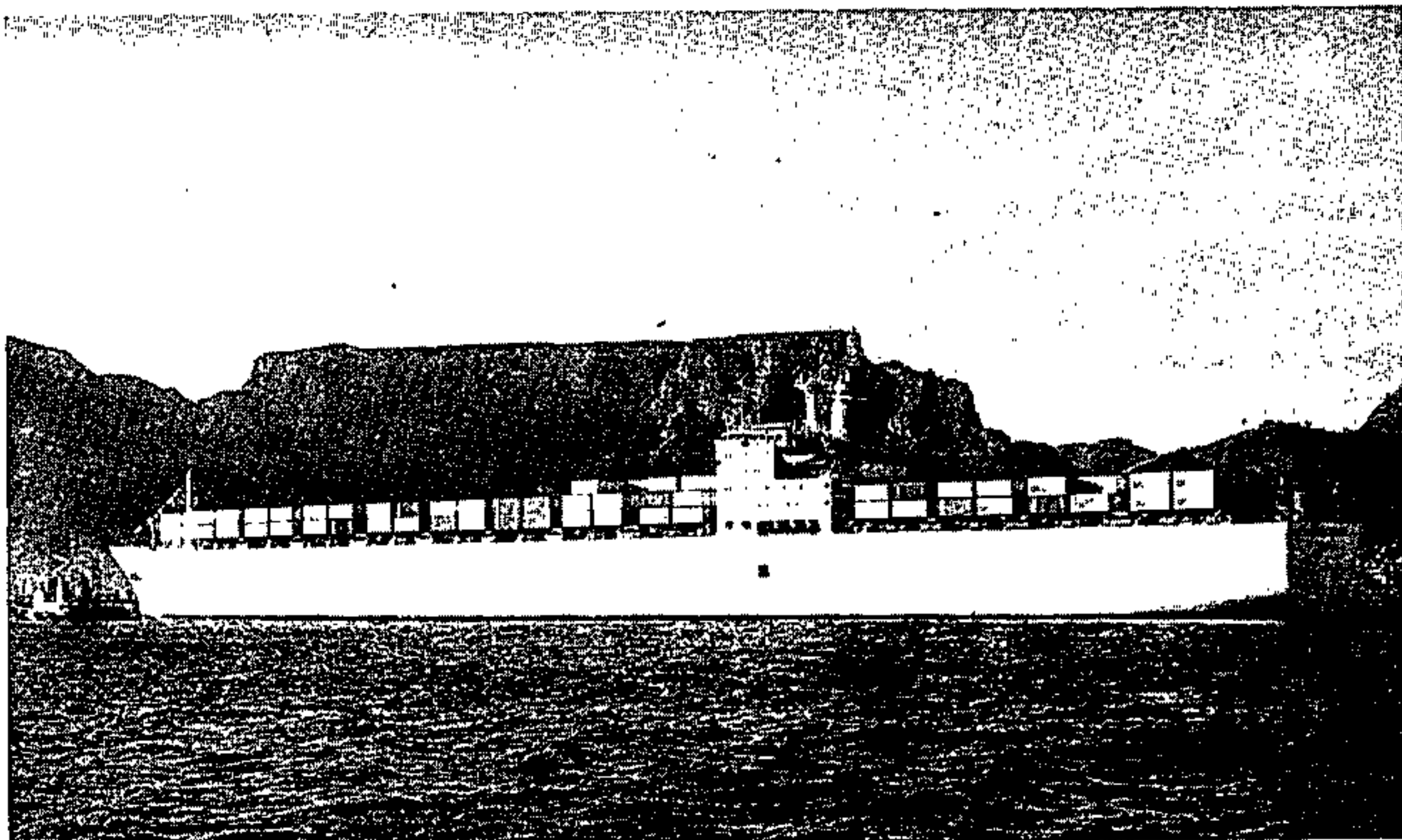
"But SA has a sound internal position, and with its new ports is better equipped than ever to export raw materials. I think we can expect a small increase in volume this year and better prices. But there's no magic wand. We can look forward to a modest export-led recovery, not a big boom."

Marsh believes that stringent control procedures have made Safmarine "pretty cost-effective." "We're running a tight ship and our return on investment cannot be beaten by anyone in the business."

He argues that the increasing sophistication of the shipping industry, particularly landside operations, is making it increasingly tough for outsiders. "It's not so easy for a one-ship operation to compete. This is why so many have disappeared or reduced their services. But in the process they destroy tariffs and disrupt the industry. Then we have to sort out the mess."

"We're more competitive than we were, but it shouldn't be necessary to meet the lowest rate of the cheapest — and worst — operator."

A long-time proponent of the conference system, Marsh claims he has never advocated protection or subsidies for the shipping industry. "We don't want protection. But we want a fair deal and we want support from those SA industries that are themselves protected. Often people who cry for protection against overseas competition are the first to



sell us down the drain.

"We've made a long-term investment in the shipping industry because of its strategic importance and its value as a foreign exchange earner and provider of employment. SA shippers are getting one of the finest services in the world and we deserve their support."

Safmarine's biggest shareholder is the Industrial Development Corporation (IDC) with approximately 40%. British & Commonwealth Shipping holds a 25% stake.

Around 90% of Safmarine's profits come from its maritime activities. Apart from its liner and bulk shipping operations, it has interests in the refrigerated cargo trade and a 40% stake in Unicorn Lines.

It also has a shareholding in excess of 50% in Freight Services Holdings, SA's biggest clearing and forwarding group, and a stake in Willis Faber Holdings, an insurance company. It has considerable interests in civil aviation (through Safair Holdings, Trek Airways, Air Cape and the Namibia Airlines Group).

Neither Marsh nor Unicorn Lines chairman Murray Grindrod will be drawn on market rumours that Unicorn's operations are to be rationalised with those of Safmarine.

Unicorn Lines was established in 1966 after the merger of three shipping lines — African Coasters, Smiths Coasters and The-sens Steamship Co. Apart from Safmarine, General Mining Union Corporation (Gencor) has a 40,2% interest in the company, while the Grindrod and Renaud families have a minority share.

From a fleet of 26 owned vessels in 1978, Unicorn now owns 18. "We've reduced the fleet to offset the fall in cargo," comments Grindrod. "At the same time we've switched to bigger and faster ships and sold the smaller and less economic ones."

Safmarine and Unicorn have carved up the globe so that there is no over-lapping of

routes.

In addition to its coastal routes and its services to east and west Africa, Unicorn also operates between SA and the South American east and west coasts, Israel and the Indian Ocean Islands.

According to Unicorn executive director Mike Groves, volumes have fallen on the east coast of South America as Brazil and Argentina try to cut back on imports. In addition flag reservation laws in these countries stipulate that high-rated imports must be carried by the national line.

Unicorn nonetheless maintains a presence on the route, against a multitude of competitors, mostly cross-traders on the Far East-South America route. All are members of the open conference or tariff agreement, which is, however, honoured more often in the breach than in the observance.

On the west coast, flag reservation laws restricting 100% of imports to the national line forced Unicorn to quit the Ecuador and Columbia trades about 18 months ago. It now offers a rationalised service to Peru and Chile in conjunction with the national lines of those countries. It is considering the possibility of further rationalisation to combine its east and west coast services.

With Zim Lines of Israel, Unicorn runs the only service between SA and Eilat, as a three-ship operation. Northbound cargo consists mainly of potash for the fertiliser industry.

Unicorn splits the Indian Ocean islands into two routes. It operates one multi-purpose vessel on the Comores, Seychelles, Maldives and Sri Lanka run against chief competitor Gold Star Line.

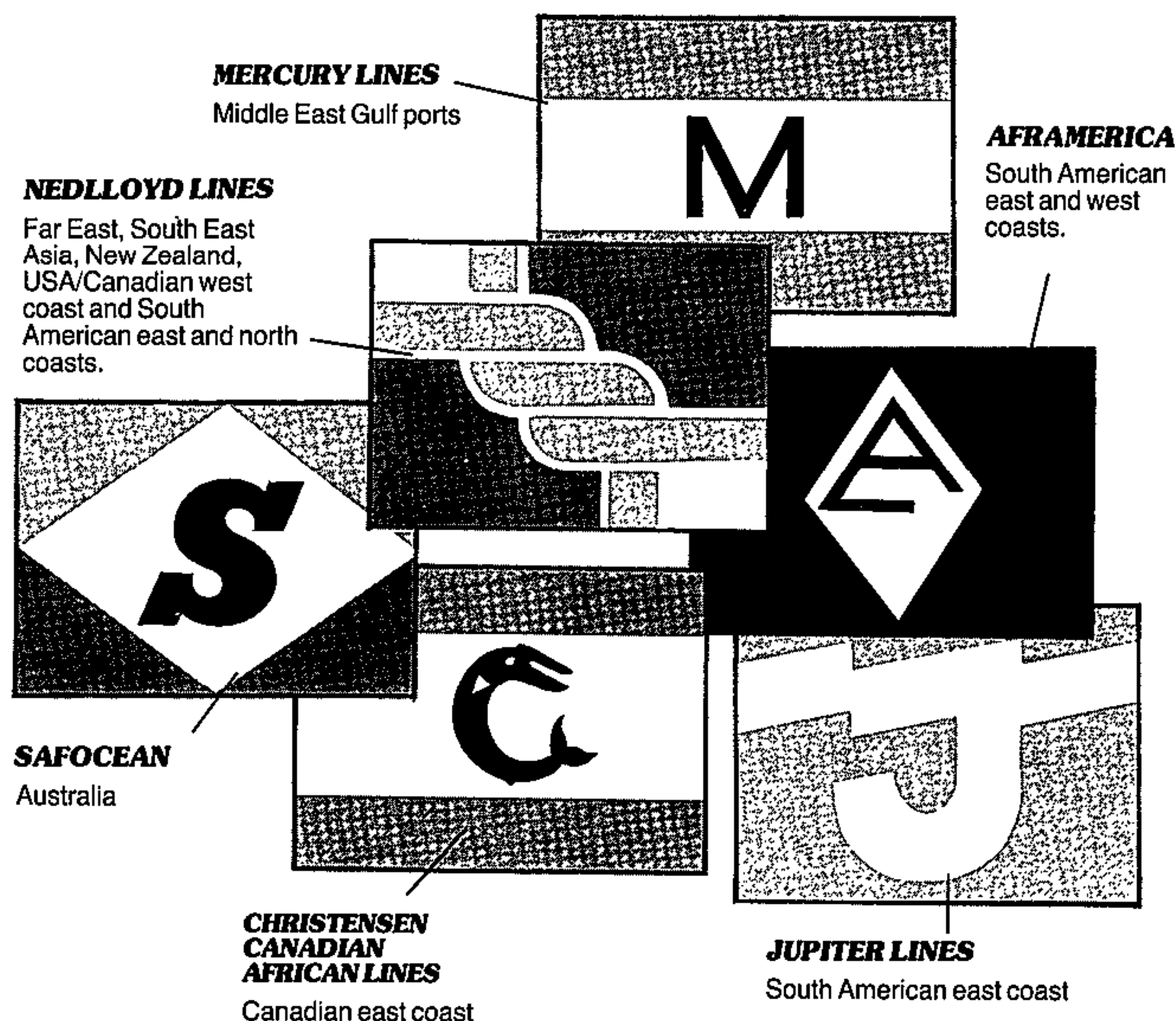
It operates a joint container service with the French company SMN on the Reunion-Mauritius run. "It's an expensive route," asserts Groves, "with most boxes coming back empty." The trade has attracted a lot of attention over the years; currently the main competitor is Manta Lines.



Unicorn's Grindrod ... bigger and more economic ships



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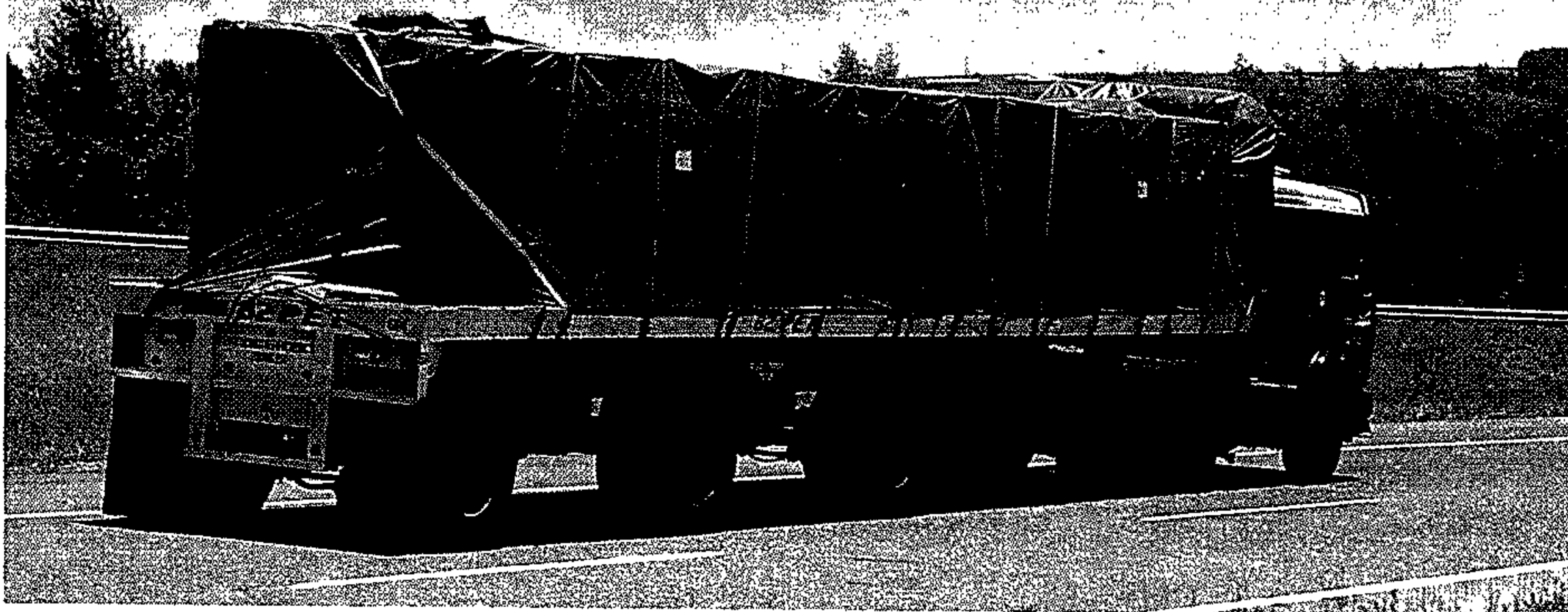
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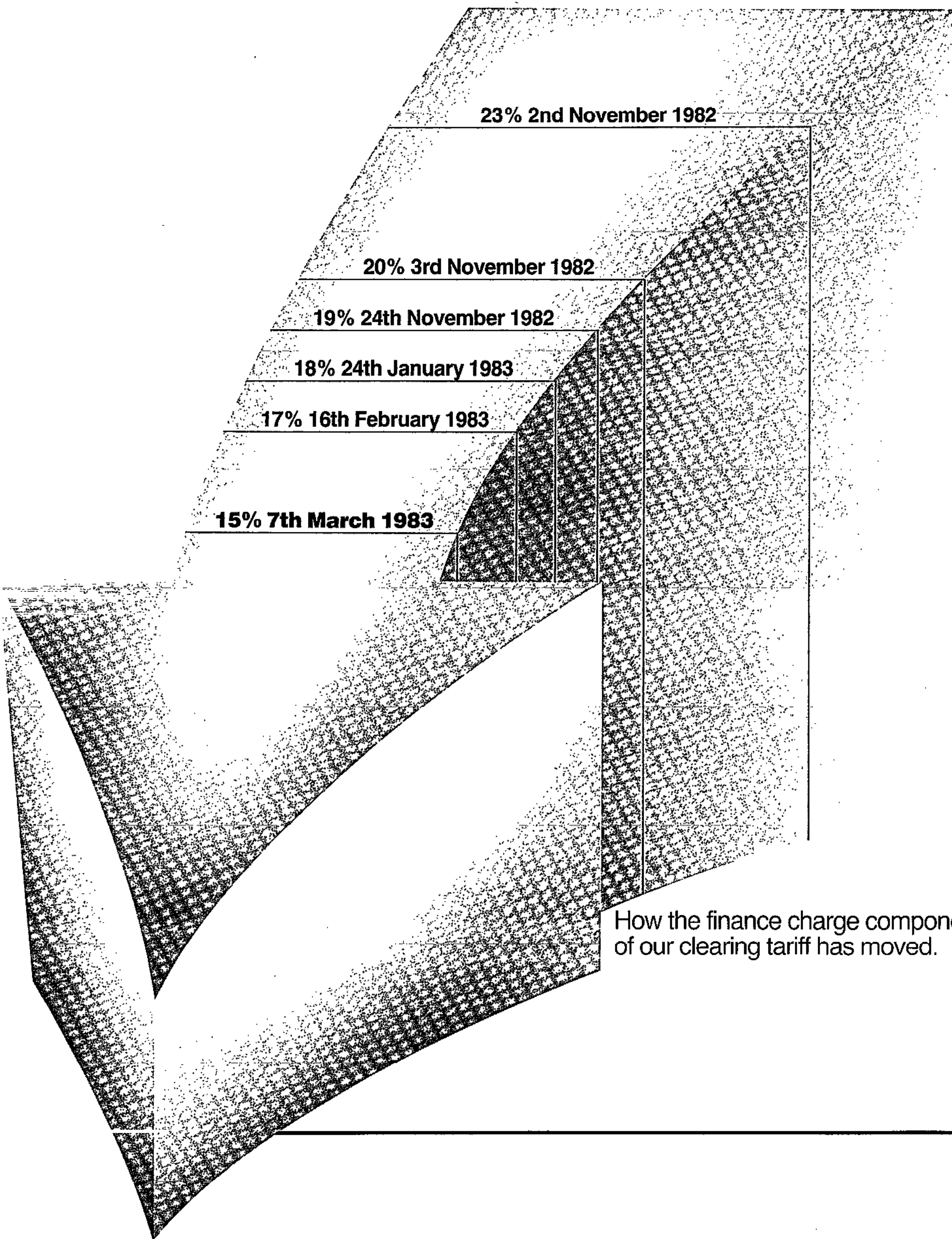
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the bottleneck occurred earlier in the system, and the SATS terminal was heavily congested. Thousands of containers had to wait for railage to City Deep.

The events led to bitter recriminations between the parties involved. A major factor was inadequate and late arrival of documentation. SATS reported that 70%-80% of all containers arriving at the terminal were uncleared and therefore had to be channelled to the SADC depot.

Yuill concurs. "We could have coped with the throughput," he maintains.

"But length of stay is the killer. Over that two-month hiccup the average dwell period of a container soared from 10 to 28 days. This meant we had to store three times as many containers. SADC was designed as a quick-transit facility, not as a warehouse."

A second major problem, according to SATS, was that although containerisation had been designed as a round-the-clock system, most importers were unwilling to accept after-hours delivery.

Freight forwarders reiterated their demands for competitive customs licensed depots to be established and added that private hauliers should be allowed access to the terminals to help the SATS fleet with delivery of FCLs.

One of the consequences of the tremendous surge in inbound cargo was a huge pile-up of empty containers. Vessels were arriving in SA chockful, carrying up to 2 800 boxes, and sailing north with as few as 1 000. Overall, the ratio of full containers entering the country to those leaving was about two-to-one.

By the end of 1981, the number of empty boxes littering container storage depots and

vacant ground throughout SA, and particularly on the Reef, was estimated at around 24 000. Gradually the containers were repositioned, with some outbound ships carrying 60% empty boxes. But it was "an expensive way to ship fresh air," as one observer commented.

During the course of 1981, an inter-departmental investigation into containerisation was set up under the auspices of the Department of Transport Affairs. Three working groups — representing a wide cross-section of public and private interests — were formed to study documentation and procedures, landside movements and liaison channels. Recommendations have now been framed for submission to the minister.

SATS and SADC also took steps to put their houses in order. SATS streamlined procedures and increased its fleet from 260 to 340 vehicles and increased its team of drivers from 200 to 380. SADC installed a second container gantry crane (at a cost of R1m), bought new forklifts, haulers and trailers, and streamlined its communications procedures and its vehicle flow system. It expanded its depot sheds and yards and acquired off-site storage areas for container overflows.

In the event, the facilities were not required. "And this," says Yuill, "despite the fact that container volumes over the December 1981 period — the height of the import boom — were *higher* than they had been the previous year."

Some lessons had apparently been learned.

In 1981 a record 6,3 Mt of general cargo was discharged at Durban. Of this, 2,6 Mt was containerised. In 1974 general cargo landed totalled 5,5 Mt. And those with long



**Freight Services' Organ ... not in a privileged position**

memories will remember the queues of ships waiting outside the harbour for berths. Now, one large container ship has replaced seven traditional vessels. Yet cargo unloading takes only twice the time, using a third of the people.

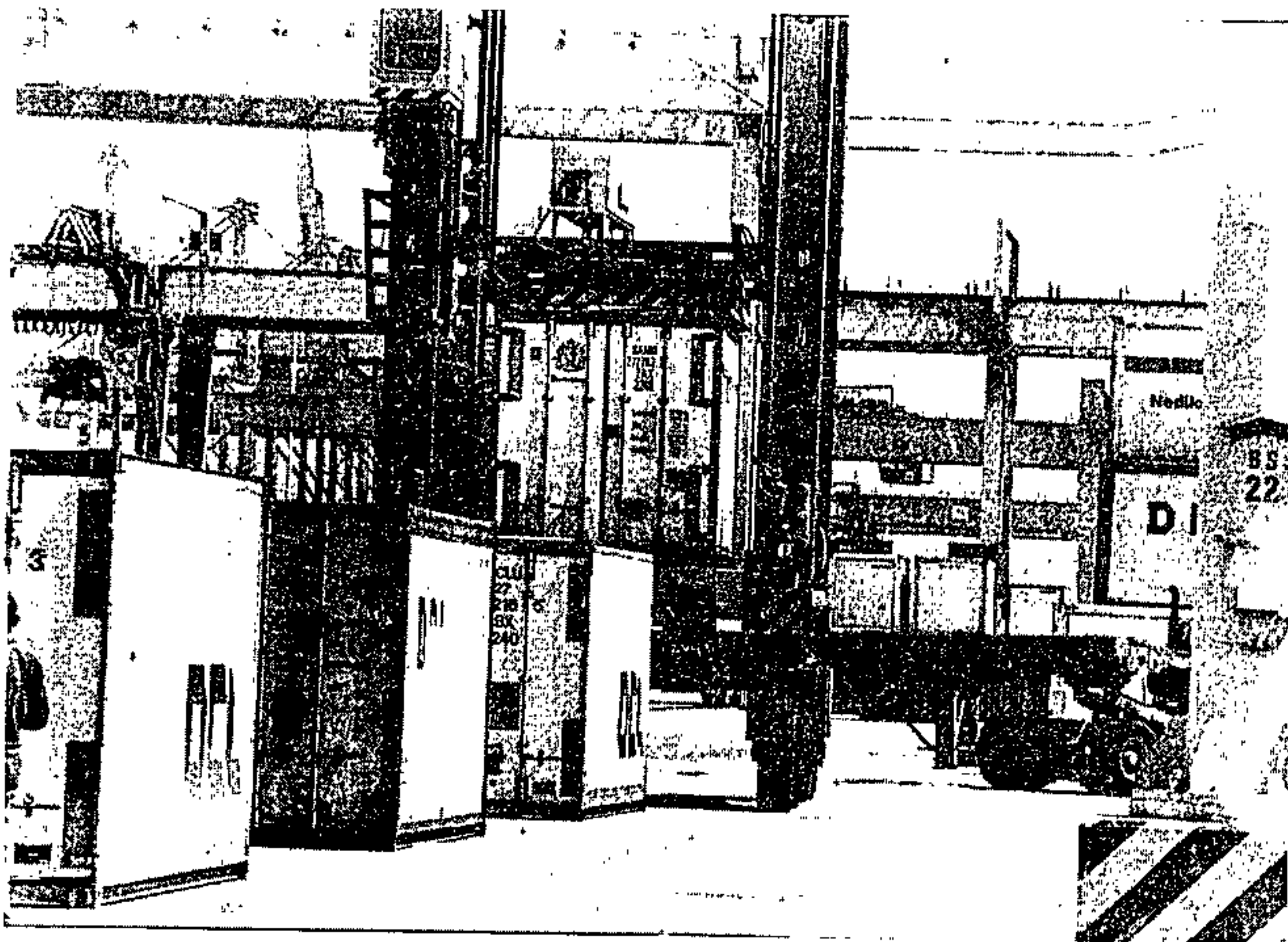
The bottleneck may have been pushed further along the system. But dissatisfaction with some aspects of containerisation should not be allowed to cloud the whole picture.

Even its harshest critics admit that the R2 000m containerisation programme has worked. Comments Alan Cowell, a member of Assocom's transport committee (and director of Miller Weedon Freight): "The wet-leg reigns supreme. The ships are right and the voyage times are right. Port equipment and facilities are first-class and they are operated with great efficiency."

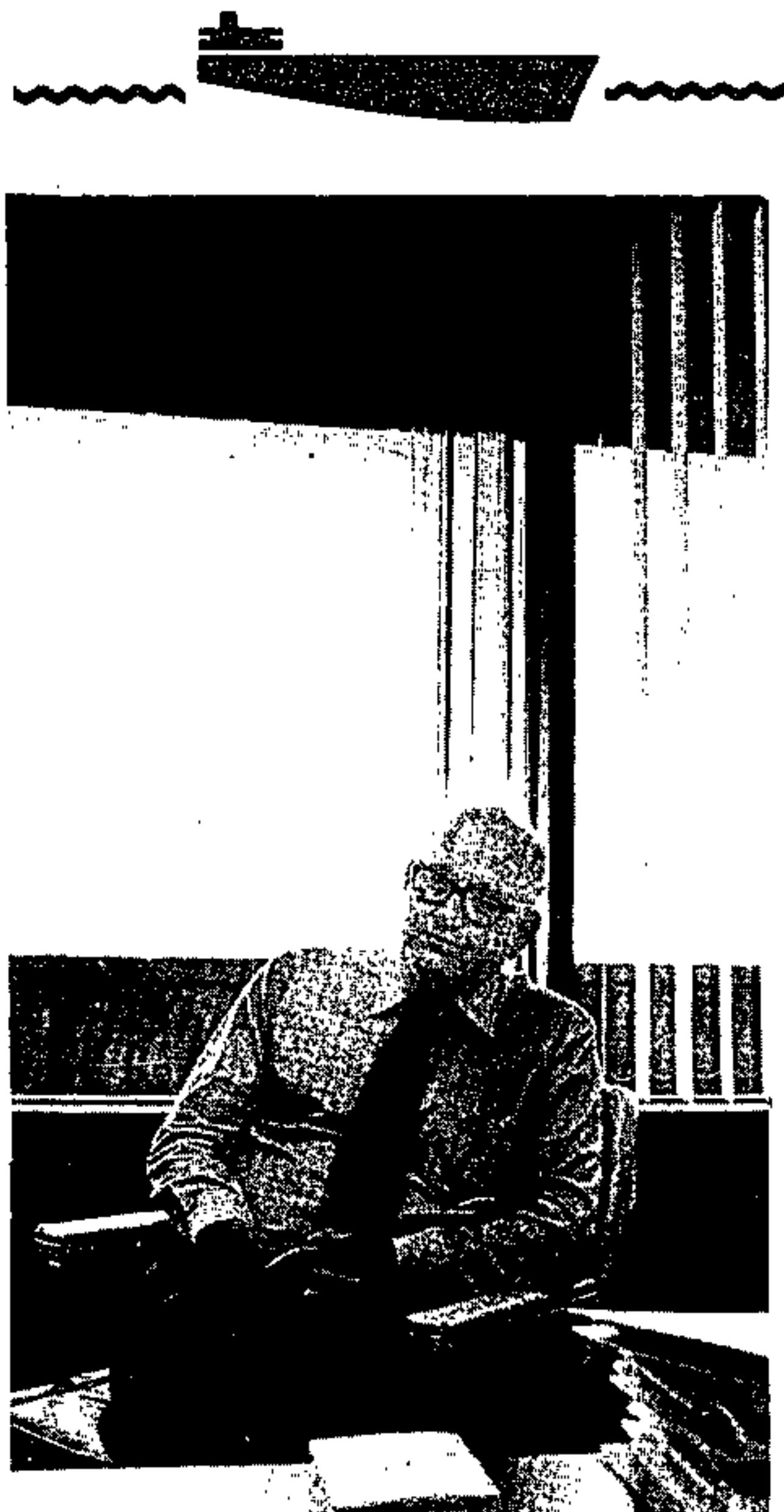
"The cause of the problems lies elsewhere. And one area where we come unstuck is documentation. We have made suggestions to the committee investigating containerisation. But a lot more work is required in this area."

Now, of course, the whole container system is under-utilised. "Even without our recent expansion, we would have had excess capacity," laments Yuill. "At City Deep we can now hold more than 5 000 containers, but there are now only about 100 in the depot. However, as a single facility, we believe we have to cater for peak periods. So far SADC has been footing the bill, but in the end the user will have to pay."

In the face of decreased demand, SATS came under fire late last year when it announced massive hikes for railaging contain-







**Sasafaa's Canning ...  
undercutting is rife**

### PROFIT SQUEEZE

The freight forwarding industry has turned in handsome profits over the years. Only recently has the recession begun to bite, resulting in nationwide retrenchments. Commissions have been hit by reduced volumes and cut rates. The value per transaction is 30% lower than it was a year ago.

Market leader Freight Services (controlled by Safmarine and Anglo American Industrial Corporation) is marking time with earnings around the R12m mark.

Rennies (part of the Hong-Kong based Jardine-Matheson group) at number two spot has defied market trends to increase operating profits of its shipping, security, travel and transport division by 15% to R20m in the year ending December 1982. The clearing and forwarding company boosted profits as a result of a gain in market share. However, profits of the ships' agency company declined in line with world trends.

For the six months ended December 1982, Safcor (part of Curfin) recorded a 21% drop in operating profit to R4.1m. Over the same period, Micor — after years of turning in an impeccable profit record — showed a 38% slump in bottom-line profits to R814 000.

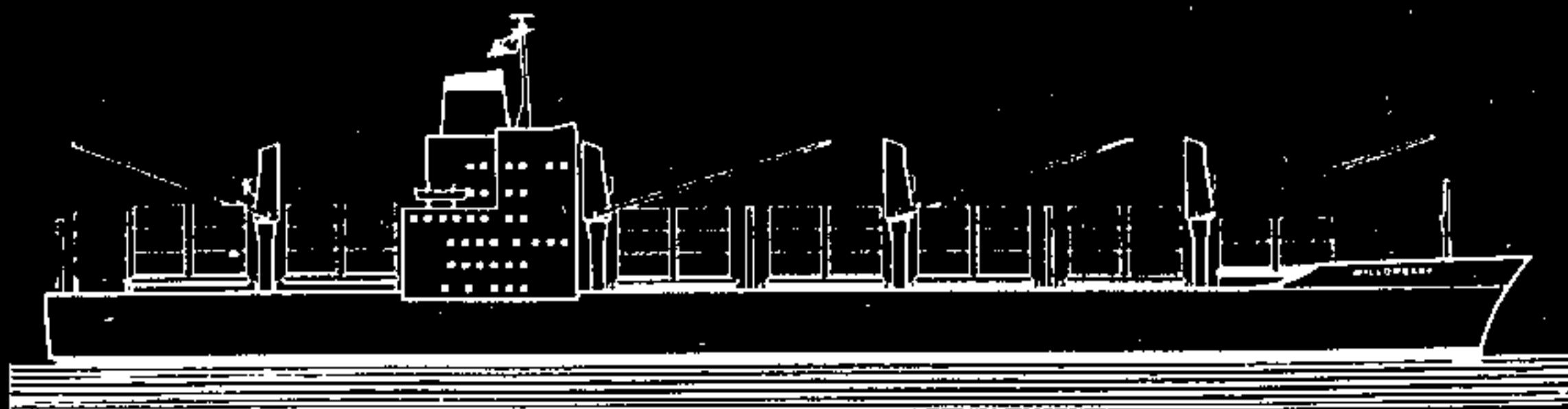


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other remunerations of whatsoever nature and kind, and shall not be obliged to disclose or account to its customers or principals for any such remuneration received by it."

Perhaps, ultimately, market forces will prevail. As the shipping manager of a large minerals group comments: "If a forwarder offers me an all-in rate I don't care what sort of profit he's making, so long as the rate is lower than I can get elsewhere."

Deliberate manipulation aside, there will always be incorrect charges due to inadvertent mistakes. On the whole what the client loses on the swings he should gain on the roundabouts. But another accusation is that clearing agents' tariffs are too high.

Frank Waterschoot, MD of Circle Freight International, a non-Sasafaa forwarder, comments that "competition is fierce, and

some guys have priced themselves out of the market. Sasafaa members are often the easiest to knock off."

Canning admits that in today's market, undercutting is rife, even among Sasafaa members.

Sasafaa has yet to decide what action to take against Freight Services, which last August devised its own tariff, announcing the association tariff to be inequitable in the market place, and probably illegal.

Chief executive Neville Organ says that clearing agents — as moneylenders — must separate the interest rates they charge for the money they disburse on behalf of clients from the cost of their other services. He argues that the Sasafaa system, which includes all costs under a single tariff, violates the Limitation & Disclosure of Finance

Charges Act (Ladofca).

Sasafaa — which consulted the same legal counsel as did Freight Services — believes the tariff to be in the clear, but is obviously reluctant to expel a member that handles about one quarter of the country's total imports and exports.

Freight Services' new tariff was not intended to undercut the Sasafaa one; in fact in some cases its charges were higher. However successive drops in the overdraft rate have enabled Freight Services to reduce its interest rate to clients five times since August, by a total of six percentage points.

One way or another, it seems that the Sasafaa tariff book has been dealt a death-blow. Pressures have been mounting for a more realistic and simplified rate structure. Now a revision is on the cards.

## Coming of age

*Ship chartering has developed into a mature market. But it could do with more local support*

With their sights fixed on international trends, SA shipbrokers and charterers are particularly gloomy about the local market's recovery prospects. Most see no chance of a revival before mid-1984, and some put it as far off as late 1985/early 1986.

Overall world trade fell 2% by volume

last year. In 1981 the total value of trade fell to \$1 800 billion from \$2 000 billion, a drop of 6%, taking into account a rise in the dollar's value.

International shipping companies owe an estimated \$35 billion on their tanker and bulk carrier fleets. Bankers worldwide are

alarmed at the increasing numbers of companies pleading to have enormous loans re-scheduled in order to stave off liquidation and bankruptcy. There is now a gigantic \$110 billion outstanding in loans and guarantees that shipowners are unable to repay.

The collapse of freight rates has prompted more and more shipowners to deliberately perform a *Salem* stunt and fraudulently dispose of their cargo and then scuttle their ships to claim the insurance.

The world fleet is heavily overtonnaged. More than 1 000 vessels are laid up at Piraeus, Greece. Worldwide, some 13 Mt of bulk dry cargo tonnage and 76 Mt of tanker tonnage is laid up. Total surplus capacity is estimated at 150 Mt.

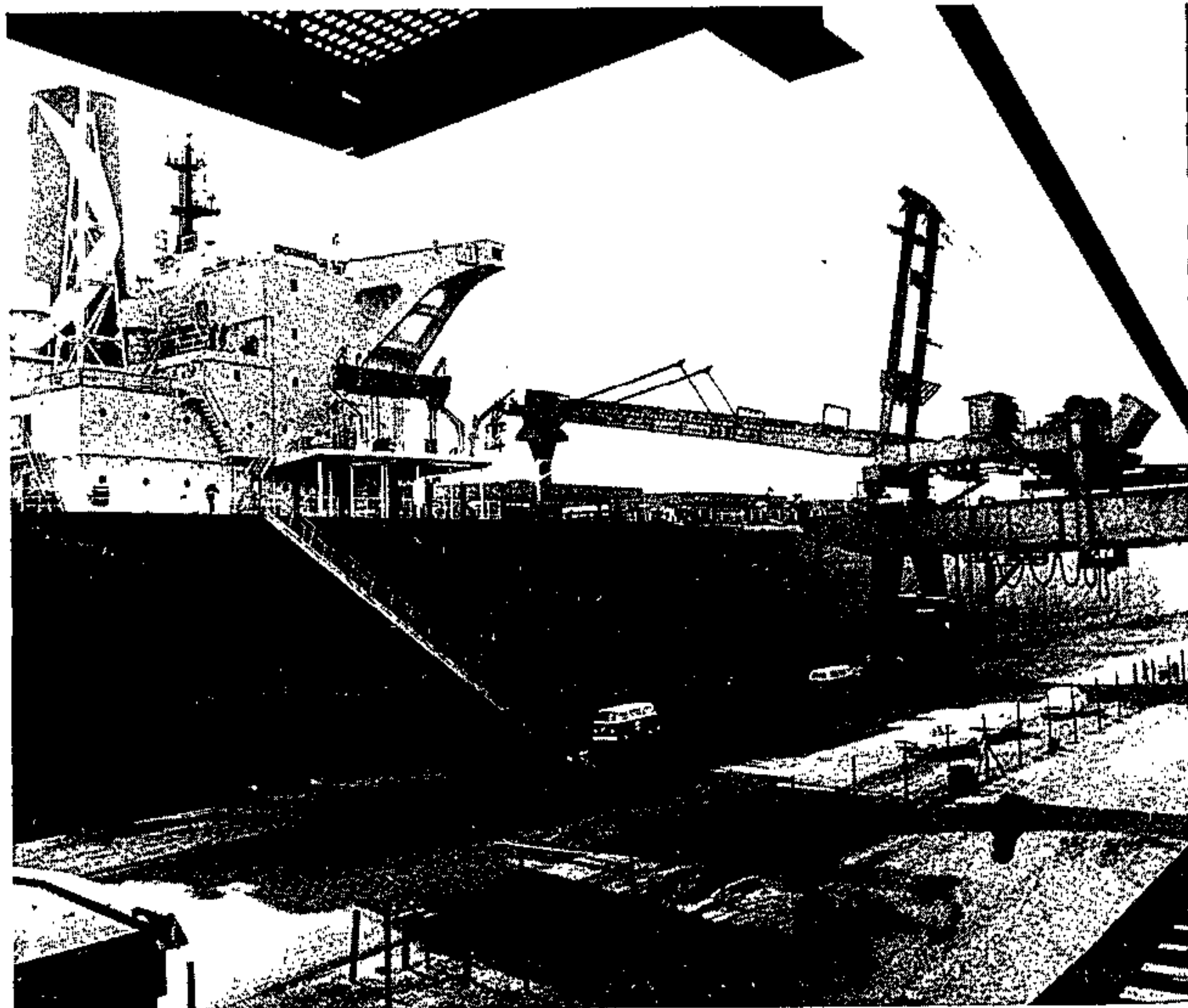
Many older, less fuel-efficient ships will come out of lay-up only to go to the breakers, once the price of steel scrap lifts. Any upswing in rates is likely to draw tonnages out of lay-up, only to level rates again.

And new buildings, contracted before the downswing, are still coming on to the market. For example 74 Panamax carriers (designed for transit of the Panama canal) are to be delivered this year, to swell a fleet already 12% over demand.

Two years ago, a handy-sized bulk carrier of 25 000 dwt chartered for a fixed period (time-charter) to cover grain cargoes from SA to the Far East, would have commanded \$8 500/day. By early 1983, a fixture (charter) could be arranged at less than \$3 500/day.

For trips to Europe, similar ships could expect to get \$2 500/day. In January, only \$1 250/day was accepted by a 27 000-tonner for a trip to the US — an all-time low.

UK shipbroker Eggar Forrester notes that international coal shipping rates collapsed from \$24/ton in June 1981 to a low of \$11/ton in August 1982. Since then the mar-



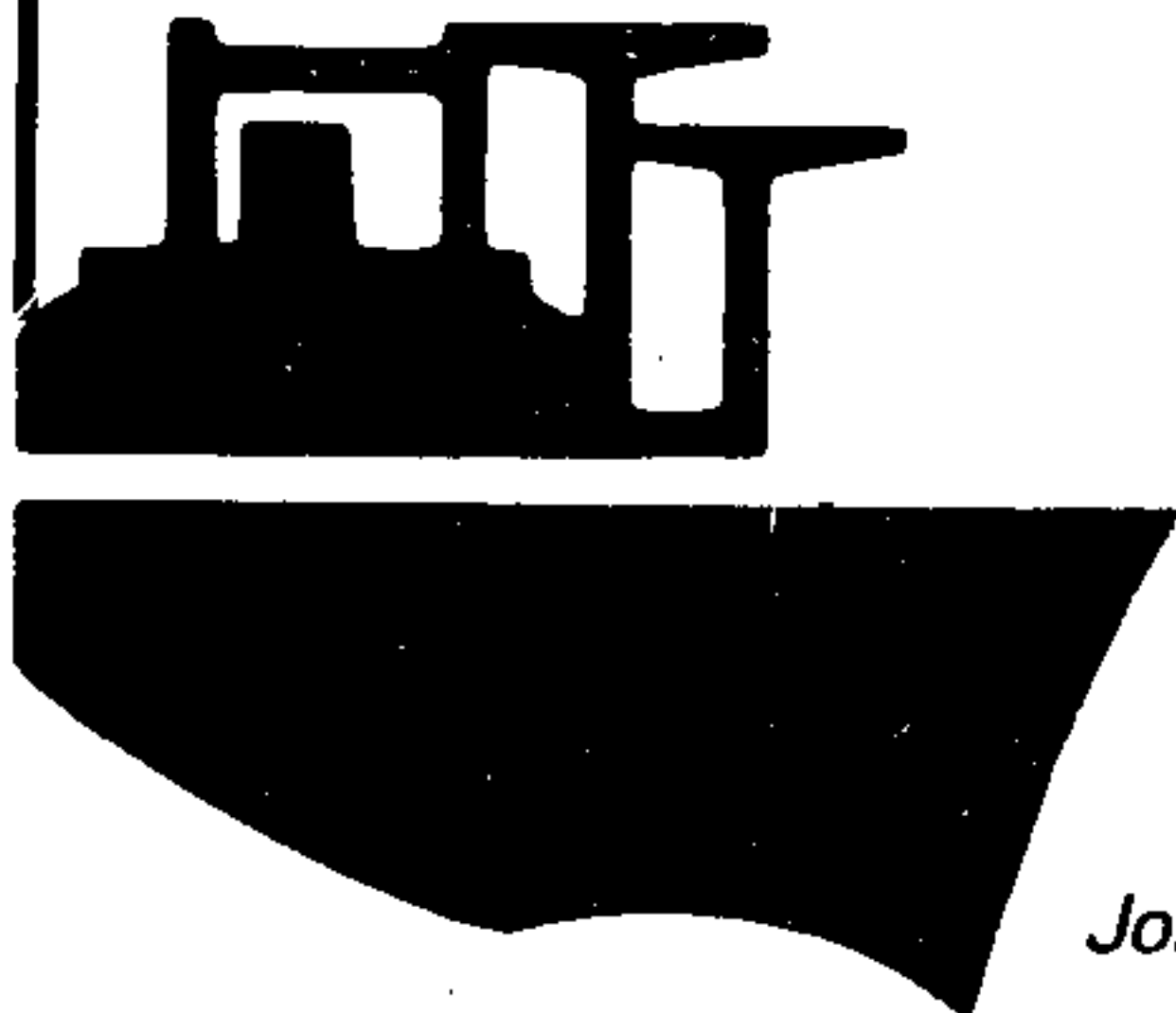


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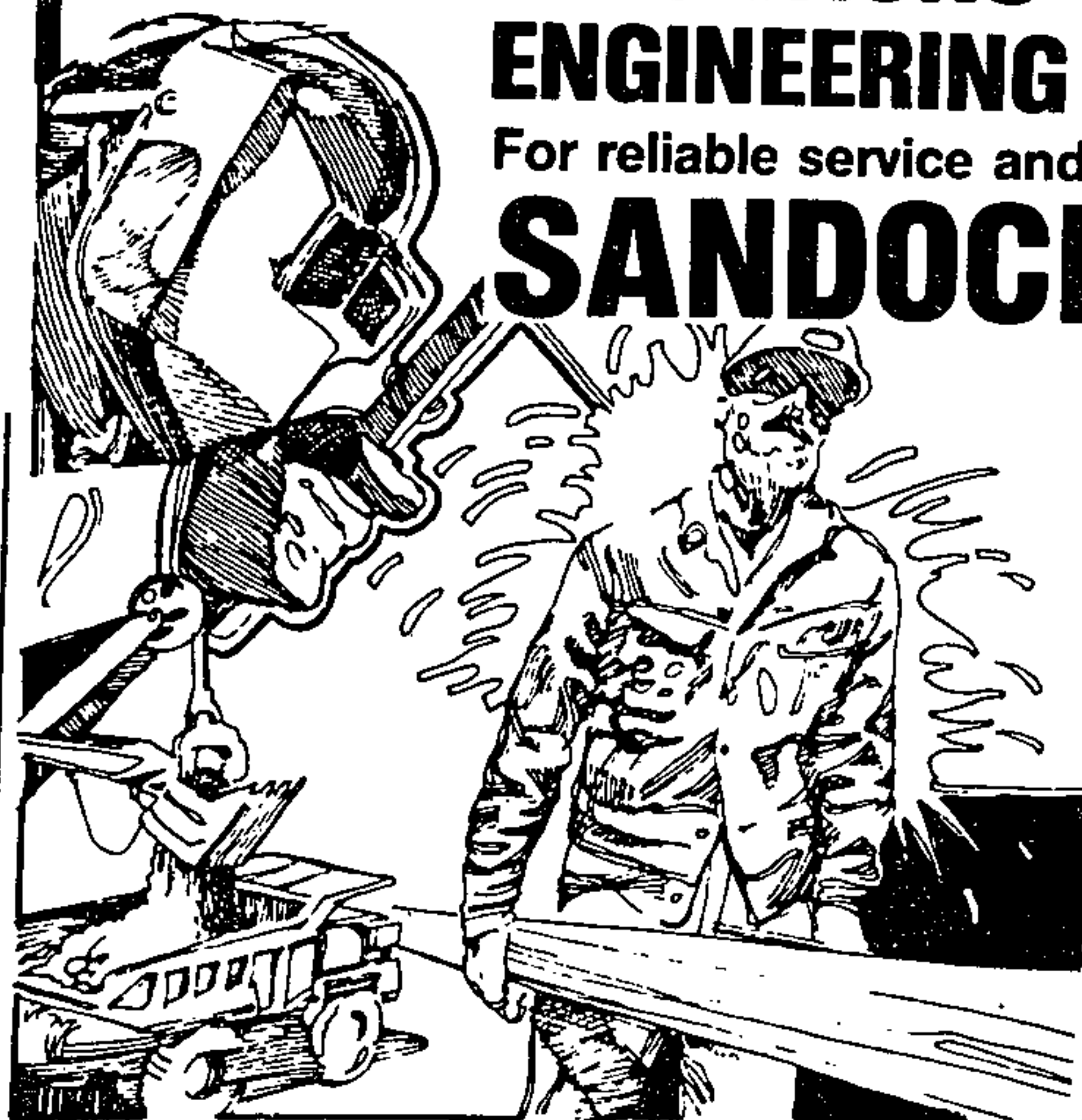
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contracts for the carriage of coal with, among others, its one-time 30% shareholder, Rand London Corp.

MD Norman Stobart claims to have pioneered an unusual concept in ship chartering and operating whereby the shipper can participate in voyage "profits" by forming a joint venture. Bulkcharters charters the ships, basing the contract freight rate on

market rates. If actual costs are lower than anticipated, 50% of the gross voyage profit is passed back to the shipper. By the same token, the shipper is expected to pay up in the event of a "loss" situation arising from increased costs.

"Our idea," says Stobart, "is to reduce the risks of market fluctuations by taking in period time-charter vessels to hedge

against the cargo contract." As an extension of the hedging concept, Bulkcharters has ordered two new vessels in joint venture with SA and overseas shippers.

It is concentrating on the international market, largely as a result of the fall off in SA trade, where it is carrying less than 40% of its peak loads, with little promise of improvement on the horizon.

## Covering the cargo

*Marine insurance has always held pitfalls for the unwary. But new cargo policies and services are making things simpler*

The small print in their contracts has always baffled insurance policy holders. The complex field of marine insurance is no exception. So it's small wonder that the shipping fraternity has its share of insurance hard-luck stories.

One occurred late last year when Cape Lines, an independent operator on the US trade, went bust, leaving the chartered *Saronikos* whiling away her time off the SA coast with R5m of cargo.

Importers were called on to pay 10% of the value for the release of their goods. Some did, expecting to recover the amount from their insurers. Had they read the fine print, they would have discovered that their marine policies did not cover insolvency claims.

In another cautionary tale, a local importer's claim of R150 000 for water damage was repudiated by the insurers because the cargo — a consignment of soft goods — was wet prior to loading on the vessel. The importer's free-on-board (fob) contract of sale meant insurance cover became effective only from the moment the goods were loaded on board the vessel. Had the sale been concluded on an ex-works basis, a warehouse policy could have been arranged to cover the risk.

In many cases, contingency clauses are available to cover risks not specified in the policy. But it's up to the broker to make sure his client is adequately protected. The new cargo clauses introduced in SA marine insurance policies from April this year should go some way towards clarifying the situation.

The Institute Cargo Clauses — developed by the Institute of London Underwriters — replace the 200-year-old terminology of existing marine insurance policies. But they go further to specify the actual risks covered. By the same token, the new clauses are more specific with regard to exclusions.

The Association of Marine Underwriters in SA (Amusa) has adopted the new clauses and the SA Insurance Brokers' Association (Saiba) supports their introduction.

Comments Dick Sweetman, chairman of Saiba's marine committee (and marine director of brokers Priceforbes Federale Volkskas): "Before, a lot of exclusions — for example, with regard to insufficient packing, and insolvency of shipowners, charterers, managers and operators — were implied. Now these are spelled out, in a reasonably simple way."

However, Sweetman warns that unless bankers and their clients make changes to the wording of their letters of credit to tie in

with the new clauses, substantial delays could result.

In another move to simplify the carriage and insurance of goods, the Freight Services group — in what it claims to be a world first — has introduced a "full-liability" combined transport service.

Some years ago, Safmarine toyed with the idea of issuing a combined bill of lading with insurance cover, but the idea came to nothing.

The Freight Services "Freightspeed" concept is not an insured bill of lading, however. Nor is it an insurance policy. The key feature of the new system is that Freight Services takes on the responsibility of a carrier and accepts liability for the cargo on a door-to-door basis throughout the transport chain.

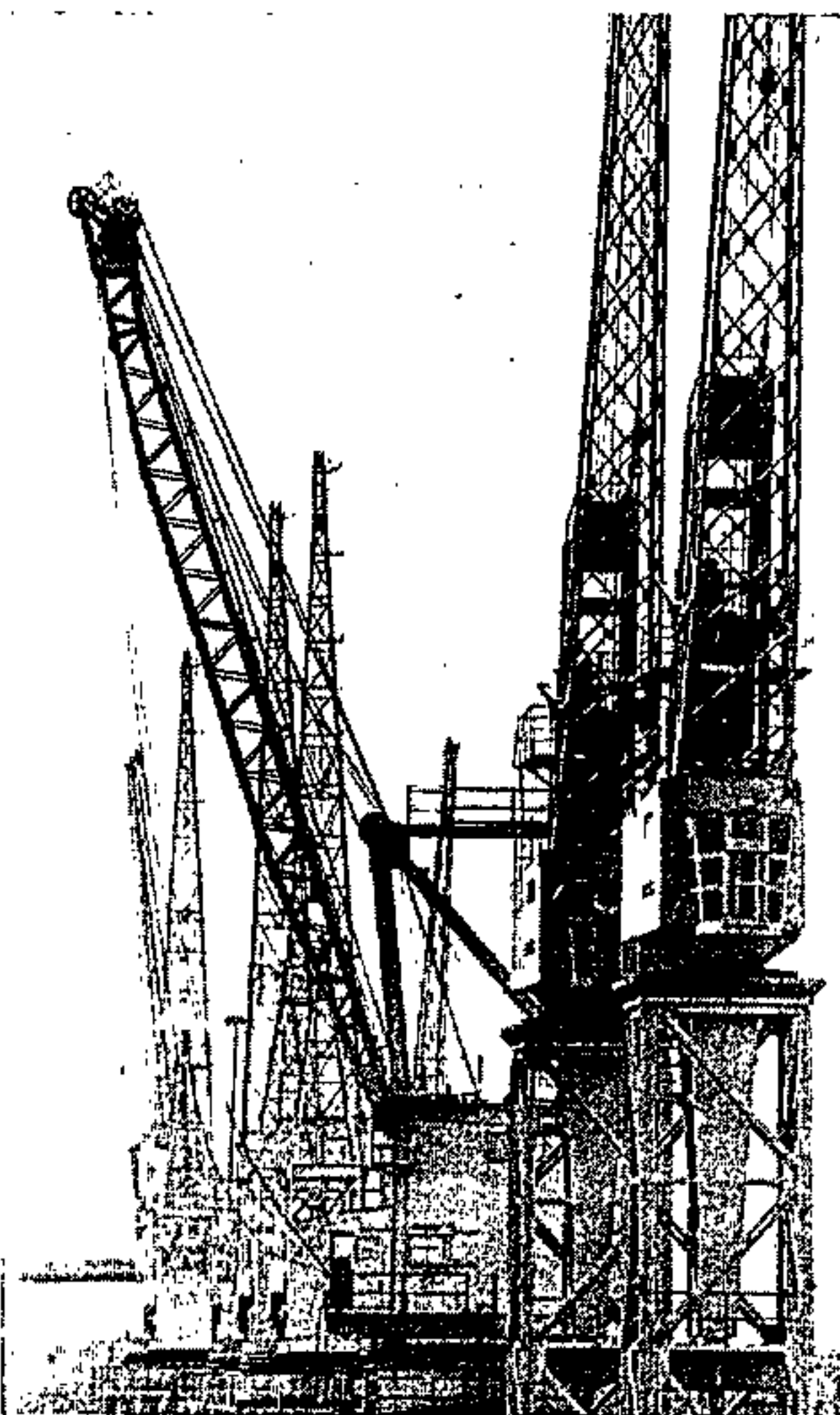
The provision of insurance cover by freight forwarders is in itself by no means new. Indeed, many major forwarding companies (including Freight Services) have their own marine insurance departments, offering clients insurance as a separate package. And non-vessel-operating common carriers (NVOCCs) offer combined transport bills of lading, underwritten for land and seaside risks.

However, Freight Services chief executive Neville Organ claims that the acceptance of full liability for loss or damage to goods in transit is unprecedented in the industry. "In addition, the combined transport bill of lading is fully negotiable, which is unusual for a house document."

Organ says that users of the service will not need insurance cover of their own and that the new system will result in rapid settlement of claims. Freight Services has authority to settle claims up to a certain level. Big amounts it passes on to scheme underwriters in SA and abroad.

While the marine insurance market acknowledges that the Freight Services concept is new and imaginative, it is sceptical of the full liability claim. Sources argue that most of the exclusions of a standard marine policy still apply.

Because of the record of delays and a higher incidence of damage recorded by some independent carriers, Freight Ser-





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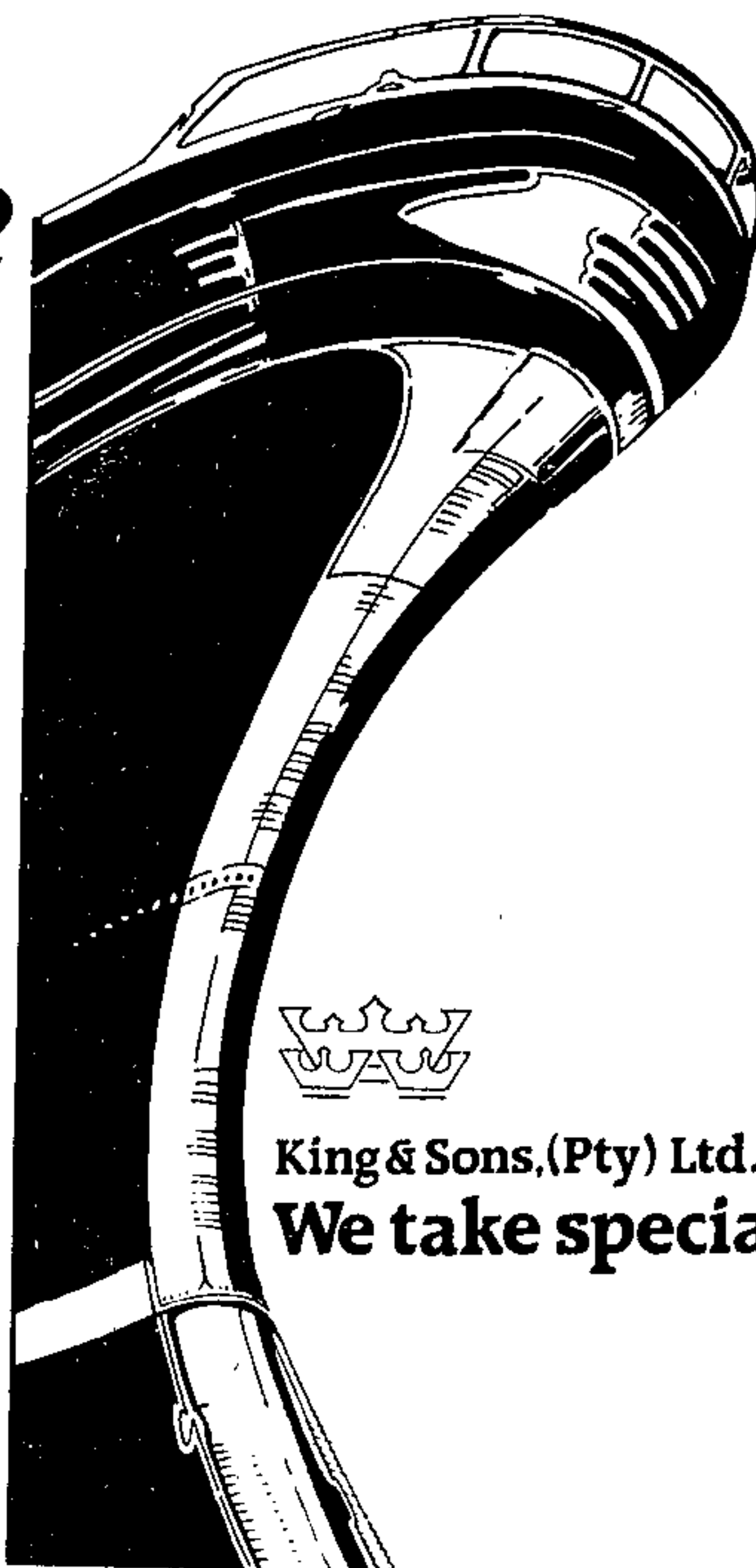
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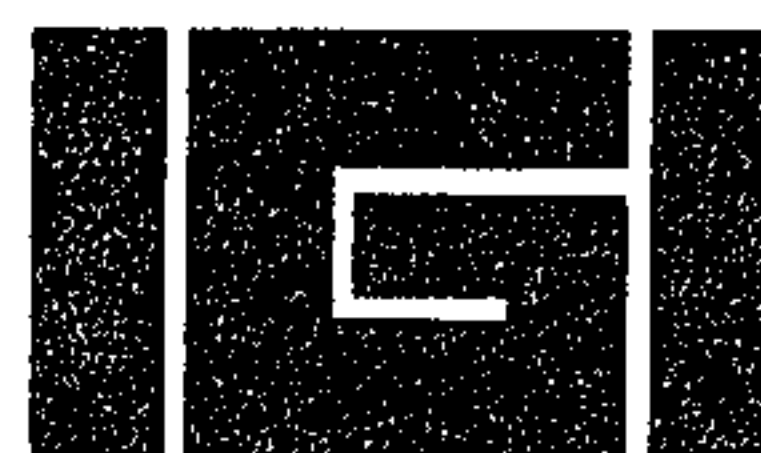
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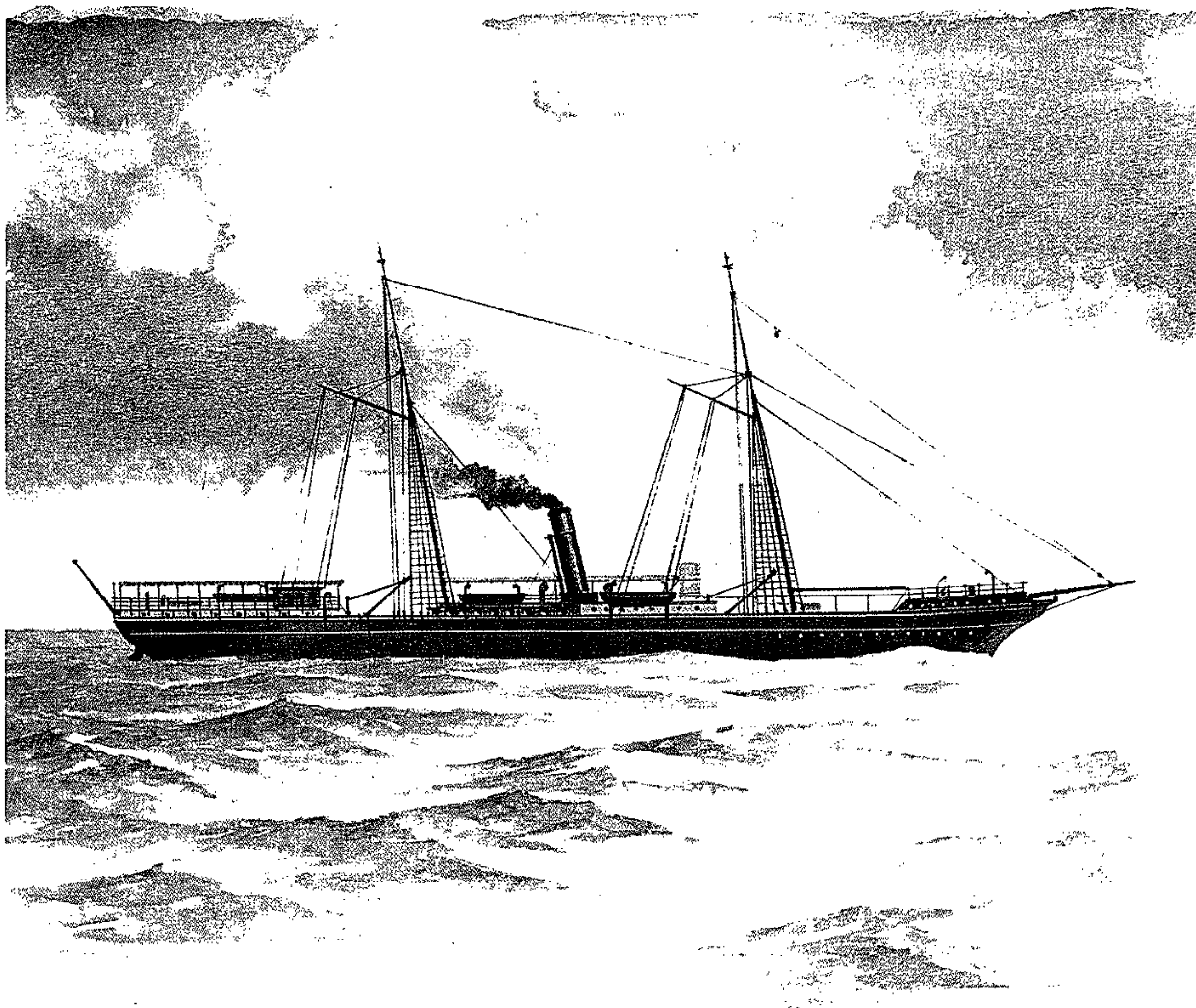
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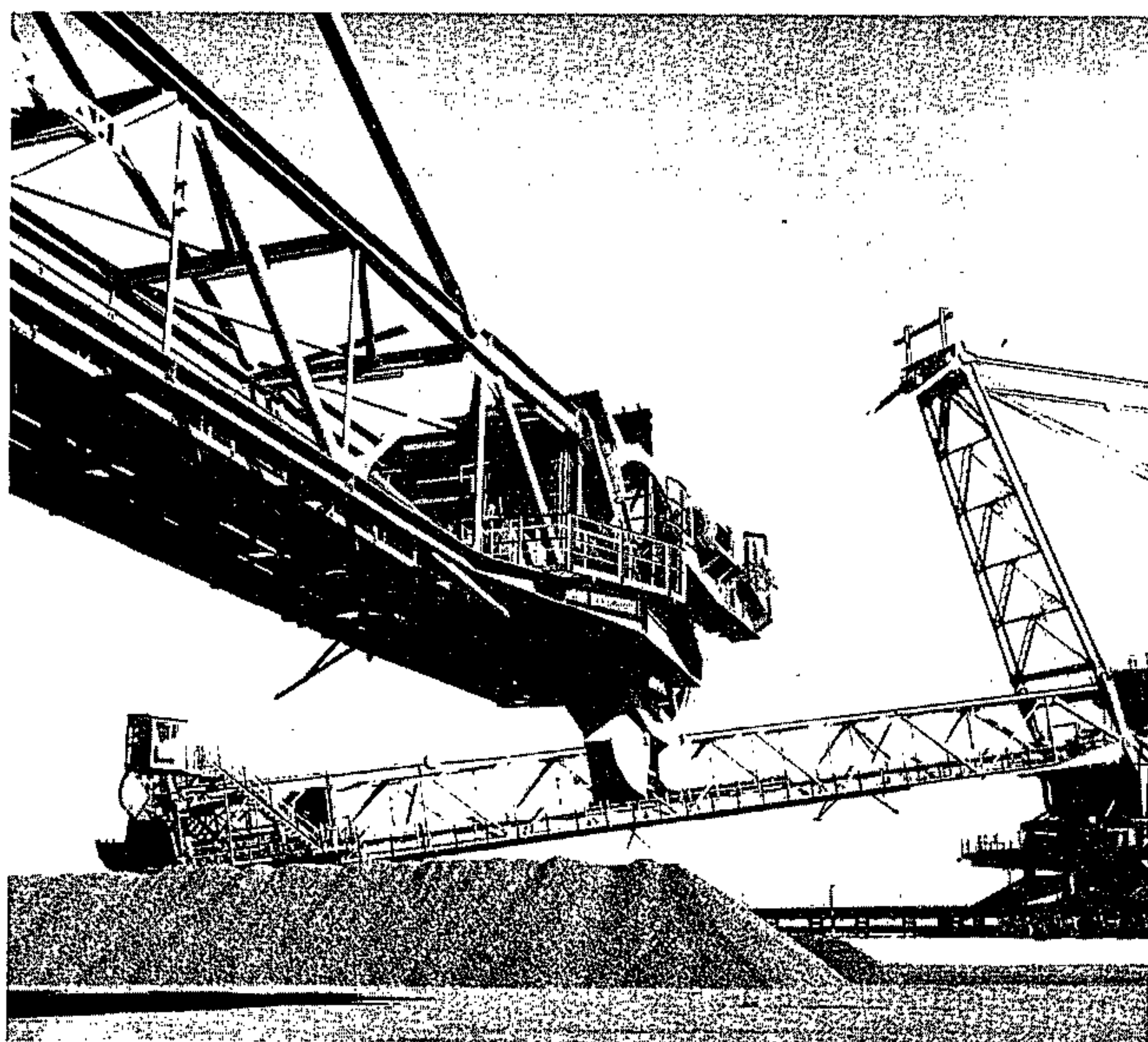
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"But there will never be a complete split between harbours and railways because this would lead to costly duplication of service departments, such as purchasing, personnel and planning."

The phenomenal harbour development of the Seventies would not have been repeated, even without the burden of the current recession. SATS has spent more than R700m on the Sishen/Saldanha project and R1 200m on Richards Bay, with their integrated rail systems. Gearing up for containerisation in 1977 cost another R300m.

Apart from further expansion at Richards Bay, no other massive developments are on the cards. "The basic infrastructure is in place," says De Bruin, "and the ports have the potential to cater for the expected traffic, right into the next century."

The figures tell the story. In 1972-1973 SA's exports totalled 17,9 Mt. By 1981-1982 — 10 years later — they had quadrupled to 67,8 Mt, with Richards Bay shipping a massive 30,7 Mt — nearly half of the total. For the first time last year, coal exports from

Richards Bay fetched more than R1 billion in foreign exchange. In 1981-1982 Saldanha Bay shipped a high 13,8 Mt.

This is all the more remarkable when it is considered that Richards Bay only became operational in 1976 and Saldanha Bay one year later. Total capacity of Saldanha Bay is 28 Mt/year and, without vast expansion, it could be extended to 60 Mt. Richards Bay's current capacity is around 35 Mt/year. With massive expansion programmes for coal and other bulk commodities, it should be able to handle 100 Mt/year by the turn of the century.

On the import side, tonnages doubled from 8,6 Mt in 1972-1973 to 16,8 Mt in 1981-1982. Durban handled 10 Mt, of which a third was containerised. Total containers handled reached a peak of more than 700 000 20 ft equivalent units (TEUs) in 1981. While congestion occurred on the inland leg at City Deep, movement through the ports was fluid.

Last year tonnages of cargo landed and shipped dropped substantially at all the

ports. Minister Schoeman notes that, in view of the dramatic declines in revenue from June, SATS designed a strategy to tighten control over expenditure. As a result, "major capital projects were critically analysed and scaled down while some were delayed."

According to De Bruin, only harbour projects of the highest priority are going ahead. He is reluctant to commit himself to dates of the port developments listed below. "Let's rather say they're planned to take place over the course of the current (1984-1989) five-year plan, as and when the demand — and the finance — make it possible."

#### Richards Bay

With a water area of 3 000 ha — more than three times the size of Durban — Richards Bay could well become SA's major port. Established as a coal export port because of its proximity to the Natal and eastern Transvaal coalfields, it is also the closest port to the Witwatersrand. Provision has been made for handling other bulk cargoes, and general cargoes will eventually also be catered for.

Coal exports through Richards Bay last year reached 26,4 Mt, against terminal capacity of 28 Mt. This year's target is 32 Mt, but it may prove ambitious in view of current poor market conditions. In any event this takes the pressure off SATS to increase rail capacity to 37 Mt/year by the end of the year, as planned.

The Richards Bay Coal Terminal (RBCT) is nonetheless going ahead with the expansion projects required for phase three of the coal export programme which will boost exports to 44 Mt/year. To facilitate the discharging of the proposed new 2,4 km 200-truck trains, RBCT recently commissioned SA's largest private siding — the 60 km "dunes loop" encircling the sand barrier between the port and the sea.

SATS has doubled the number of coal berths from two to four, at a cost of R75m. Each berth can accommodate vessels of 150 000 dwt, but with dredging could accept ships of 250 000 dwt. Such a facility is unlikely to be required, however, because of the restricted number of discharge ports that handle ships of that size.

In addition to the dunes loop, the RBCT has plans for a new stockyard, new and

## CARGO HANDLED AT SA PORTS

Harbour tons 000s	Richards Bay	Durban	East London	Port Elizabeth	Mossel Bay	Cape Town	Saldanha Bay	Total
1982	31 269	18 952	4 295	5 726	40	5 500	12 269	78 051
1981	30 251	21 793	5 052	6 592	55	6 074	13 182	82 999
1980	28 594	20 501	3 941	6 255	43	5 078	14 801	79 213
1979	22 552	19 092	2 893	6 562	46	4 735	17 670	73 550
1978	15 068	17 717	3 189	6 481	36	4 774	12 685	59 950

Source: SA Transport Services.



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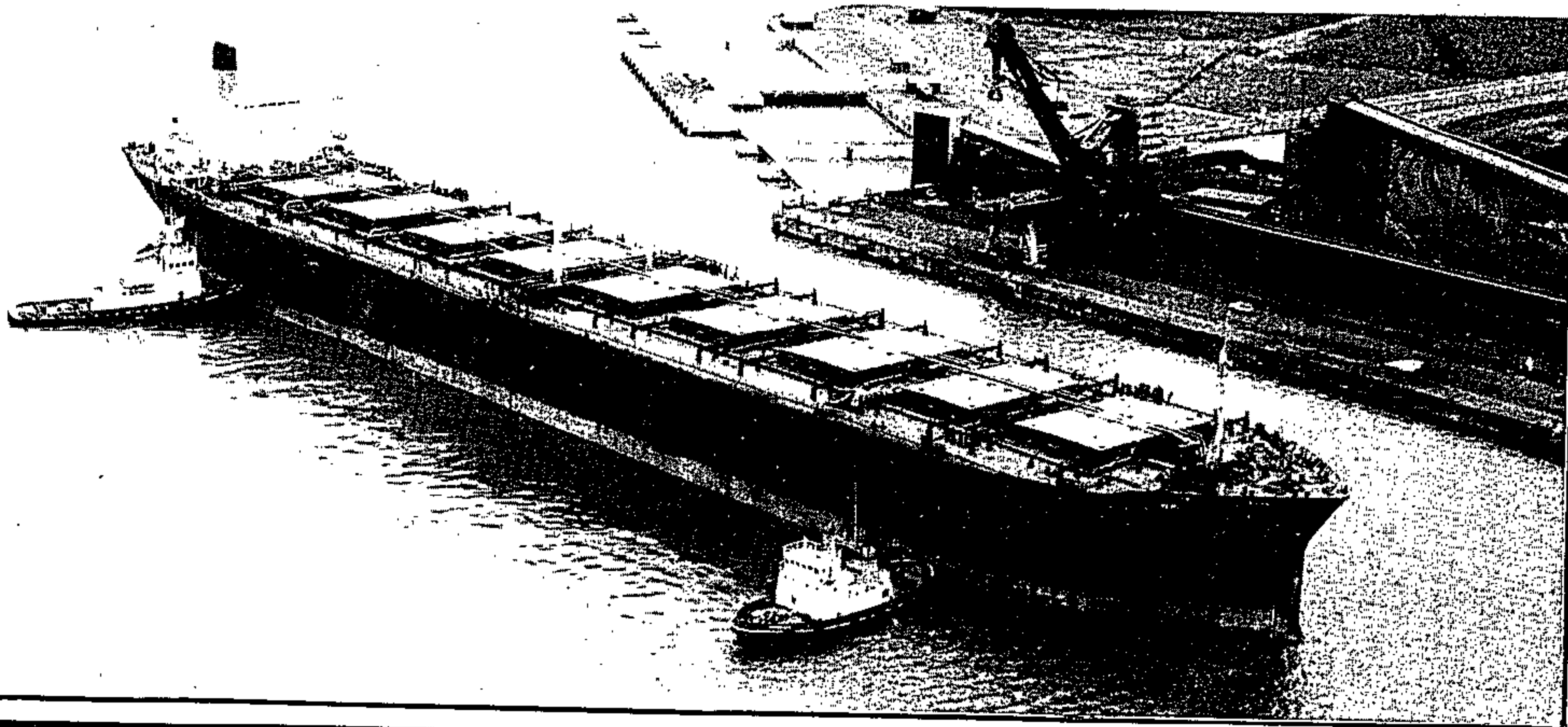
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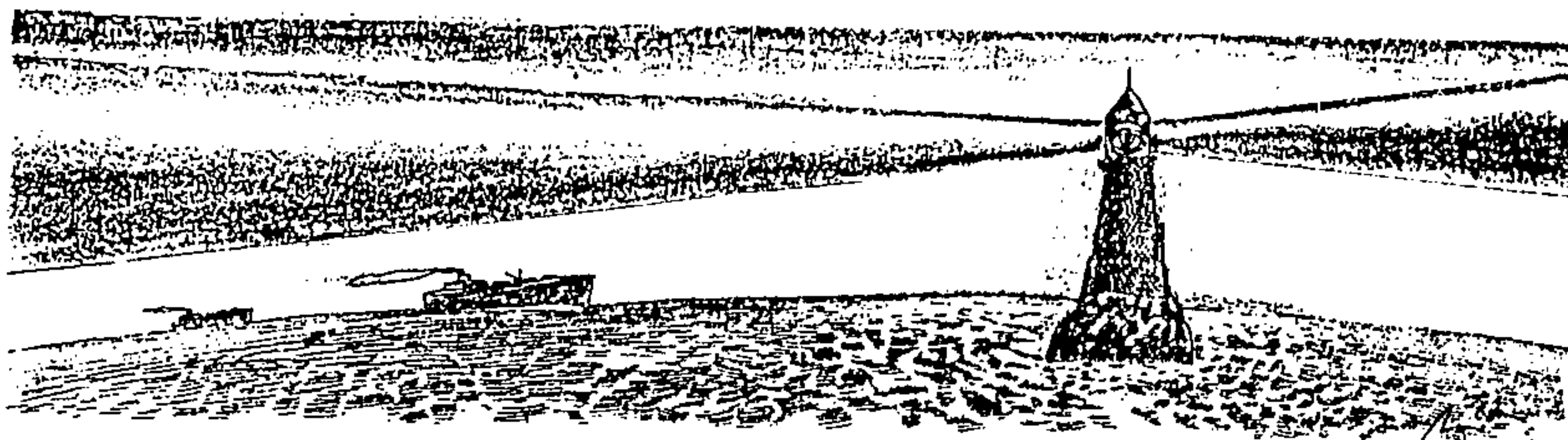
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There have been several takeovers in recent years and the industry is ripe for more.

According to COH chief executive Bob Harvey, in the past a lot of ships stocked up

in SA for the round trip. But SA's high rate of inflation has eroded the benefit. "Now it's often cheaper for ships to stock up in their own countries where they can pay in their own currencies," he says.

"Also, there's increased competition from outlets like Checkers, Pick 'n Pay and Makro. Some ships are staying with the chandling companies simply to get extended credit. They use us as banks, taking up to 150 days to pay."

Murray & Roberts (M & R) is currently taking steps to stem the losses being incurred in its Armadah Shipyards subsidiary. The oil rig construction project was launched as a 50-50 venture with Darling & Hodgson. In 1982, having incurred heavy losses, D & H decided to pull out.

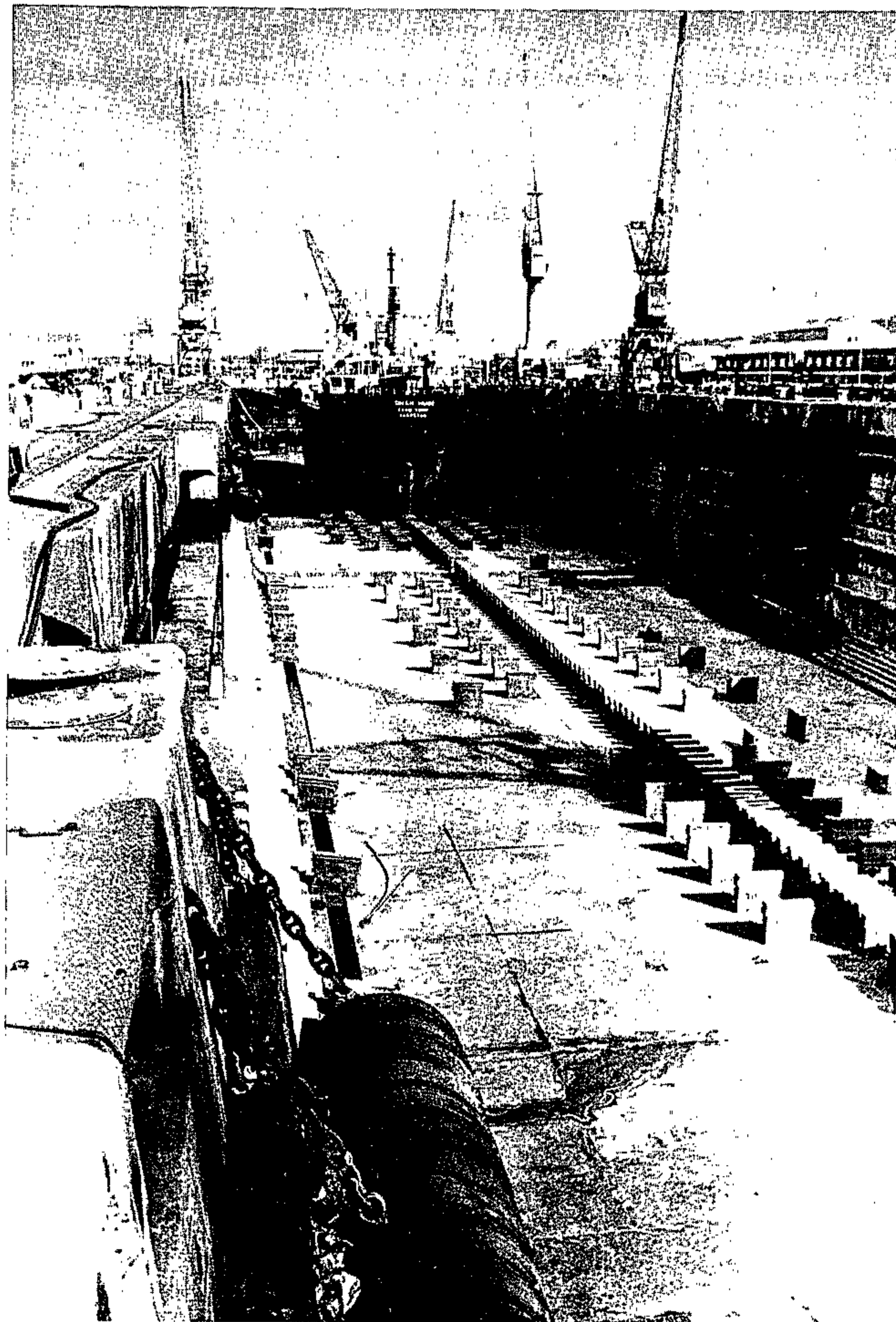
Armadah has delivered five oil rigs and is working on one more for delivery later this year. In their annual report for the year ended December 1982, M & R directors describe Armadah's inability to secure new oil rig orders as a "substantial setback."

M & R also has a stake in Durban-based ship repairers Elgin Brown & Hamer, an amalgam of Elgin Engineering and James Brown & Hamer. Other major ship repair companies are Cape Town-based Globe Engineering (part of Anglovaal) and Dorman Long Swan Hunter, the Cape-based division of Dorbyl Marine.

Dorbyl Marine is by far the biggest ship repairer and shipbuilder in the country. Between 1970 and 1982 it built 57 vessels, two oil separator platforms and SA's first oil rig. Sandock Austral (part of Gencor) is also a major shipbuilder. Principally involved in naval work, it is shielded to some extent from the effects of the recession.

Overall, SA shipyards are currently working at below 50% of capacity. "We have to be very competitive to entice people here," comments Dorbyl Marine executive director Dick Brass. "Our major competitors in the export market are Singapore, Japan and South Korea, all of which have tremendous government support. And Continental and UK yards, struggling to survive, are cutting prices to get orders."

SATS has generally been sympathetic to the industry's predicament. For example, it waived drydock rate increases earlier this year. In addition, it introduced a concession




## NUMBER OF VESSELS CALLING AT SA PORTS - 1982

	Richards Bay	Durban	East London	Port Elizabeth	Mossel Bay	Cape Town	Saldanha Bay	Total
Ocean-going	679	2 374	543	941	19	1 462	155	6 173
Coasters	—	270	144	296	46	301	56	1 113
Other	2	1 830	33	712	211	2 190	25	5 003
Total - 1982	681	4 474	720	1 949	276	3 953	236	12 289
Gross tonnage (000s)	48 675	91 531	21 443	50 190	1 519	75 082	30 842	319 282
Total - 1972								17 737

Source: SA Transport Services.



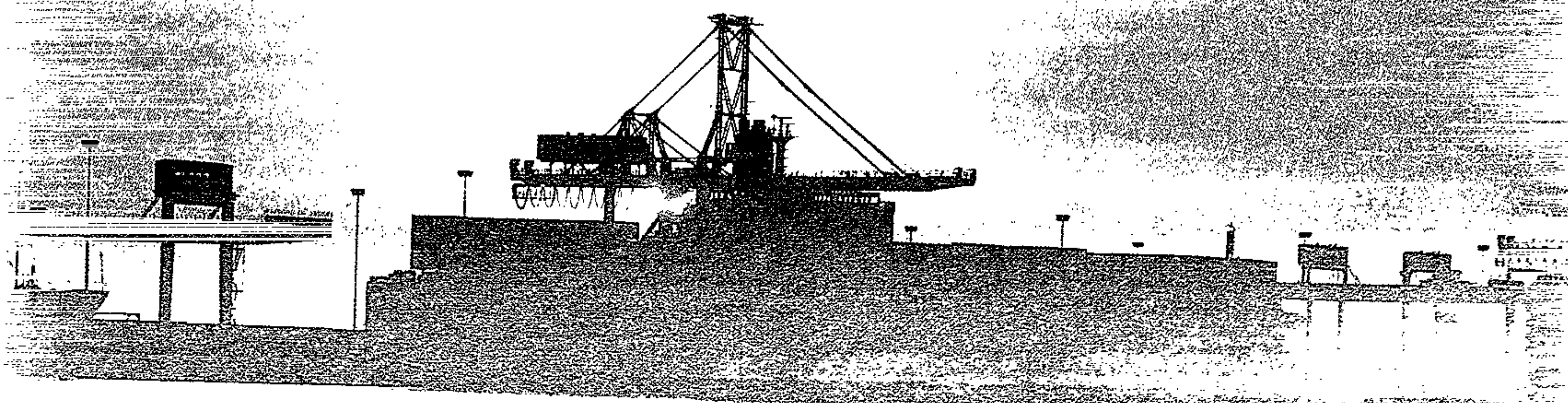


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for ships over 80 000 dwt. SATS's attempts to sell off its "obsolete" drydocks to the private sector continue to meet with failure.

In the meantime, it is unwilling to upgrade and enlarge the facilities. Even with fairly substantial government

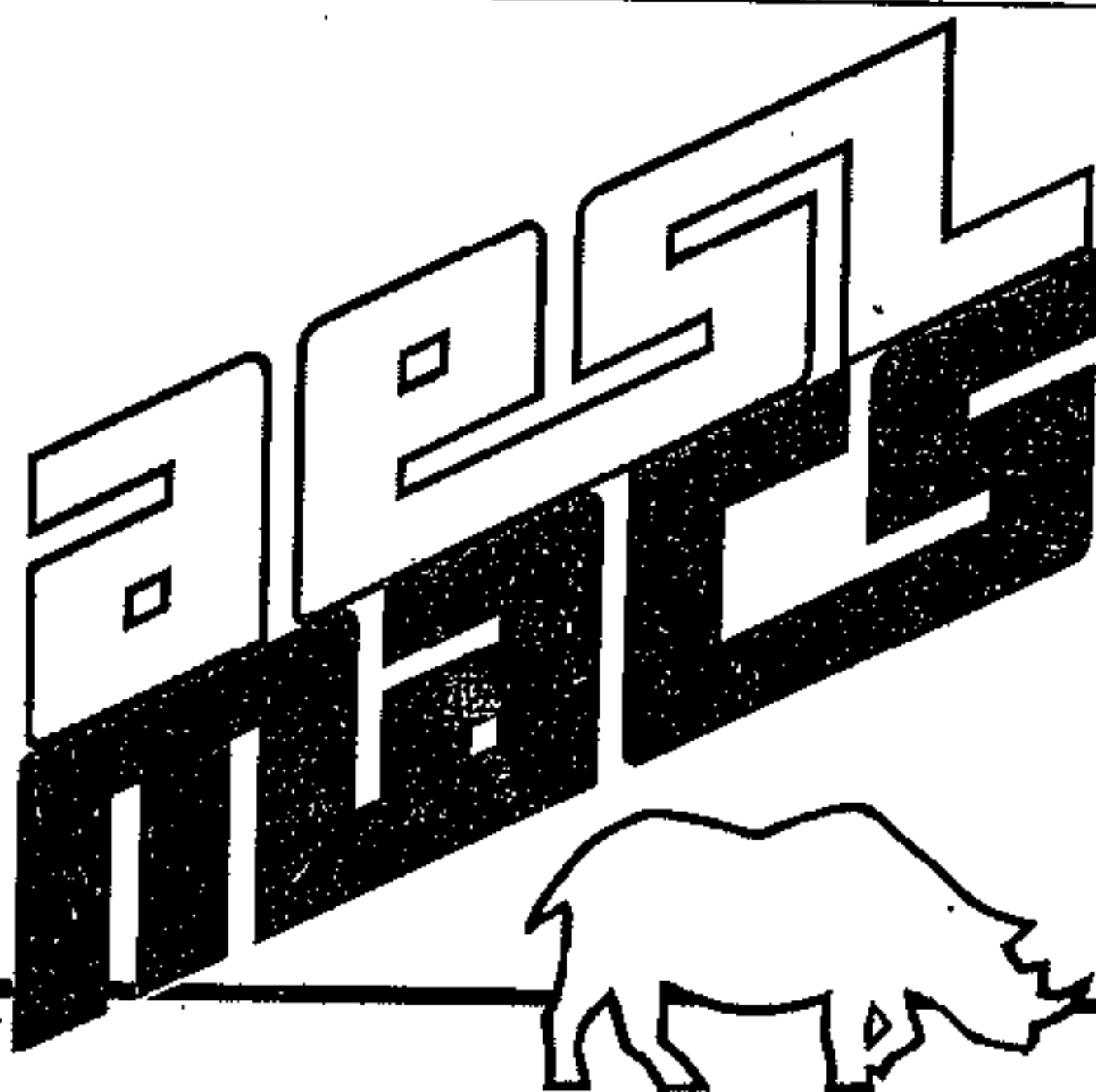
subsidies, the local industry claims that it cannot compete with nationalised shipyards. Since 1978, shipbuilders have received a cash subsidy of 10% of the contract price for small vessels and 25% for large ones. A higher rate of assistance is considered in reconstruction contracts. Other ship repair work is excluded. In 1981 the Board of Trade launched an investigation into assistance for both the ship repair and shipbuilding industries. The industry would like to see a more flexible system, where the authorities allocate a fixed annual sum, but allow each individual subsidy to vary depending on market conditions.

Unicorn Lines — a heavy supporter of local yards — has always maintained that the local shipbuilder must be competitive with overseas builders. "Now," comments Unicorn chairman, Murray Grindrod, "some aspects of the shipbuilding assistance scheme have become uncompetitive with overseas schemes. In particular, interest on loans is well above rates available in other parts of the world.

"There is also the extraordinary anomaly that the local yard can get greater benefits for an export order than it can for a domestic order, and yet the overseas buyer may well be our competitor."



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north-western Cape.

Saldanha Bay has been hard hit by the world recession, and ore exports dropped from a peak of 17,7 Mt in 1979 to 12,0 Mt last year. With its existing facilities, the port is capable of handling some 28 Mt/year.

Long-term plans are for the development of Saldanha Bay away from its almost total dependence on iron and other ore concentrates into a general port. With a water area of 7 434 ha (2,5 times the size of Richards Bay) Saldanha is SA's biggest harbour, so

the potential for growth is enormous.

However, the establishment of a big steel semis plant by the private sector has been shelved in view of the current economic climate, and no other major projects are planned.

## Ships services in distress

*The ships' services industry hit tough times when other business was booming. Now there's no fat to draw on*

Accusations of monopolistic practices have been levelled at SA Stevedores (SAS) since its emergence as an industry giant late last year. It was formed when SA Stevedores Service Co (Sassco), owned by Freight Services, merged with Rennies Grindrod Cotts Stevedoring (itself the product of two mergers).

The merger was motivated by grim necessity. "It was a matter of survival," says chairman Neville Organ. "And it's just as well we acted when we did. SAS is currently handling fewer ships than Sassco did alone just before the merger."

With the advent of containerisation, the whole nature of the stevedoring function has changed. The labour-intensive loading and discharging operation has been mechanised by new handling methods — containerisa-

tion, palletisation and unitisation. And fewer large cellular vessels have taken the place of several small ones.

So the demand for the stevedore's services has fallen dramatically. Even before the recession starting taking its toll, the annual tonnage handled by stevedores at SA ports had dropped 40% in five years.

Shrinking volumes aside, the stevedoring industry's position is an unenviable one. On the one hand, stevedores are under licence from SA Transport Services (SATS). On the other, they are beholden to their principals, the shipping lines, who demand a cheap and efficient service.

The lines have protested against two recent rate hikes, one in September and the other in January. SAS financial director Derek Lawrance maintains that, if not for the merger, increases would have been higher.

"We promised to contain increases, not to eliminate them," he says. "Economies of scale and rationalisation of facilities have undoubtedly enabled us to keep them down."

Wages are the main element in SAS's pricing structure and there have been suggestions that, as a result of pressure from the General Workers' Union, SAS pays its workers too well. "This is not so," says Lawrance. "But we do believe in paying a fair wage." He is quick to point out that the industry has remained relatively strike-free, with no major stoppages in the past 10 years. "Seen in an international context, this is a unique achievement in the stevedoring industry."

As to the monopoly accusation, Lawrance says the merger was sanctioned by the Competition Board in view of the strategic nature of the industry and the obvious problems it faced. "Besides, we're by no means a licensed monopoly. It is only the prospect of poor returns that is deterring would-be competitors."

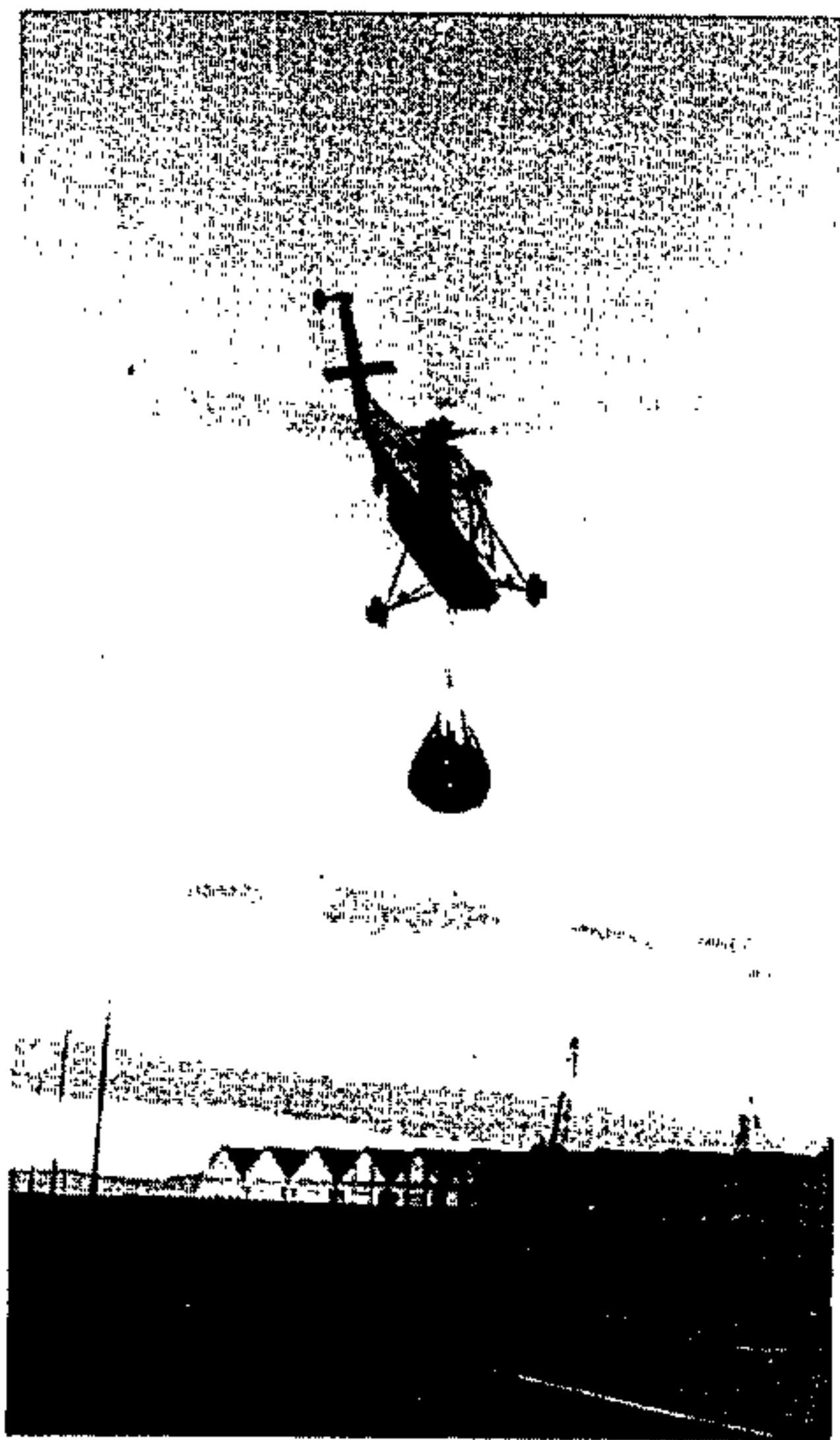
The decline in the number of ships calling at SA's ports (12 200 last year, compared to 17 700 in 1972) has hit two other ships' ser-

vices — chandling and repairs.

They've been dealt a further blow by the fall-off in the number of ships — particularly tankers — passing round the Cape. The opening of the Suez Canal in 1975 had an enormous impact. Then came boycotts on the part of west African and Middle East countries for political reasons. Finally there was the oil slump. The result was that, whereas between April and June 1977 1 000 ships were serviced offshore with stores, mail, bunkers and repairs, by 1982 the figure had dropped to 200.

Nonetheless, a few companies are doing well. Coastal Offshore Holdings (COH), part of the Murray & Roberts Group, has notched up a turnover increase of 350% in the past three years. Last year it won the State Export Award in the services section. COH has interests in chandling, salvage and motor launch and diving services.

Other major ships chandlers are Sealink (part of Freight Services), Nordon Marine (part of Ovenstone), Mercer Bach & Hickson (an Imperial Cold Storage subsidiary) and privately-owned National Ship Chandlers.





### Port Elizabeth

During the mid-Seventies, Port Elizabeth was primarily an import port for the eastern Cape region and the Witwatersrand. Priority traffic could reach the Reef up to a week earlier by discharging at Port Elizabeth rather than going on up the coast to Durban. And Port Elizabeth was also an important entry point for Zimbabwe (then Rhodesia).

But with the coming of containerisation, and the introduction of Durban's swift unit trains to the Reef, Port Elizabeth was transformed into predominantly an export port. While it lost its iron ore exports to Saldanha Bay, this was replaced by manganese ore (now unfortunately down to less than 3 Mt/year), asbestos and wool.

A major development has been the Ford export programme. One-ton bakkies have been exported to the UK at the rate of around 200 a week (the record was 360), accounting for more container-loads than all other exports put together.

Expansion is over for the present with the completion of a new access route including a new entrance gate and weighbridge, and a new administration building.

Plans exist for replacing the existing tanker berth (at a cost of R15m), extending the bulk handling quay to enable larger vessels to discharge, extending number two and three quays to allow easier loading of conventional ships, extending the container ter-

minal (cost R10m) and acquiring a fourth container crane (R2,5). No time-scale exists for the implementation of these projects.

Meanwhile, plans for a private enterprise drydock repair facility just outside Port Elizabeth are proceeding. Dismissed by many as "a pipedream," Henry Combe, MD of the Algoa Bay Dockyard Development Company, is determined that it will get off the ground.

Some R300 000 has already been spent on feasibility studies, and the total project will cost around R300m. Funded by local and foreign investors, the facility will cater primarily for the regulation servicing of large bulk carriers and tankers.

The Development Company was formed in 1978, and initial estimates were that a floating drydock would be in operation by the end 1981 and a graving dockyard a year later. However, work is still to begin.

### East London

East London is chiefly a maize export port. Since 1979 it has also handled growing tonnages of copper from Zambia and Zaire.

Plans exist for increasing the capacity of the grain elevator, which would mean increasing storage capacity and equipping a second berth for grain loading. However, East London could lose some of its maize exports if a proposed grain elevator is built at Richards Bay.

An inter-departmental committee consisting of SATS, Department of Transport Affairs and University of Stellenbosch representatives is currently investigating the provision of grain storage facilities throughout the country, and no action is likely until the findings become available.

While East London, like the other ports, experienced a drop in container traffic last year, it has been handling more containers than originally anticipated. This is largely as a result of its coastwise traffic, with coastal containers outnumbering deepsea by about four-to-one. The harbour is not designed for deepsea cellular vessels but can accommodate the roll-on, roll-off (ro-ro) vessels used on the north-west Continent run.

### Cape Town

Table Bay harbour handles the largest proportion of SA's fruit and other perishable exports. The opening six months ago of a refrigerated holding store for containerised fruit marks the completion of its container terminal at Ben Schoeman dock.

The ammonia-cooled store, modelled along the lines of a cellular vessel, can hold 500 containers. It can be quadrupled in size to take 2 000 containers, using the existing cooling unit and two additional generators.

The store was put up by SATS at a cost of R18m, allegedly without consultation with the private sector. Now it has called on

users — in particular the Deciduous Fruit Board (DFB) — to foot the bill. The debate has reached ministerial level with discussions taking place between the ministers of transport affairs, finance and agriculture.

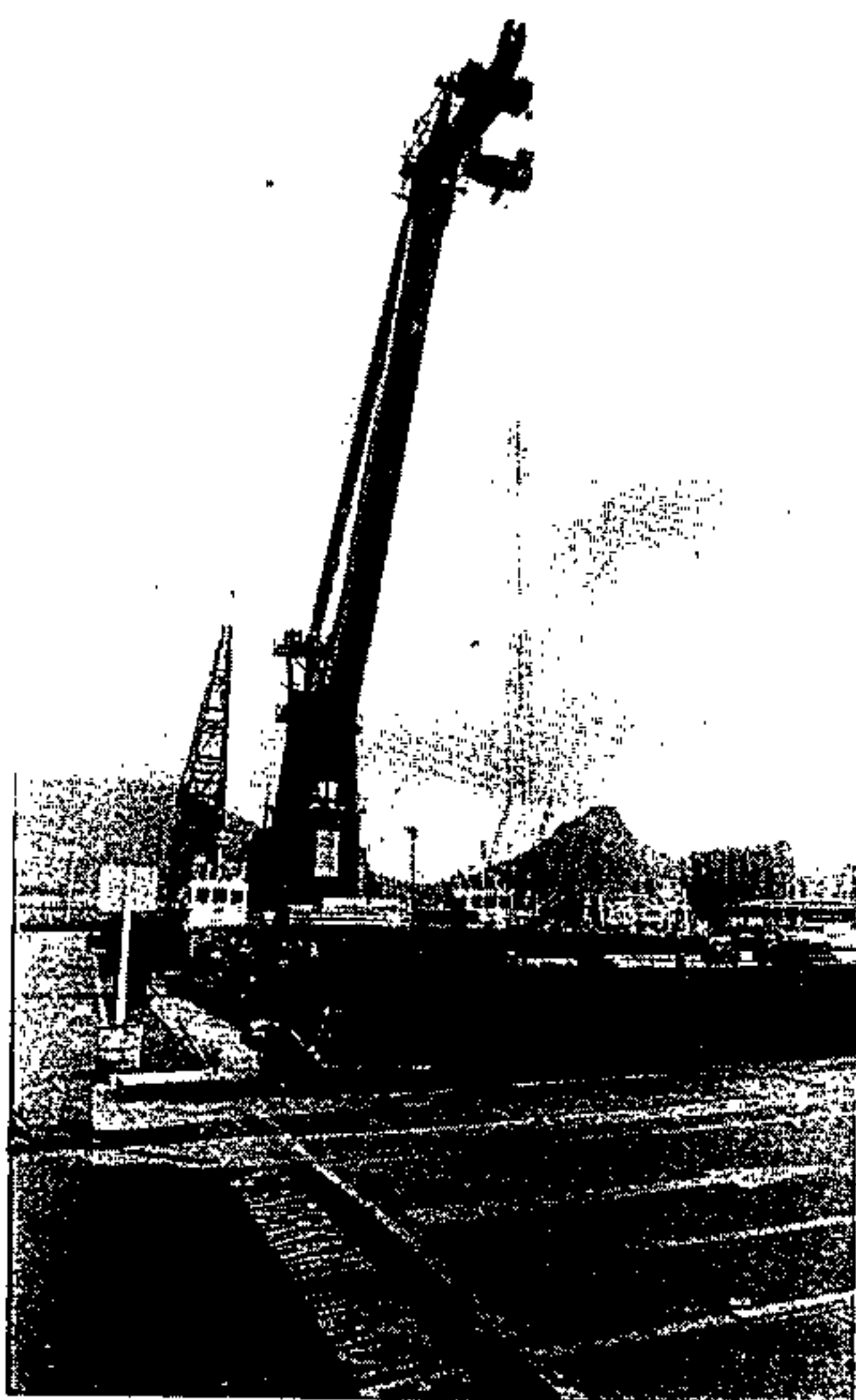
While the container store can maintain low temperatures, it is necessary for the fruit to be pre-cooled prior to loading. Some 150 clip-on refrigeration units capable of quick temperature reductions are also available. And an additional 250 new plug-in points have been provided for the reefer containers (each with its own integral refrigeration unit) used in the Far East trade.

With much deciduous fruit now chilled inland, and speedier transit times as a result of a switch early this year from rail to road transport, the DFB has stopped using four of the five pre-cooling sheds at the Duncan Dock. It has modernised the remaining shed at a cost of R6m, and is operating the facility itself. The DFB believes that the new system will cut last year's operating costs of R16m by half.

### Saldanha Bay

Built originally to cater for Iscor's iron ore exports via the Sishen-Saldanha railway line, Saldanha Bay is purely an export port.

The iron ore loading facility consists of a double quay which has been extended to enable tankers to discharge crude oil. A separate quay has been built to handle lead and copper concentrates from mines in the

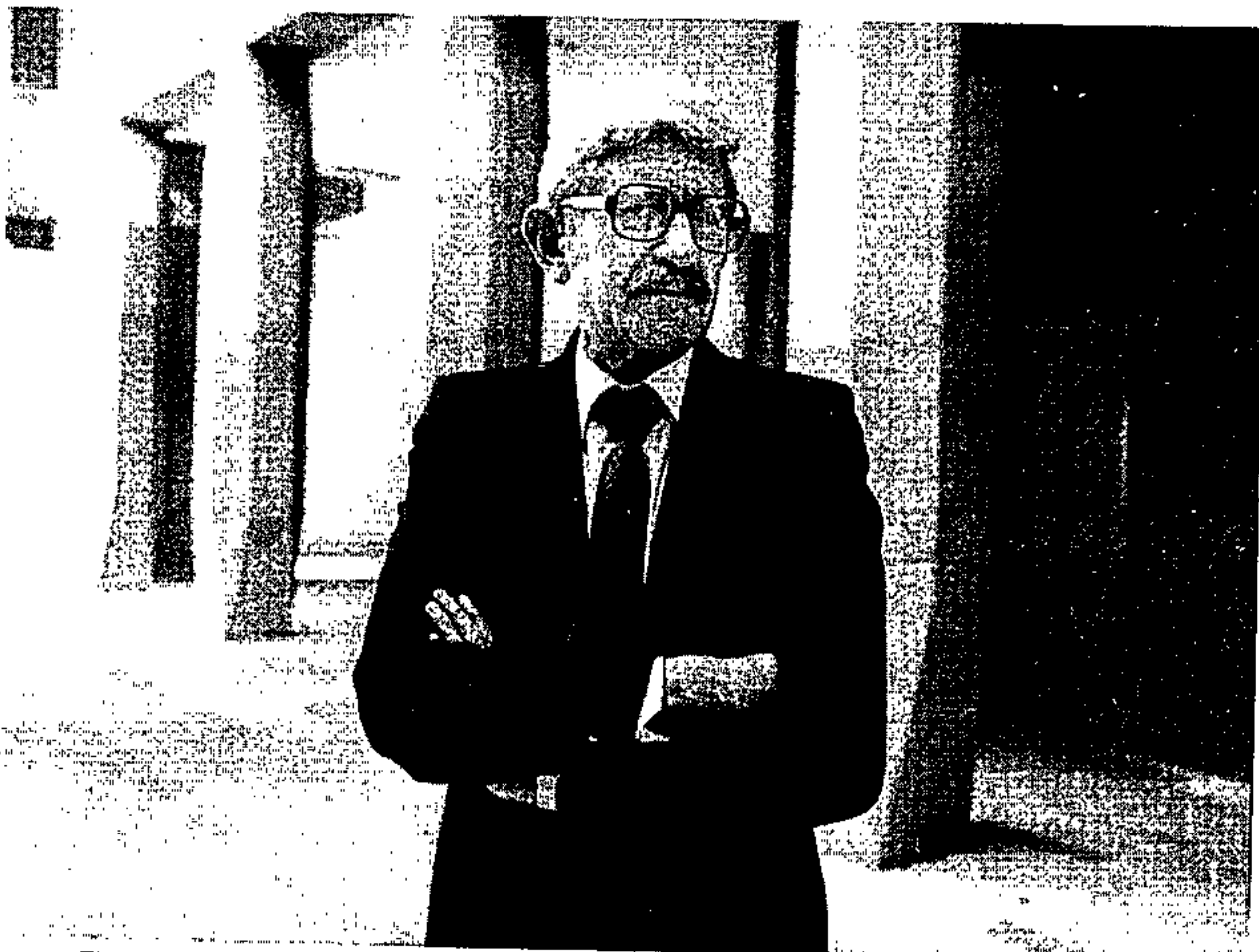


Cape Town's floating crane ... on the look-out for cargo



SATS De Bruijn ... no time-scale





**Transport's Schoeman ... major capital projects scaled down**

upgraded tipplers and new conveyors, ship loaders and reclaimers, at a total cost of R365m. These facilities should come on line in 1985.

While SATS is still committed to rebuilding the existing line from Broodersnyersplaas in the Transvaal coalfields to Richards Bay by early 1986, cutbacks in spending have forced it to delay the rail deviations needed to cater for coal exports of 44 Mt/year. So phase three of the export programme is expected to be reached only in mid-1987, one year later than planned. By then SATS total expenditure on harbour works, rail links and rolling stock is expected to reach R2 billion.

The railways will probably be able to carry 40 Mt/year by early 1985. By placing an increased operational strain on the system, they may be able to get close to the 44 Mt mark, even before the rail deviations are completed.

In any event, the current slack coal market means the rail delays are unlikely to cause embarrassment to producers.

With the proposed phasing out of coal exports from Durban, an additional facility for handling small parcels of coal under the

umbrella of the RBCT is envisaged. There is as yet no time-scale for handling total proposed coal exports of 80 Mt/year.

Richards Bay's R110m general bulk handling facility last year recorded a throughput of 5 Mt, with exports accounting for 75% and imports for 25%. The appliance is designed for products that can be handled by conveyor belt. Target throughput is 18 Mt, but a R70m extension programme providing for an additional shiploader and truck tippler and more conveyor belts, storage sheds and silos has been postponed.

Main exports are chrome ore (diverted from Maputo), wood chips, andalusite, vermiculite, zircon, rutile, titanium slag and rock phosphate. Imports include sulphur, potash and petrocake.

Three new berths with special handling facilities for unbelted products such as steel, ferro-alloys, granite and timber have been shelved for two years. They're on the books for 1985-1986 at a cost of R87m.

Richards Bay Bulk Storage, a private consortium including Sentrachem, AECI and Freight Services, has taken over the Karbochem bulk liquid terminal and will be expanding this to cater for a variety of

chemicals and toxic liquids.

With an eye to general industrial expansion — including a new Mondi Paper plant — in the Richards Bay area, SATS plans to construct an all-purpose shed at the general berth, up to now used for imports of project cargo for Escom, Sasol III, Alusaf and Sappi.

#### **Durban**

Like SA's other harbours, Durban is currently under-utilised. On some days there are more vacant berths than ships in port. So it's hard to believe Durban is the country's busiest harbour, handling one-quarter of its total seaborne cargo and more than half its container traffic.

Certainly the congestion of the mid-Seventies is a thing of the past. This is the result of a combination of two factors: the highly successful containerisation programme — of the R300m spent by SATS in gearing up for the European cellular service, R130m was spent in Durban — and the world trade slump.

Haulers, trailers, straddle-carriers and cranes fully utilised two years ago are now standing idle.

The harbour authorities are not replacing old equipment, while three sheds have been taken out of commission and are now housing redundant items.

The Bluff Coaling Appliance is reaching the end of its economic life, and is suffering a downturn in usage, currently handling less than 2 Mt/year.

As a result of the decision to develop handling facilities for small parcels of coal at Richards Bay, it will cease functioning in the next few years. In the long-term the four berths presently used for coal will be redeveloped.

A more immediate priority is the improvement of the harbour rail entrance and the lengthening of the harbour railway yards to accommodate longer and heavier 50-truck trains. Also on the cards is a new access road from the harbour, to overcome traffic congestion.

Inefficiency caused by an inadequate number of gantry cranes (there are only two) serving the coastal berths has been temporarily overcome with the diversion of coastal vessels to the main deepsea container quay, which has five gantries. Existing wharf cranes will be replaced only as and when required.

The Oil Seeds Control Board is erecting two silos at the grain elevator as a facility for sunflower seeds. SATS also has plans for the reconstruction of the grain berth to accommodate vessels of up to 50 000 dwt.

The SA Sugar Association's plans for building a massive (375 000 t) fourth sugar terminal at Maydon Wharf at a cost of R25m have been postponed in view of the sugar industry's financial plight.

## **CONTAINER TRAFFIC SOARS**

	Durban	East London	Port Elizabeth	Cape Town	Total
1982	363 113	27 947	85 986	166 940	643 986
1981	404 550	30 596	100 144	172 969	708 259
1980	312 643	23 783	82 147	150 985	569 558
1979	245 342	21 268	60 501	130 050	457 161
1978	173 400	17 460	54 015	95 575	340 450
1977 (July - December)	45 011	5 411	12 645	31 502	94 569

Source: SA Transport Services.



# FOR 80 YEARS WE'VE BEEN ON THE BALL.

To excel in the same business for eighty years, says a lot. Firstly, you must be doing it well. Secondly, if you've survived that long, there can't be much you don't know about the business. Thirdly, your service must be top class, or you wouldn't still be in business.

Afship is proud to say that we've been on the ball for eighty years. Keeping up with new trends, and meeting changing needs. Expanding to offer a total shipping service, yet striving towards close contact with clients.

## International Links.

Afship has established a total network of offices and close associates throughout the world. This enables us to obtain and move goods from practically any point on the globe. With our international head office in Antwerp, one of the major ports of the world, we are able to control and monitor the movement of cargo throughout Continental Europe.

## Special Projects Division.

When it comes to trouble-shooting, we're experts. We specialise in high level negotiation of the unusual and the special. Each of our executives in this division has

in-depth knowledge of freight movement, both locally and internationally.

## Marine Insurance.

We at Afship, through efficient negotiation, can get the greatest cover for the smallest premium. We have negotiated "open" policies for ourselves at unbeatable rates. These rates are passed on to you, covering you from warehouse to warehouse.

## Ships' Agency.

Afship Maritime, with their head office in Durban, are able to provide a complete service for all ship owners, charterers and line operators.

Docking and documentation, cargoes and claims, the welfare of your captain and crew – we will take care of it all. In fact, we can have a maritime man on the spot in any port, right round the coast.

## Airfreight.

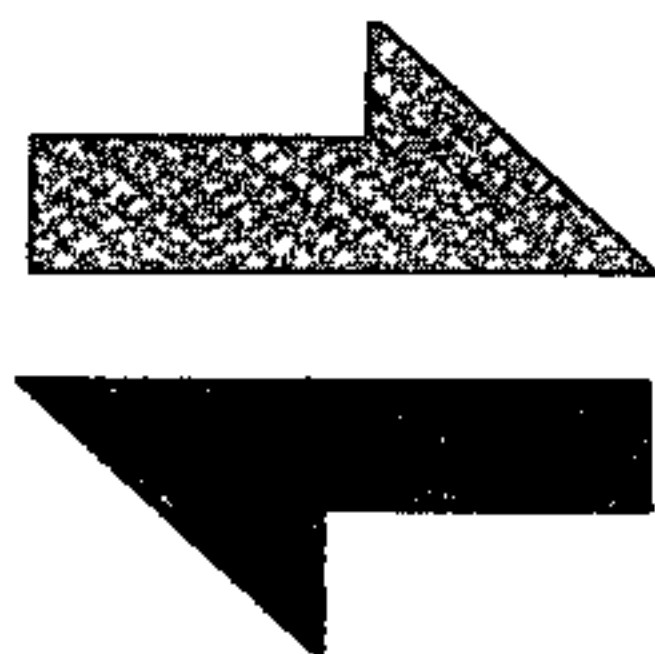
Because times changed, we did. As one of the first operators to receive an IATA licence, we have taken the lead and gained invaluable experience. Our branch office at Jan Smuts International Airport specialises in airfreight, while our direct links with all our branches offer a Republic wide link-up with our international connections.

## Warehousing.

When it comes to warehousing, Afship meets the challenge. We have provided for this need in both coastal as well as inland areas.

We will see to the collection of export cargoes and the distribution of imported and locally manufactured commodities. And because most of our warehouses are our freehold property, it eliminates the need to hunt for facilities for our clients, saving time and money. In fact, we are one of the largest warehouses and open storage operators in the Republic.

In eighty years, we've learned a lot. And one of the things we've learned, is to move ahead of the times. Because we'd like to be around for at least another eighty years.



**AFSHIP**  
WE MOVE AHEAD OF THE TIMES



ates essentially as a cargo insurance market. As a result, much hull insurance on major fleets (Safmarine and Unicorn Lines) is placed on the London market. However, as the industry becomes more sophisticated, and more options become available, a growing amount of insurance and reinsurance is being placed locally.

Once a claim is received, the insurance company commissions an independent firm

of marine cargo surveyors or loss adjusters to describe and quantify the loss and report on the cause. This is becoming increasingly difficult as the unit may have moved through a multi-modal transport chain with no clear outside indication of where damage occurred.

As a result, marine surveyors, like insurance companies and brokers, are becoming more involved in sophisticated risk man-

agement and loss control. "We need to get involved before the damage occurs," maintains Oppler. "For example, by supervising the loading of bulk commodities or containers we, as an independent party, can certify that the condition and quantity of the cargo is as specified."

An improved claims record can, in turn, result in lower insurance premiums for the shipper.

## Cutbacks at the ports

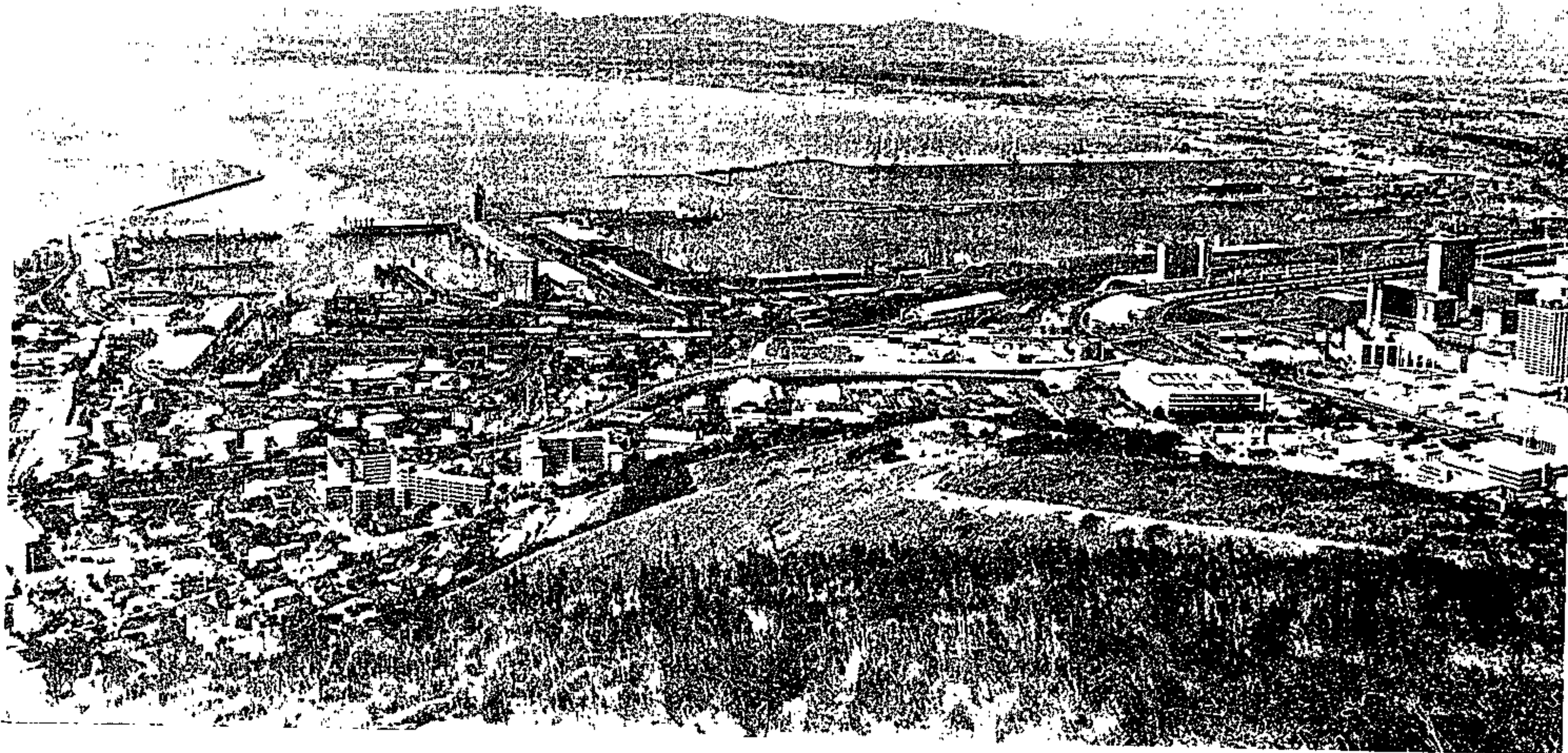
*SA Harbours has been forced to cut back on new capital projects. But the massive expansion of the Seventies means the capacity is there*

In his March budget speech, Transport Affairs Minister Hendrik Schoeman made the shock announcement that, for the year ending March 1983, SA Transport Services (SATS) is likely to notch up a massive deficit of R373m. Earlier estimates indicated a deficit of R10,5m.

Even more alarming is the projected deficit of R634,2m for the 1983-1984 financial year. Only harbours and pipelines are expected to turn in a profit, with harbours generating a surplus of R189m from total revenue of R707,7m, and pipelines generating a surplus of R154m on R210,1m.

So harbours and pipeline users, already complaining of high charges, will once again be expected to subsidise SATS' uneconomic services.

SA Harbours has over the past 15 years gained a measure of operating independence from SATS. "However," comments Pieter de Bruin, assistant general manager (harbours), "at the moment the accounts do not present a true picture of harbour expenditure and revenue. A new accounting system is being devised and by April 1984, harbour functions should be financially divorced from railway functions.





vices does not ship on non-conference vessels, unless specifically requested to do so. And special rates may be applied to cover use of over-age vessels and a poor carrier performance record.

The question of non-conference carriage is a thorny one. The insurance market claims to look only at an analysis of results in terms of the client's premium claims record. But some underwriters admit that on a big account they will ascertain whether or not conference lines are to be used.

The insurance industry is unanimous that the cellular vessels brought in by the conference service on the European route have produced highly satisfactory results. Generally, the argument that containerisation has resulted in fewer — but bigger — claims is borne out.

The UK publication, *Cargo Systems International*, notes that 320 containers — with cargo valued at \$19m — were lost in the 18 months to July last year. Most losses resulted from inadequate lashing arrangements for on-deck stowage on general cargo vessels.

SA experience confirms this trend. One example is the loss of 30 boxes over the side of the *Stephanos* on its way from Europe to SA a couple of years ago.

Containerisation has also brought a new type of claim, mostly as a result of condensation. "As goods move in a sealed unit from, say, a damp European climate to the dry Highveld," explains marine surveyor Oliver Oppler of O M Oppler & Co, "a con-

tinuous chain of vaporisation and condensation is set in motion. This can result in extensive rust damage to machinery. Inadequate stowage and securing in the container can also cause damage. In addition, the first batch of containers is now reaching the end of its repairable cycle and damage to cargo is likely to result."

Overall, however, the positive performance of containers has been a factor in

cutting insurance rates to the bone. There has also been broker pressure, as they coerced underwriters to take on an unattractive marine risk, holding out the carrot of the client's total insurance package. As a result, rates have plunged — machinery, for example, can be insured at less than 40% of its peak level.

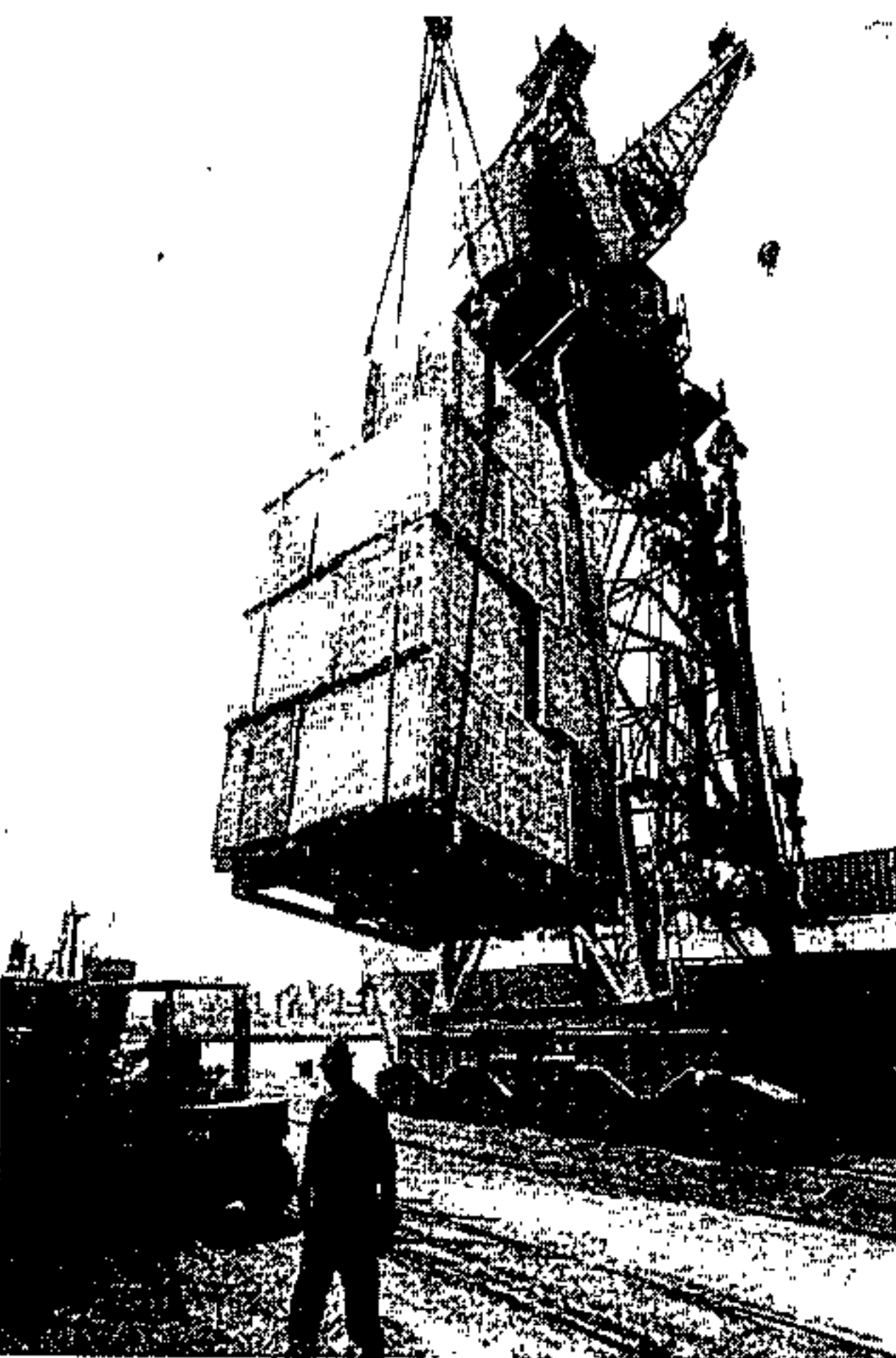
"Since the cargo boom of 1979, there has been intense competition for premiums," says Hally Glashoff, Amusa chairman (and marine manager of Mutual & Federal Insurance Co).

"We'd like to believe that rates have hit rock bottom at last. There appear to be signs of a general hardening on world markets. The industry urgently needs this if it is to retain a sound underwriting basis."

Certainly, in SA in recent months, several insurance companies have incurred underwriting losses in their marine departments. This must prompt close re-examination of rating levels. Otherwise there is a danger that, when claims occur, insurers may be inclined to revert to the finest of the small print to avoid paying out.

Notwithstanding rate cuts, SA's premium income went up from R56m in 1979 to an estimated R80m last year. This year, it will probably show a small decline. Domestic underwriters probably handle around 50% of SA's imports and only 25% of exports. This is because most bulk commodities — the mainstay of SA's exports — are insured by the buyer.

The SA marine insurance industry oper-



## MORE POWER TO THE COURTS

As SA has developed a sophisticated ship chartering and marine insurance market, so pressures on the legal system have grown. The growing incidence of maritime litigation has served to highlight the shortcomings of existing practices and to act as a spur to the framing of new legislation.

At present two systems of law may apply in a shipping case. The first is Roman Dutch Law, crystallised in 1806 and applicable in SA's common law courts.

The second is the British Admiralty Law, applied in 1891 when the Colonial Courts of Admiralty Act came into force in the UK, and still governing proceedings in SA's admiralty courts.

The person bringing the case decides in which court to proceed and thus has the say as to which system of law will apply. "The effect," comments a prominent maritime lawyer, "is not merely a legal curiosity, since the outcome of a case may differ depending on the system of law applied."

Even more unsatisfactory, the law applied in maritime cases can at best be "a choice of anachronisms." Important developments in maritime law have taken place during this century, many of them as a result of international conventions, such as the Hague Rules and the Hague-Visby rules. So much current legislation is out of date.

The Admiralty Courts Act 1983, currently before Parliament, seeks to impose a unitary legal system for maritime matters. If introduced, it will revolutionise the legal procedures and remedies available to SA and foreign shipowners and charterers.

The proposed legislation does not merely follow the English model, but has power for far wider jurisdiction. For example, marine insurance has been included, as it is in Scotland and the US.

A central provision is that judges are to take into account matters relating to international conventions in maritime law, even if SA is not a party to them. This will prevent the system from be-

coming outmoded, as it would if the courts were directed to apply a hard-and-fast system of law as now exists.

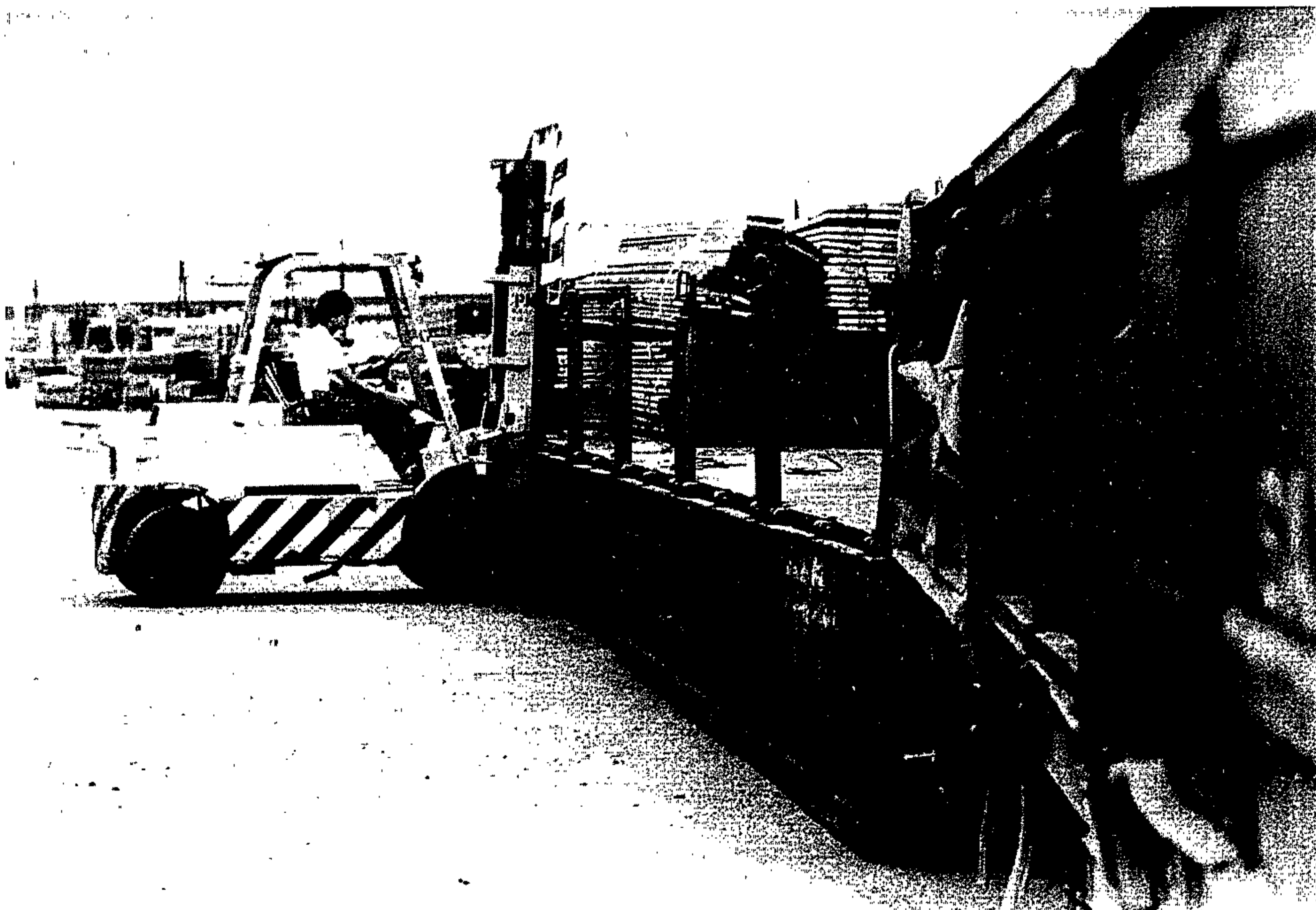
Also significant is that provision is made to proceed against a ship for damage by the same company or by two different companies having a common shareholder.

The legislation is geared to allowing the courts to work in a quick and streamlined way.

Changes to the Merchant Shipping Act of 1951 are also in the pipeline. The Act controls all aspects of SA shipping, from safety of life at sea and obligations of the shipowner, to loadlines and wages. Although SA is not a signatory to the 1924 Hague Rules, these are incorporated in the Act.

Amendments have been debated by a committee of Department of Transport Affairs officials and maritime lawyers, and passed to interested parties for comment. There is still doubt as to the final nature of the changes and when they are likely to be introduced.





The long-term potential of the charter market can be gauged from the fact that while SA's national carrier, Safmarine, carries 40% of all liner traffic, inbound and outbound, its share of the bulk trade is only 10%-12%.

Safmarine is committed to increasing its slice of this market. Delivery of three new 35 000 dwt bulkers has been delayed, but chief executive Marmion Marsh confirms that they will be coming into service from July. "There is a terrible overhang of ships worldwide. But these multi-purpose bulkers are exactly the right vessels for the trade."

Safmarine also has two new reefer ships of 12 000 dwt coming into service to boost its fleet on the perishables export trade.

Since the early Sixties, Safmarine has shipped sugar to Japan on its custom-built 25 000 dwt bulk carrier, the *Sugela*, recently sold. The *Sishen* continues to service the Iscor iron ore contract from Saldanha Bay to Japan, although demand has been affected by a drop in Japanese steel requirements.

Seeing the writing on the wall, Safmarine sold out its tanker interests three years ago.

At the height of the market, Safmarine operated eight vessels, with 26 on time-charter. In addition it is active in the spot charter market, traditionally through Lon-

don brokers. To the relief of the shipbroking fraternity, rumours that Safmarine was planning to set up its own in-house chartering division have been scotched.

The company now owns five handy-size bulk carriers in the 26 000 dwt range, the 167 000 dwt *Sishen* and the 160 000 dwt *Vanguard*, currently out on time-charter. In addition 10 vessels are in service on time-charter. The five new vessels, says corporate general manager Mike Finlay, should enable Safmarine to reduce its dependence on the charter market as rates pick up.

In addition to sugar and iron ore, Safmarine is active in shipping manganese ore to the Far East — the major growth point in the bulk trades, according to Finlay. The company is also taking a hard look at the coal market. "Of current coal exports of 26,4 Mt we carry less than 1 Mt," he admits. "Most coal producers sell fob as Japanese, Israeli and French buyers prefer to control their own shipping. Right now there's not much we can do. But in the long run we'd like to increase our share."

Safmarine's chief competitor is Island View Shipping. A subsidiary of Tiger Oats, it perceived a gap in the market left by containerisation. "Cellular vessels could take the general cargo, but not bulk parcels,"

says director Saul Goldblatt.

Island View Shipping was established in 1976 to handle the bulk exports of the Tiger Oats group, its colleagues and, later, its competitors as well. Soon it was handling a variety of bulk cargo such as maize, manganese ore, coal and steel products, mostly in 5 000 t-20 000 t parcels carried on bulk vessels in combination with other compatible cargo.

Island View Shipping started with a north-west Continent service, where it is still the market leader. It then expanded to the Mediterranean and the Far East. Involved in the export trade only, it doesn't employ its own ships, but uses the charter market purely on a trip time-charter basis, placing the business exclusively with local brokers.

In the export hey-days of 1981, Island View Shipping chartered 114 vessels to carry some 2,81 Mt of cargo. Last year this slipped to 95 vessels carrying 2,34 Mt, and Goldblatt anticipates a further drop in 1983, particularly in view of the absence of maize for export, and the fall off in coal exports in the small parcel trade not covered by contracts.

Bulkcharters started a similar service in 1979. It concluded a number of substantial



ket has recovered to \$14/ton. Grain shipping rates have also revived. Ore charter rates, however, have remained depressed at around half of mid-1981 levels.

SA's bulk cargoes — those unsuitable by virtue of their bulk or volume for containerised or liner shipping — still make up the vast majority of total exports: 50,49 Mt in 1982, against 11,79 Mt of conventional cargo. On the other hand, bulk imports (excluding oil) are minimal. Consisting mainly of timber, potash, sulphur and fertiliser, they accounted for only 1,87 Mt in 1982, against

9,95 Mt of conventional cargo.

This means that most vessels — drawn largely from the Persian Gulf — arrive empty. Where, at one time, this would have been reflected in the charter rate, now according to Bob Clark, MD of shipbrokers Afromar, ships — hungry for cargo — ballast down for the owner's account.

Apart from supply and demand considerations, the cost of chartering a vessel depends on its size, type, age and condition, as well as the location and type of commodity to be carried, and its destination.

SA is predominantly a chartering market, with brokers seeking vessels for clients involved in freighting dry bulk commodities. In recent years a limited shipbroking market has developed, as ship charterers combine part cargoes to make up a full load.

More and more cargo is being quoted by local operators. Even though a vessel is likely to be foreign-owned, the deal is concluded here, with the chartering broker earning a commission — by tradition 1,25% of the total freight or time-charter hire paid. Regardless of which party is making use of the broker's services, in any fixture, it is the shipowner who pays.

Today, the broker's commission is being eroded on two fronts: cargo volume has dropped and the freight rate is dismally low.

The major local brokers are controlled by established UK shipbroking companies. SA's largest, Afromar, is a wholly-owned subsidiary of Clarksons. Galbraith's is a wholly owned subsidiary of Galbraith Wrightson Shipping Holdings, Peninsular Shipping has ties with Anderson and Hughes, and Capricorn Shipping has links with Lambert Bros and Hill Samuel. All the UK parents are members of the Baltic Exchange, centre of the world shipbroking and chartering business.

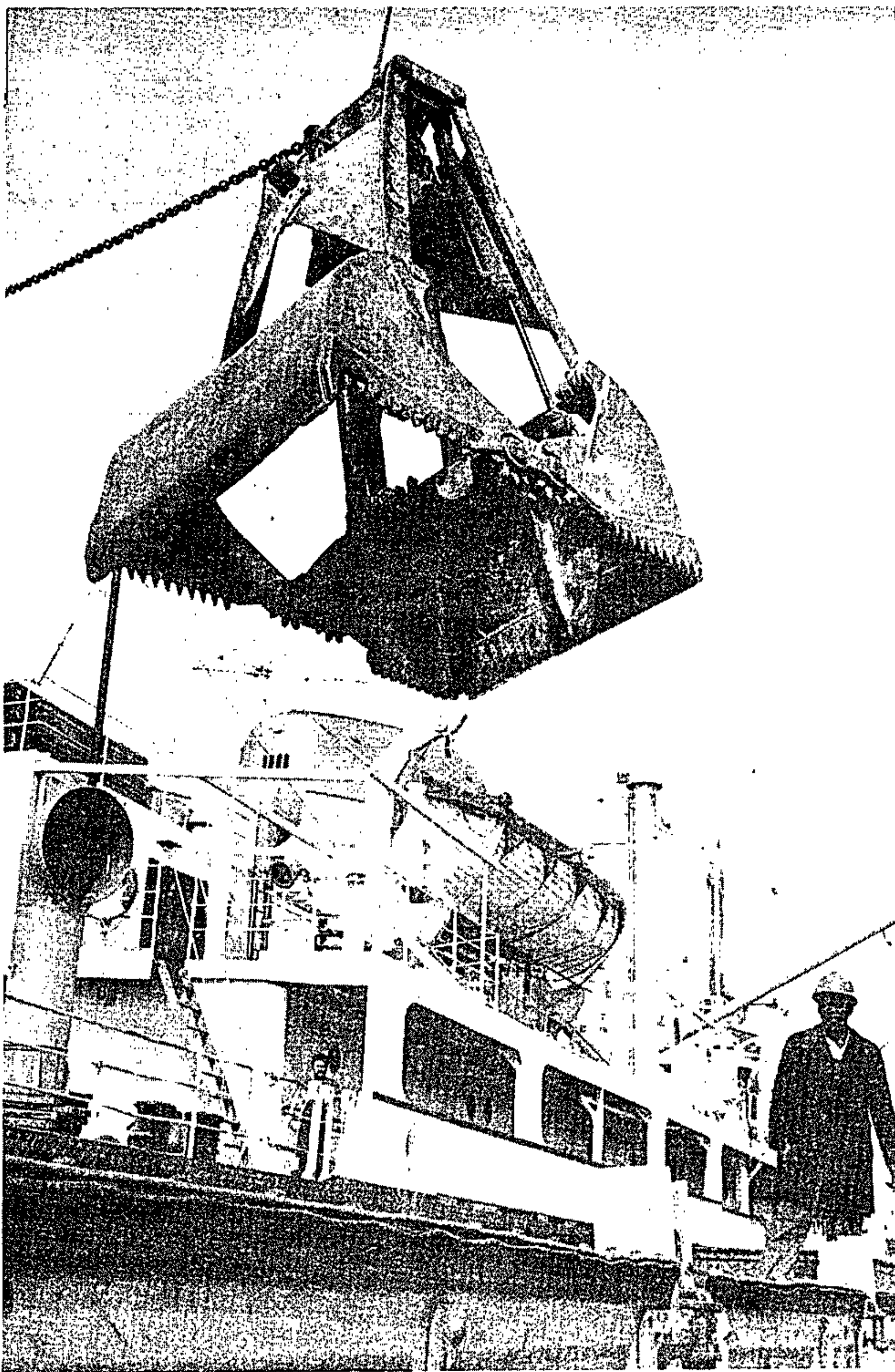
SA's most significant export cargoes are manganese, chrome, iron ore, coal, maize, sugar and steel. Asbestos and fluospar also use the tramp shipping market. Except for steel and sugar, these products have in the past mainly been shipped free-on-board (fob). This allows the importer to control the transportation.

But local shipbrokers are at pains to persuade clients of the benefits of shipping cost-and-freight (c & f) or cost-insurance-freight (cif). This allows the shipper to nominate the ship and date of sailing and to retain control over shipping arrangements.

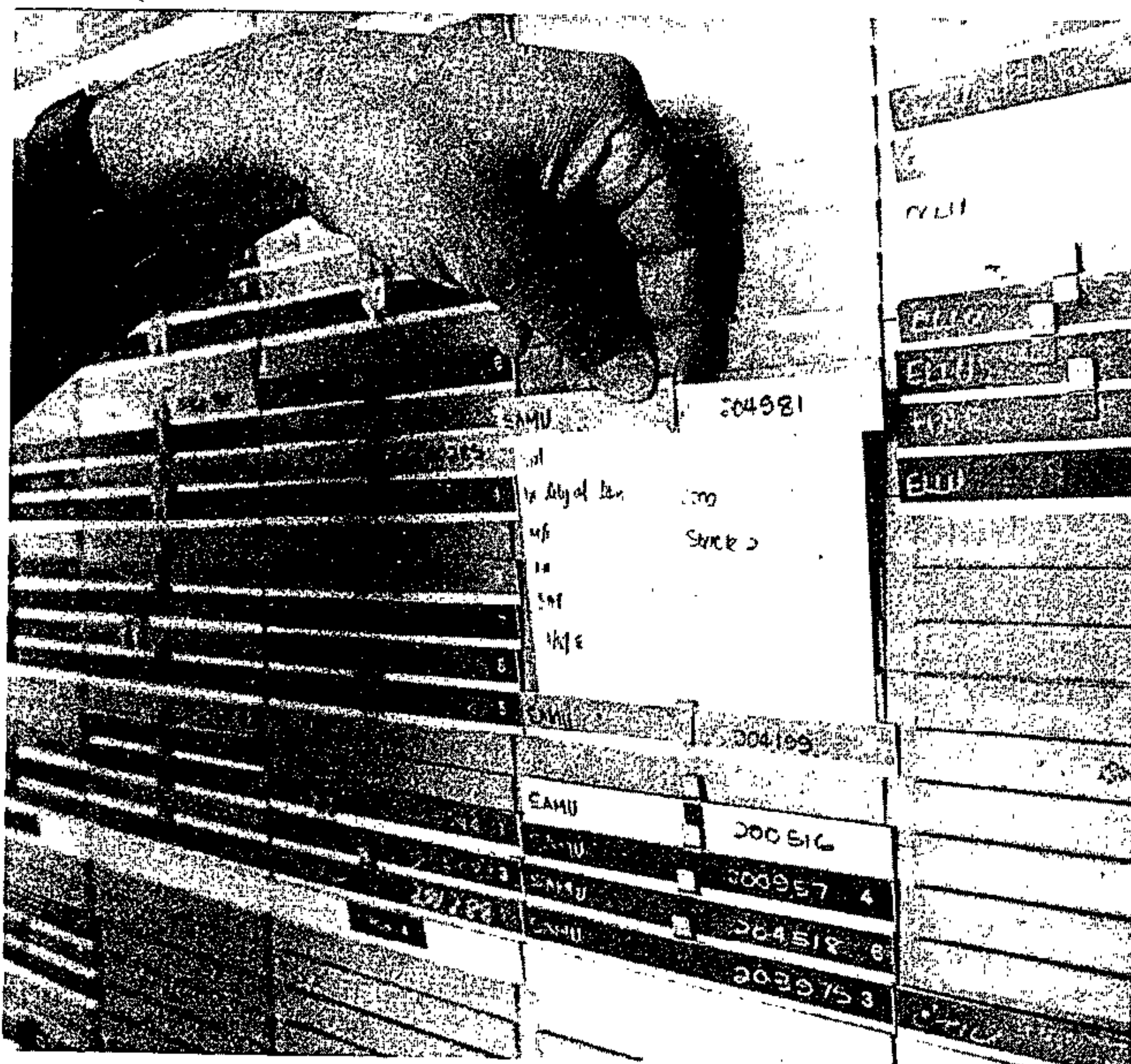
Comments Galbraith's MD Bruce Macdonald: "Over the past few years, the transport cost has been an ever-increasing proportion of the total delivered cost to the customer. So it makes sense for the exporter to pay attention to controlling the freight element."

Although there is a gradual awareness of the benefits of c & f sales, it's a long slow battle. Macdonald admits that the impact of a Galbraith's seminar held in Johannesburg two years ago to build up confidence in the local ship chartering market was reduced because of a lack of communication between the shipping manager and the sales director.

And, of course, when world trade is in recession, as it now is, and demand for raw materials is slack, it becomes a buyer's market. In such circumstances, where the seller is also facing strong competition from other nations, it makes sense to take the line of least resistance and sell on fob terms.







- ☐ Covering themselves for possible third-party cost increases and rate fluctuations;
- ☐ Manipulating foreign exchange rates;
- ☐ Holding on to clients' money for longer than required;
- ☐ Inflating third party charges for storage, cartage, container handling and unpacking;
- ☐ Pre-paying freight on shipments, when payment is due only at destination.

Under the law of agency, forwarders must act in the best interests of their clients. But a system where charges are based on disbursements provides no incentive for them to get the best deal. Often malpractices are hidden behind insufficient documentation which omits breakdowns and detailed calculation of charges.

Both Sasafaa's Canning and Pat Henegan, chairman of the Transvaal Association of Freight Forwarders (Taff) agree that there's no compulsion on the forwarder to provided substantiating documentation. "If we buy container space in bulk and negotiate a wholesale rate, we're at risk for the whole amount, whether we manage to fill it or not," argues Henegan. "We're buying wholesale and selling retail."

Sasafaa's standard trading conditions are quite explicit (clause 26): "The company (agent) is entitled to the benefit of any discounts obtained and to retain and be paid all brokerages, commissions, allowances and

## CAVEAT EMPTOR!

Importers and exporters who pay over-the-odds for their shipping services have only themselves to blame. The opportunity for freight agents to inflate costs artificially stems from merchants' ignorance of shipping procedures, and their reluctance to get involved in "mundane" shipping matters.

It is probably true to say that distribution is one of the last areas of business where major savings can be made. But first, top management must become involved in the fast-changing world of transport.

At a seminar for its worldwide Kompakt contractors, Micor Shipping made the point that businessmen need constantly to review new shipping and forwarding developments. Some areas that could lead to major savings in transport costs are:

- ☐ The advent of non-vessel-operating common carriers (NVOCCs) on the US route. For small consignments these operators frequently quote lower rates than the lines themselves;
- ☐ The highly negotiable freight rates on all world trade routes; and
- ☐ The advent of budget airfreight services.

Companies buying cost-and-freight (C & F) should not accept charges without investigating the ex-works prices and the freight rates being quoted by overseas principals. Often it makes sense to arrange the transport from this end.

With liquidity always a problem in a tight economy, and with high duty and surcharges applicable, merchants should examine the financial flexibility provided by clearing their imports into bonded warehouses.

Benefits may also be gained by putting agents "in funds," thereby reducing interest burdens resulting from the high cost of money.

Because the decision to use seafreight or airfreight is a critical one, management must analyse the total cost implications of both. Although airfreight may initially appear more expensive, the fact that inventories can be reduced is an important consideration with respect to cash flow.

In fast-changing fields such as electronics, this could also obviate the problems of carrying obsolete stock. Moreover, the use of airfreight could result in merchandise reaching the market up to a month earlier.

The change in the basis of valuation of goods for customs purposes could benefit many importers — provided they familiarise themselves with the new procedures.

The new General Agreement on Tariffs and Trade (GATT) customs code, which comes into force from July 1, brings SA in line with the international trading community. The code utilises the transaction value (TV) or actual price paid or payable for the goods. The current Brussels Definition of Value (BDV) is based on the "normal" price of goods in a sale on the open market.

The new system is simpler than the old and, in some cases, may result in savings in duty payable. The Department of Customs has issued a guide to the code, but the onus is on the importer to renegotiate the basis of valuation for duty purposes.

To guide importers through the documentary maze, a comprehensive *Importer's Manual*, covering all aspects of the importing process, has been produced by the Johannesburg Chamber of Commerce, while the SA Foreign Trade Organisation (Safto) is compiling a similar guide for exporters.



ers inland. From January 1, railage of empty boxes was to increase by up to 134%, export boxes by as much as 64% and import and domestic boxes by 5%.

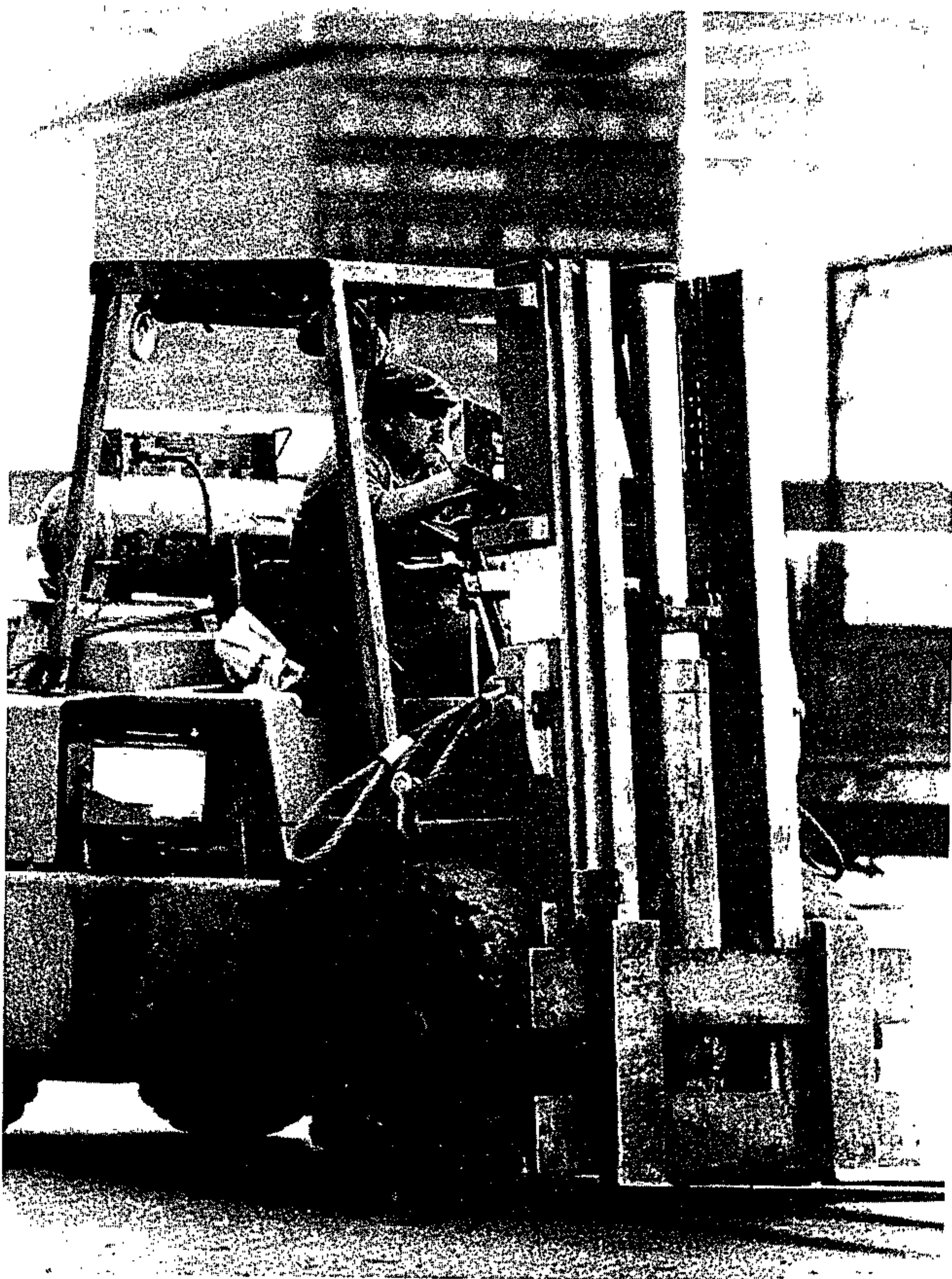
There was an immediate howl of protest from the lines, freight forwarders and shippers. They complained that, far from en-

couraging containerisation, the move would encourage merchants to switch back to break-bulk shipping. The uproar resulted in two reductions, with the final increases pinned at 33% for empty boxes, 25% for export boxes and 9% for import and domestic boxes.

Import and domestic boxes still remain the most expensive to rail, however. This is a carry-over from the historical system of charging what the traffic will bear. The cost of railing an import box from Cape Town to City Deep is R1 000 — more than the cost of shipping it from Cape Town to Rotterdam.

## Too high a cost?

*Claims that the freight forwarding industry is "ripping off" its clients to the tune of more than R100m a year have stirred up a hornets' nest*



Late last year, Richard Goodman of Marketing Traffic Management (MTM), a freight auditing and shipping consultancy, accused many of the country's forwarding agents of levying "unwarranted and exorbitant" fees. He claimed that his company had been instrumental in recovering more than R100m in overpayments to forwarders.

Gordon Canning, president of the SA Shipping & Forwarding Agents' Association (Sasafaa), and a senior Rennie's Shipping executive, retaliated immediately. He admitted that, like all industries, freight forwarding has its sharp operators, but argued that there was no way overcharging could amount to anything like the sum stated.

"Many of the claims prepared by freight auditors are not valid. One of our members, faced with claims totalling R250 000, spent many man-hours checking records to find that only three claims totalling R85 were justified." Clearing agents are now threatening to charge clients for investigation of claims that are not valid.

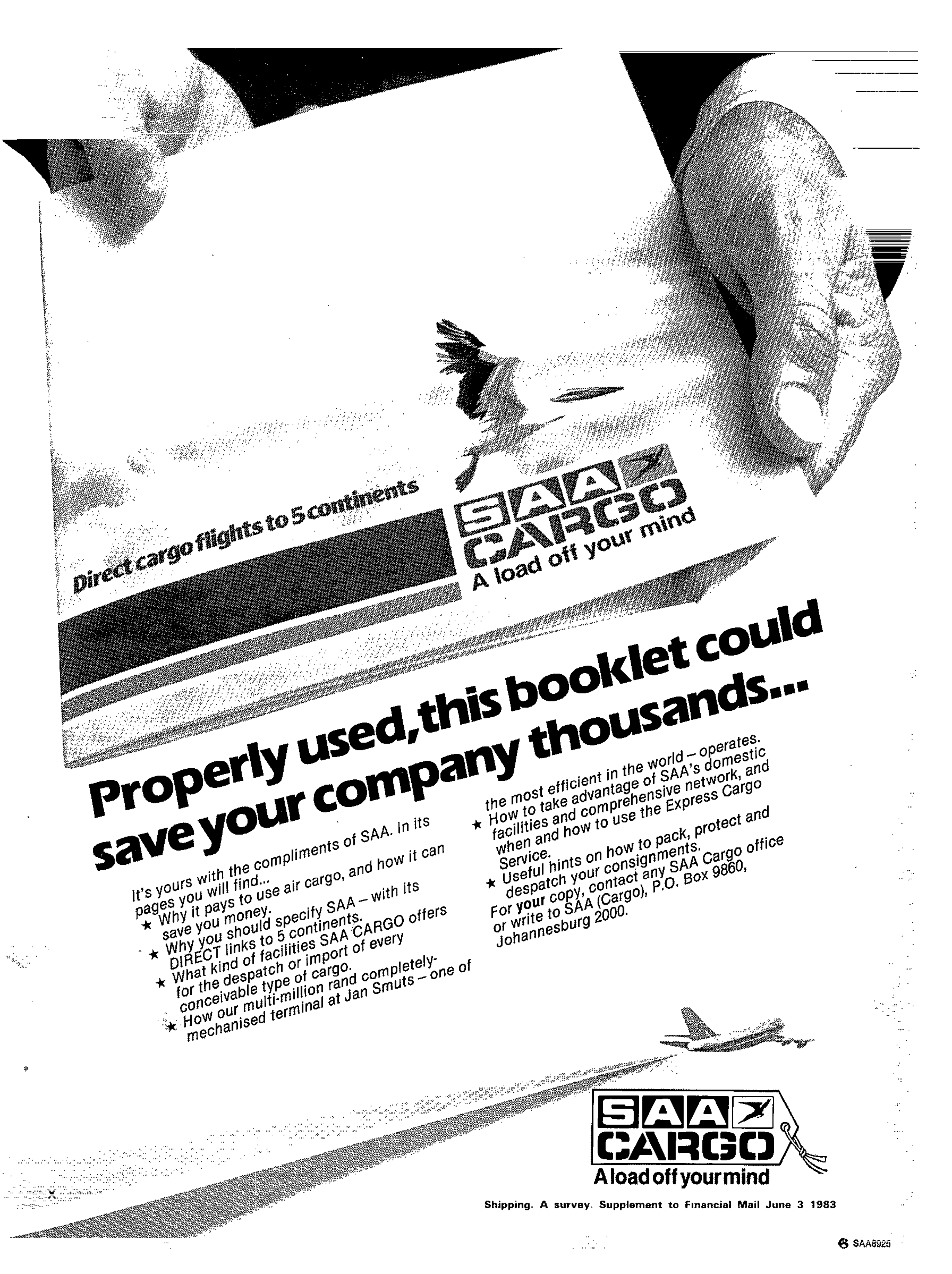
The current controversy serves to highlight an area of growing concern to shippers. Overseas shipping lines have long accused unscrupulous Continental forwarders of playing the lines against each other to get lower rates, while the freight benefit, negotiated presumably on behalf of the client, sticks to hands along the way.

The container and computer revolutions have brought a host of new opportunities for clearing and forwarding agents. Fears voiced in the mid-Seventies that shipping lines' involvement in the landside movement of cargo would drive the forwarders out of business have proved unfounded.

Instead they have developed into international operators offering a comprehensive transport service. Worldwide some 80% of containerised cargo is controlled by forwarders. And the growing complexity of their function has created new opportunities for retaining hidden profits. These include:

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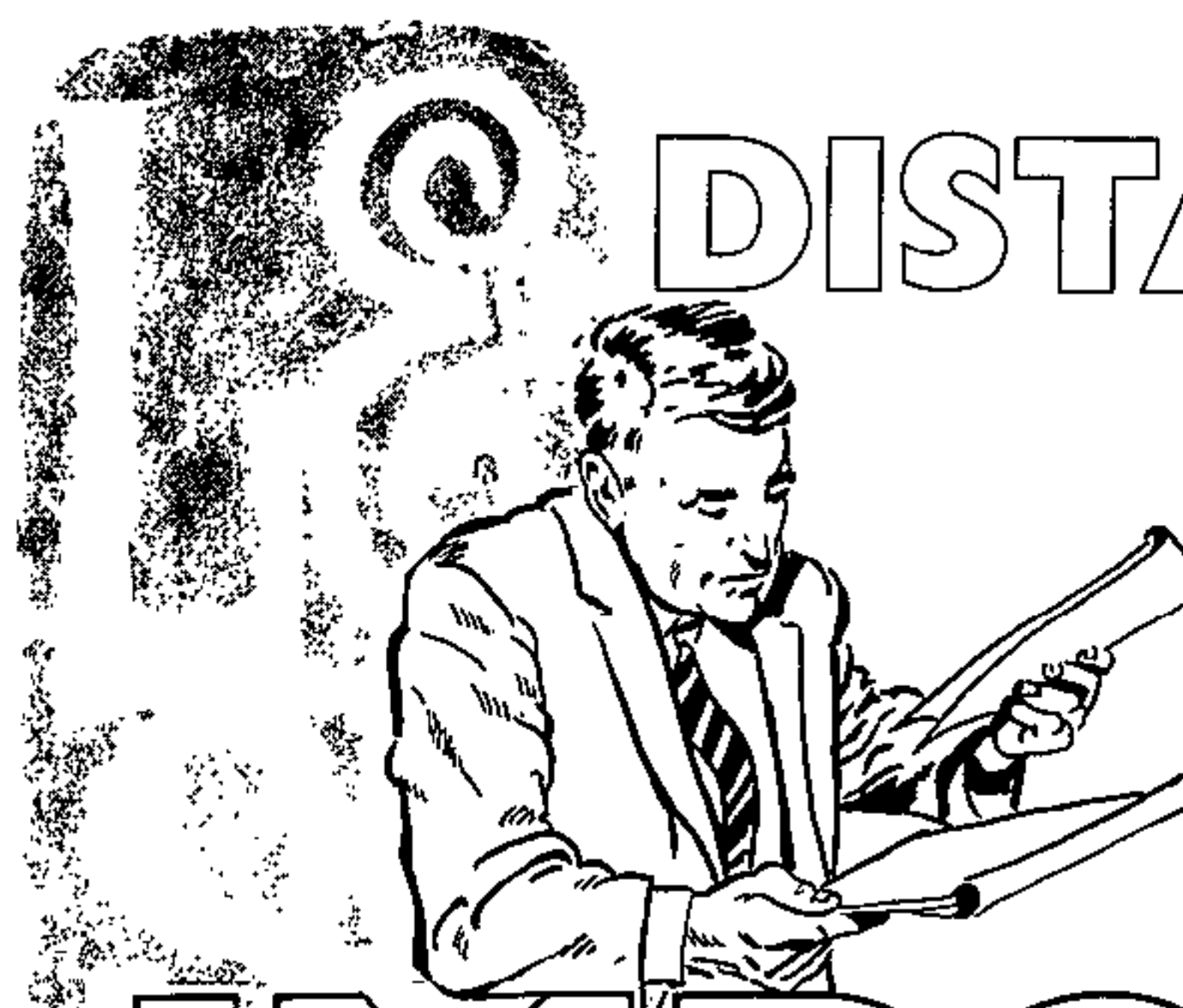
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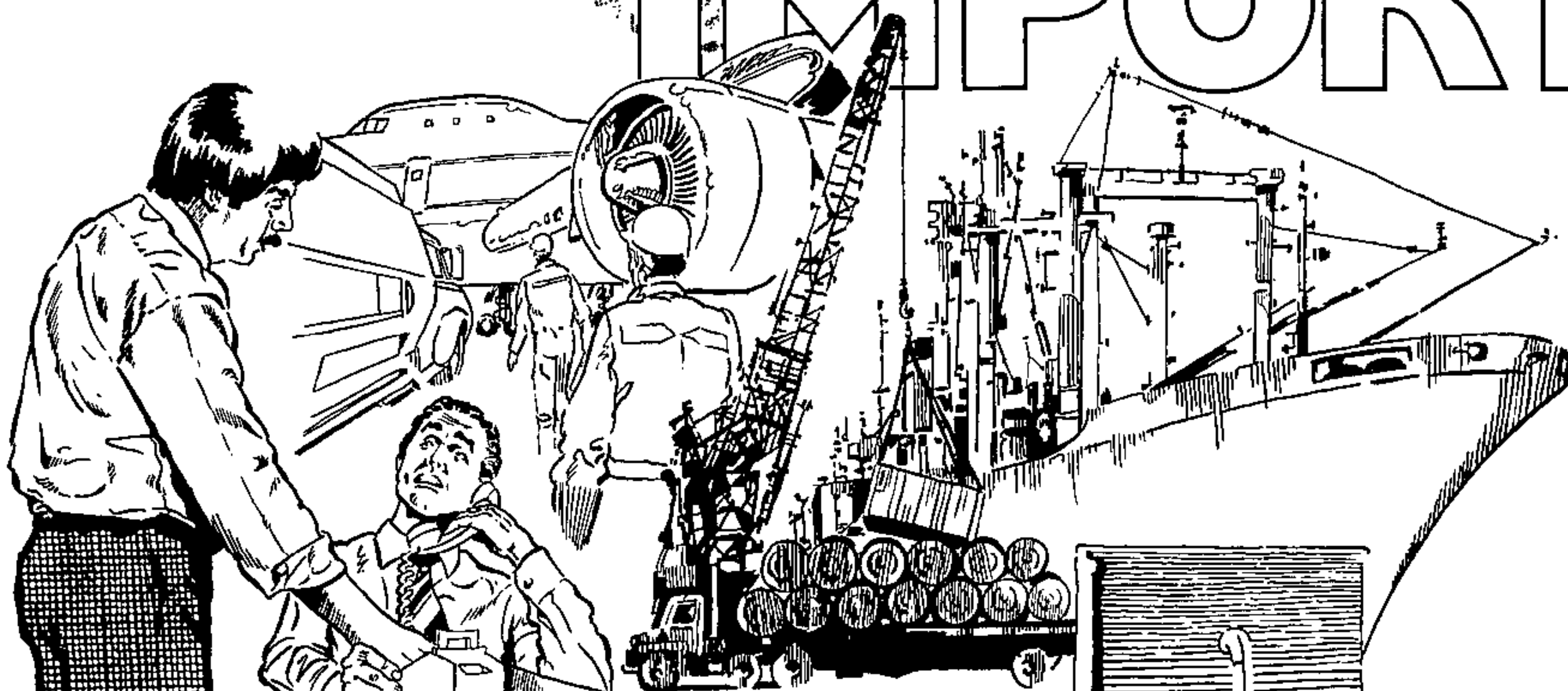
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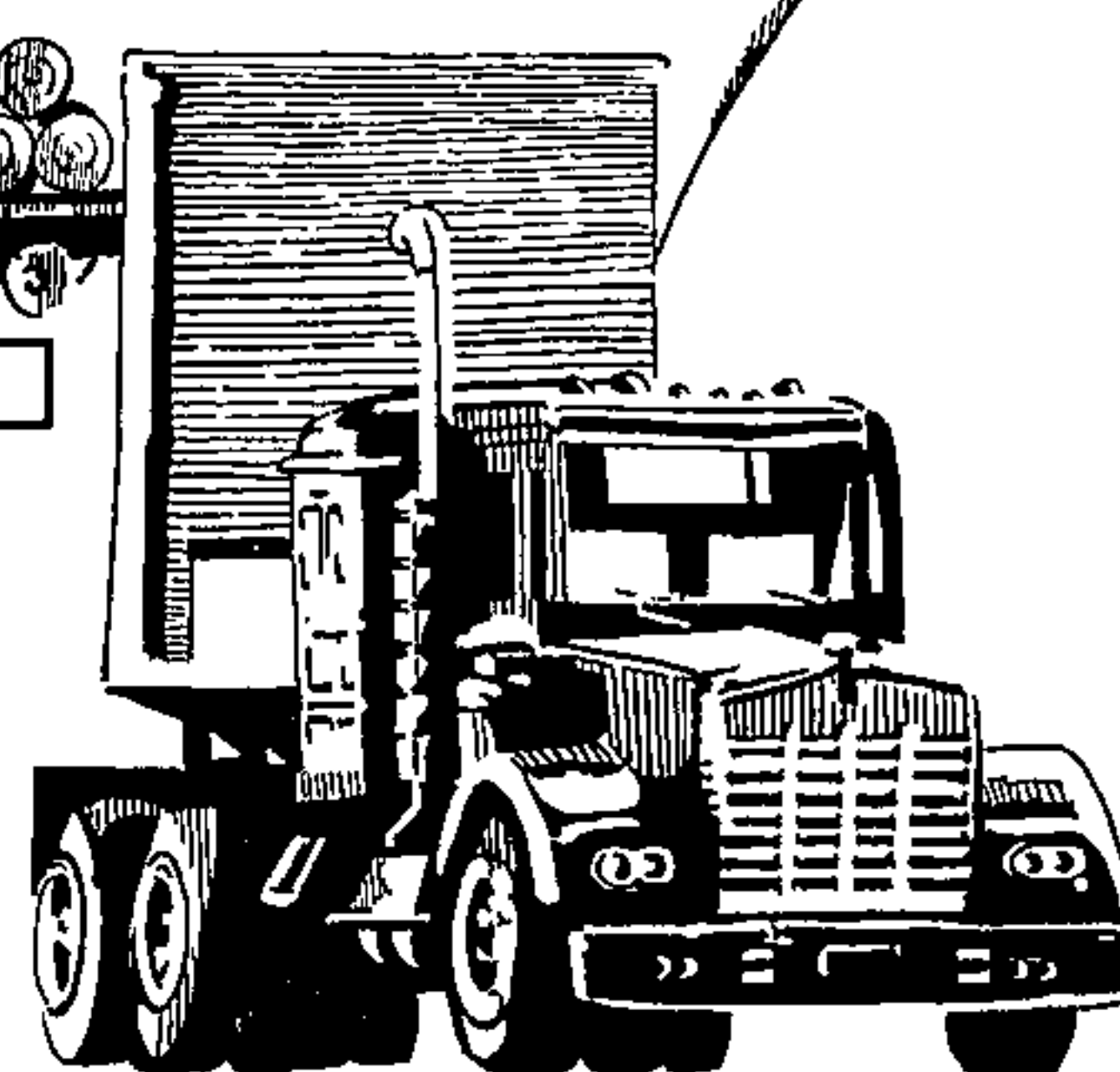
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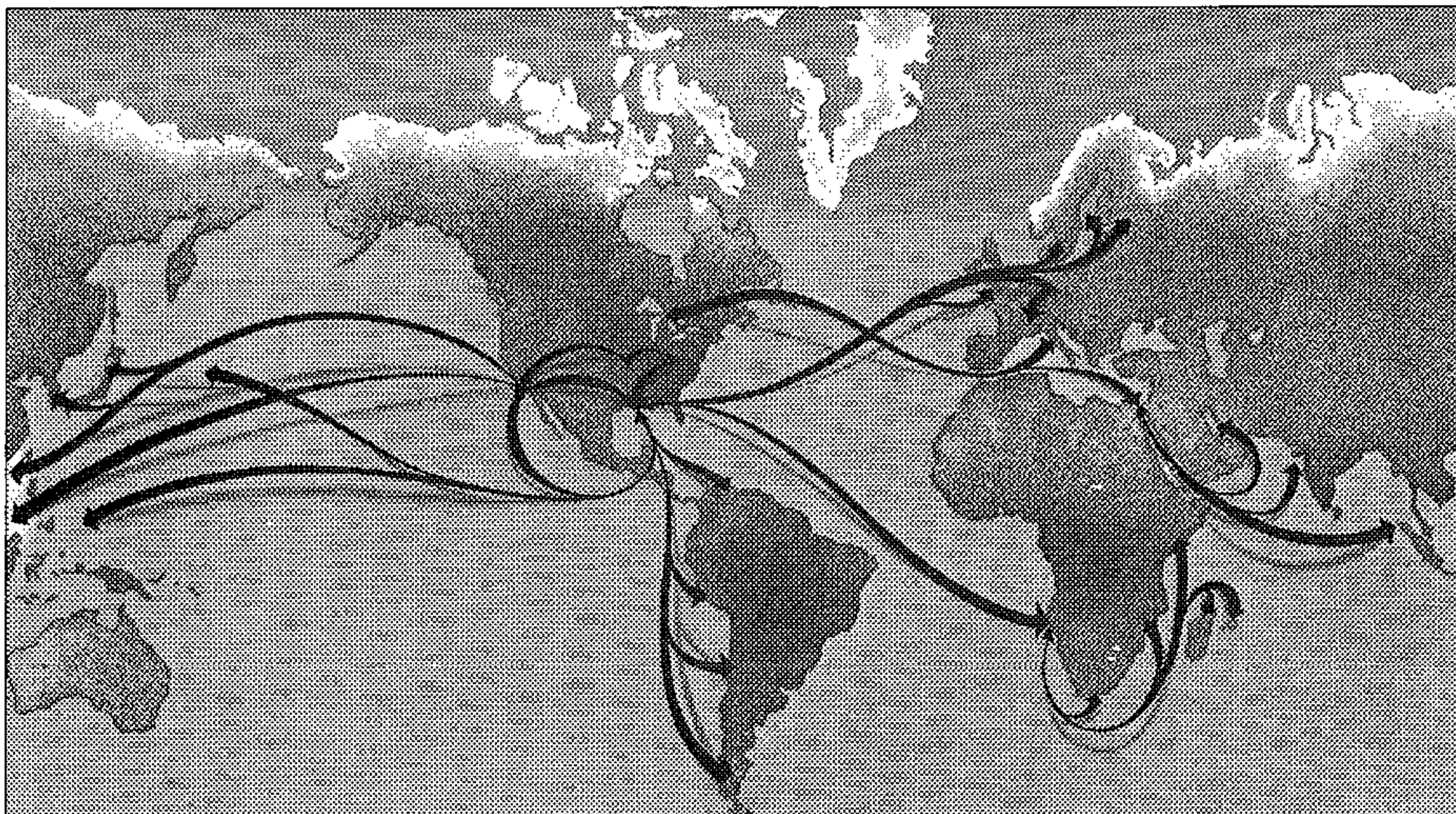
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# Boxed in

*Even its critics can't deny that containerisation has been an enormous success. But pressures for greater freedom of competition persist*

The easing of container congestion has temporarily dampened demands for the licensing of new container depots. But this begs the question of whether the SA Container Depots (SACD) monopoly is in the best interest of SA shippers.

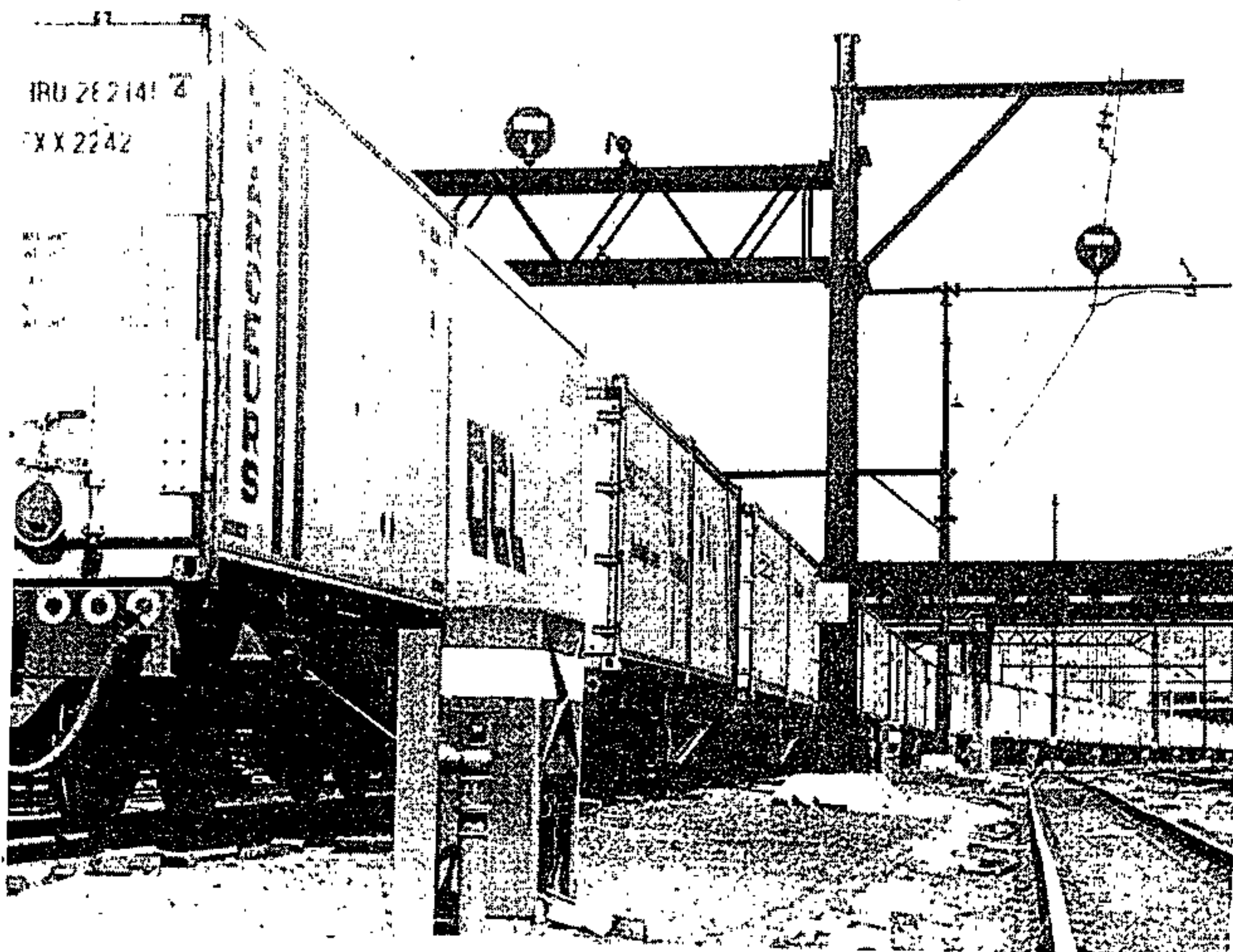
Not surprisingly, SACD MD Tony Yuill thinks it is. And he has some cogent arguments in terms of efficiency and economies of scale. "Our facilities are now heavily underutilised. Where would we be if this situation was duplicated all over the country?" he asks. Now it's up to the Competition Board to decide.

Following representations from the Association of Chambers of Commerce (Asso-com) and other private sector bodies, the Competition Board was last year instructed to investigate the monopoly depot operation.

The Transvaal Association of Freight Forwarders (Taff) has recently called for the scope of the investigation to be extended to include the purchase of Saftainer — Safmarine's inland container operating arm — by Freight Services. The move is designed to shift responsibility for landside container movement from the shipping line to the forwarder.



SACD's Yuill ... catering for peak periods



Taff argues that, through Safmarine, Freight Services will have access to valuable marketing information with regard to its competitors. Thus, "the relationship which has now been created between SACD and Saftainer, both within the influence of Freight Services, has the effect of aggravating the undesirable effects of the SACD monopoly."

Freight Services chief executive Neville Organ is adamant that the confidentiality of information will be maintained. "We are not in a privileged position. And despite what some of our competitors may think, we don't control the container industry."

Freight Services does, however, have a substantial stake in SACD. This came about in the early Seventies when, to compensate for losing a large slice of their traditional harbour cargo handling activities, three forwarding companies with major stevedoring interests were granted a customs licence to set up SACD. They are Freight Services (with a 62,5% share), Rennie's (25%) and Grindrod Cotts (12,5%).

There was an immediate outcry from major forwarders — headed by Micor chairman Cecil Kaplan — who had been left out in the cold. They argued that the single depot concept would lead to congestion and heavy demurrage costs.

The inland movements of containers was planned as a tightly-controlled operation between the shipping lines (who argued that the container, as part of the ship, represented a heavy investment that had to be protected), SA Transport Services (SATS) and SACD.

Containers move from the ship directly to a SATS terminal at the port of discharge or at Johannesburg's "inland port" — City Deep. Using its own hauliers, SATS delivers customs-cleared full-container-loads (FCLs) directly to the importers' premises.

Uncleared FCLs and boxes containing parcels for more than one consignee (less-than-container-loads or LCLs) are transferred to SACD. Once cleared, the FCLs may be moved to the consignee's premises. LCLs are unpacked and, once cleared, the individual consignments are available for collection by clients.

The system worked smoothly at first. But events at the end of December 1980 seemed to prove the critics right. Burdened by an unexpected flood of imports, the landside leg of the operation was unable to cope.

Over the Christmas period, SACD was choked with 2 200 FCLs, with another 500 waiting at the terminal. A further 500 boxes were held back at Durban until the congestion on the Reef eased. By Easter, SACD was working more smoothly, but this time



through Mozambique has forced large amounts of cargo on to the often hazardous road route through Zimbabwe or Zambia to Malawi.

Road haulage, particularly via Botswana, is not as cheap as the sea route. But the shipper scores when it comes to time. Even taking into account the often bad and overburdened roads to the north, a truckload can reach its destination within 14 days of being dispatched from Johannesburg.

And on the southbound run, where only a couple of years ago some 80% of Malawi's exports were moving through Nacala and 10% through Beira, at least half is moving via SA.

A decrease in traffic volume has eliminated congestion in Mozambique's main

port of Maputo. Despite the purchase of new equipment and efforts to upgrade management, however, it is still plagued by problems of mechanical breakdown and poor productivity.

The inefficiency of the port has caused some cargo to be diverted to Durban, Richards Bay and East London. Ferro-alloy exports have been diverted on a large scale, mostly to Richards Bay. However, Datsun-Nissan, which in 1981 diverted its imports of motor vehicle assembly kits from Maputo to Durban because of frequent delays and breakages, is thinking of switching back. And the Citrus Exchange is going ahead with plans to increase its shipments through Maputo. According to freight forwarders, vessels are working better now than they

were a few months ago.

Apart from Unicorn, a number of other lines — among them Manta Lines, the Mediterranean Shipping Company and Mercury Lines — advertise sailings to east Africa, in conjunction with their other services. However, few carry significant quantities of cargo.

The west African trade has also fallen prey to the recession. Universal Africa Line ceased trading more than a year ago because of insufficient cargoes and difficult conditions. Pan Africa Line quit last year and chartered its ship to the Unicorn-managed Tropic Line, the only venture left operating solely between southern and west Africa. In addition, numerous cross-traders are active on the run.

## Stormy weather ahead

*As trade continues to stagnate, shipowners Safmarine and Unicorn Lines are battenning down the hatches*

The deterioration in SA's international trade has severely dented the performance of the national shipping line, after years of steady — and sometimes spectacular — growth.

Tough trading conditions slashed Safmarine's turnover for the half-year to end December 1982 from R357m to R257m, a drop of 28%. Pre-tax profit slumped by a massive

69% to R13,7m (R43,8m). Attributable earnings at R15,3m were 41% lower than last year's R26,1m.

Group borrowings decreased from R239,8m to R229,3m over the half year. This resulted in a reduced interest burden of R10,2m (R11,8m).

Safmarine's debt:equity ratio is now down to a low 1:1, compared to 4,5:1 at the time of

its massive investment in containerisation. Executive chairman Marmion Marsh acknowledges that the company is undergeared. However, he believes that Safmarine's conservative financial policy "is sound, particularly in a bad period."

The gloomy results are hardly unexpected. In their last annual report, the directors noted that trade volumes had been hard hit by the international recession, and that there were few positive signs of an early upturn.

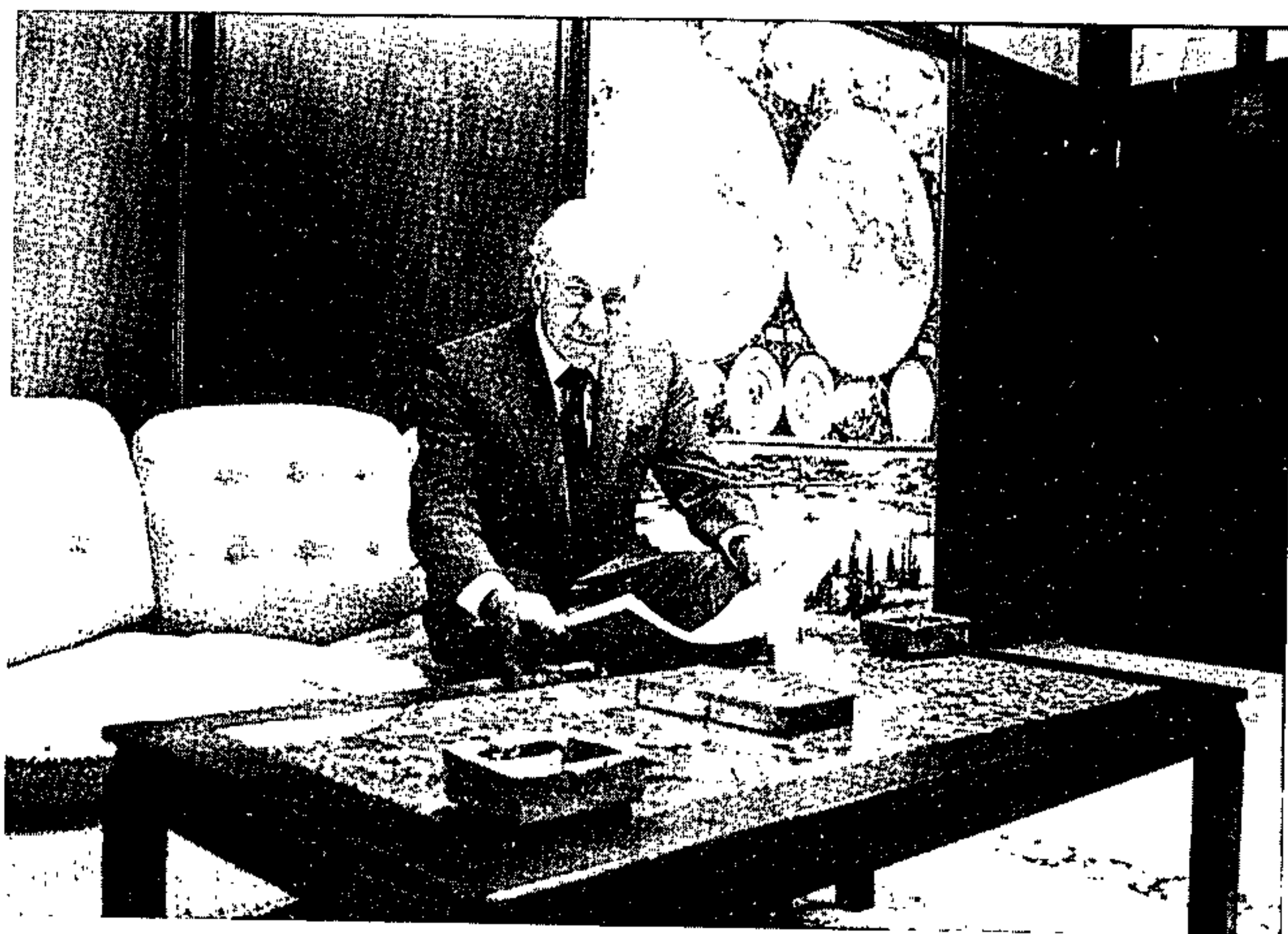
In the year to June 1982, after-tax profit fell 5% from its record level of R48,9m. However pre-tax profit showed a 6% increase to R79,8m on a turnover increase of 28% to R724,3m.

Safmarine last year carried a record 8,9 Mt of cargo. For the first time bulk liftings at 5,1 Mt substantially exceeded general cargo (3,8 Mt). General cargo exports were weak throughout the year. Import cargoes at first maintained their high 1981 volumes, but declined substantially from April 1982.

The bulk division expanded worldwide and carried increased cargoes of raw materials to the Far East, Europe and the US, as well as on cross-trades. Ships however had to accept uneconomic freight rates to find employment in the severely depressed international bulk shipping trades.

It is perhaps not fair to look at the results of the past 18 months in isolation, for they mask Safmarine's strong growth record. Over the 10-year period from 1973 to 1982, Safmarine's investment in ships and other fixed assets grew from R94m to R513,8m. Group turnover shot up from R112,0m to R724,3m and pre-tax profit from R10,9m to R79,8m.

Trading profit has risen every year since 1973, more than doubling from R49,6m in



Safmarine's Marsh ... no magic wand



# Competition on the coast

*The depressed economy and increased competition from road and rail have hit SA's coastal and regional shipping services*

The slump in import/export cargoes has led to stiff competition for traffic between the coastal cities. Private road hauliers, as well as the SA Transport Services (SATS) road transport division, are accused of wooing commodities away from the coastwise route at unrealistic rates. The Railways — also having a tough time — is actively seeking business.

Excluding bulk commodities such as coal, maize and salt, which move by rail, about 70% of cargo moves between the coastal cities by sea. However, there has been a move away from the sea route towards road transportation — particularly between the main coastal centres of Durban and Cape Town.

SATS figures show a 24% drop in coastwise cargo to 1,57 Mt in 1982, with some months registering a decrease of as much as 40%. Figures compiled by Unicorn Lines, the main operator on the route, reflect a downward trend since 1977, with a 5% drop to 1,9 Mt last year. The discrepancy can largely be explained by the fact that the SATS figures reflect harbour tons, calculated on a volume or weight basis (1 m<sup>3</sup> or

1 000 kg, whichever is the greater), whereas Unicorn works in freight tons (approximately 1 000 kg).

Unicorn has commissioned the Rand Afrikaans University's Department of Transport Economics to study the factors influencing coastwise traffic and to identify areas where discriminatory practices and regulations have an adverse effect.

Unicorn Lines operates seven ships on the Durban-Walvis Bay run, offering about 20 voyages a month. Cape Natal Line runs a weekly service between Durban, Port Elizabeth and Cape Town, with its small chartered vessel, the 124 TEU *Cape Hustler*.

Cape Natal Line was formed three years ago in partnership with Unilever, which, according to MD Richard Siedle, still provides about 30%-40% of its business. Most of the cargo carried is semi-raw materials and stock replenishment of supermarket items.

Both lines are bitterly opposed to the retention of *ad valorem* wharfage by SATS. This charge is intended to cover the cost of wharfs, quayside sheds and so on. The rate is based on the value of the commodity — a system that may have made sense in the old days of break-bulk shipping where some goods required more careful handling than others.

Now, argue its critics, it has become an anachronism, serving only as a way of escalating revenue for SATS, and enabling it to subsidise its uneconomic harbour shipping services.

The lines would like to see wharfage limited to a maximum value and, in the long term, transmuted into a container rate or incorporated into terminal handling charges. This would be in line with SATS undertakings to move to a more cost-related tariff structure.

While importers and exporters also have to pay *ad valorem* wharfage, coastwise shippers claim that they suffer most — they have to pay wharfage twice, once at each end of the journey.

*Ad valorem* wharfage on imports and exports was excluded from the 15% SATS tariff hikes implemented this January. On coastwise traffic, wharfage was decreased by 14,3% to its 1981 level of R1,80 per R100 value. That is R0,90 per R100 value at each port.

The *ad valorem* charge is particularly punitive in the case of high-value goods. "It

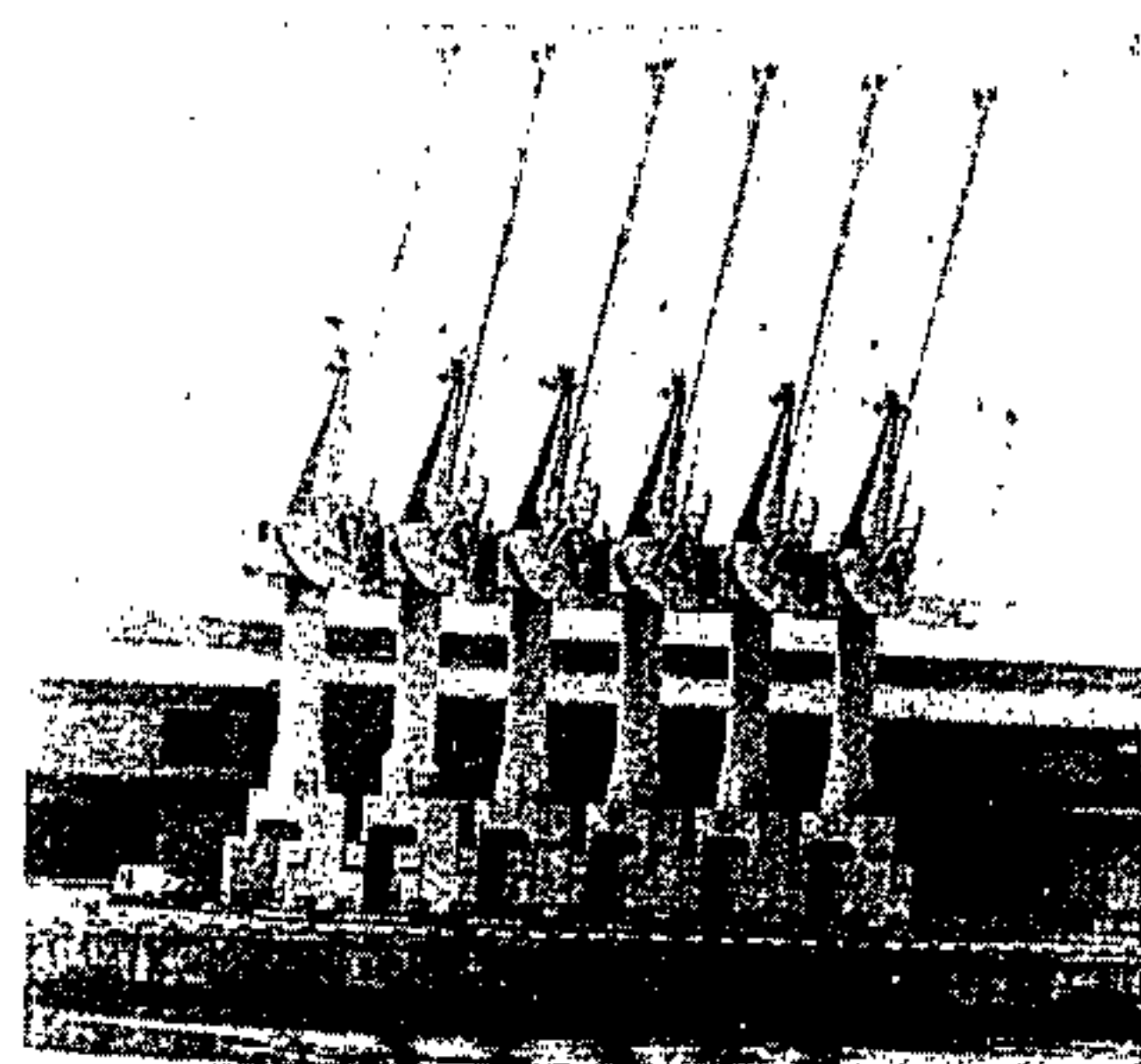
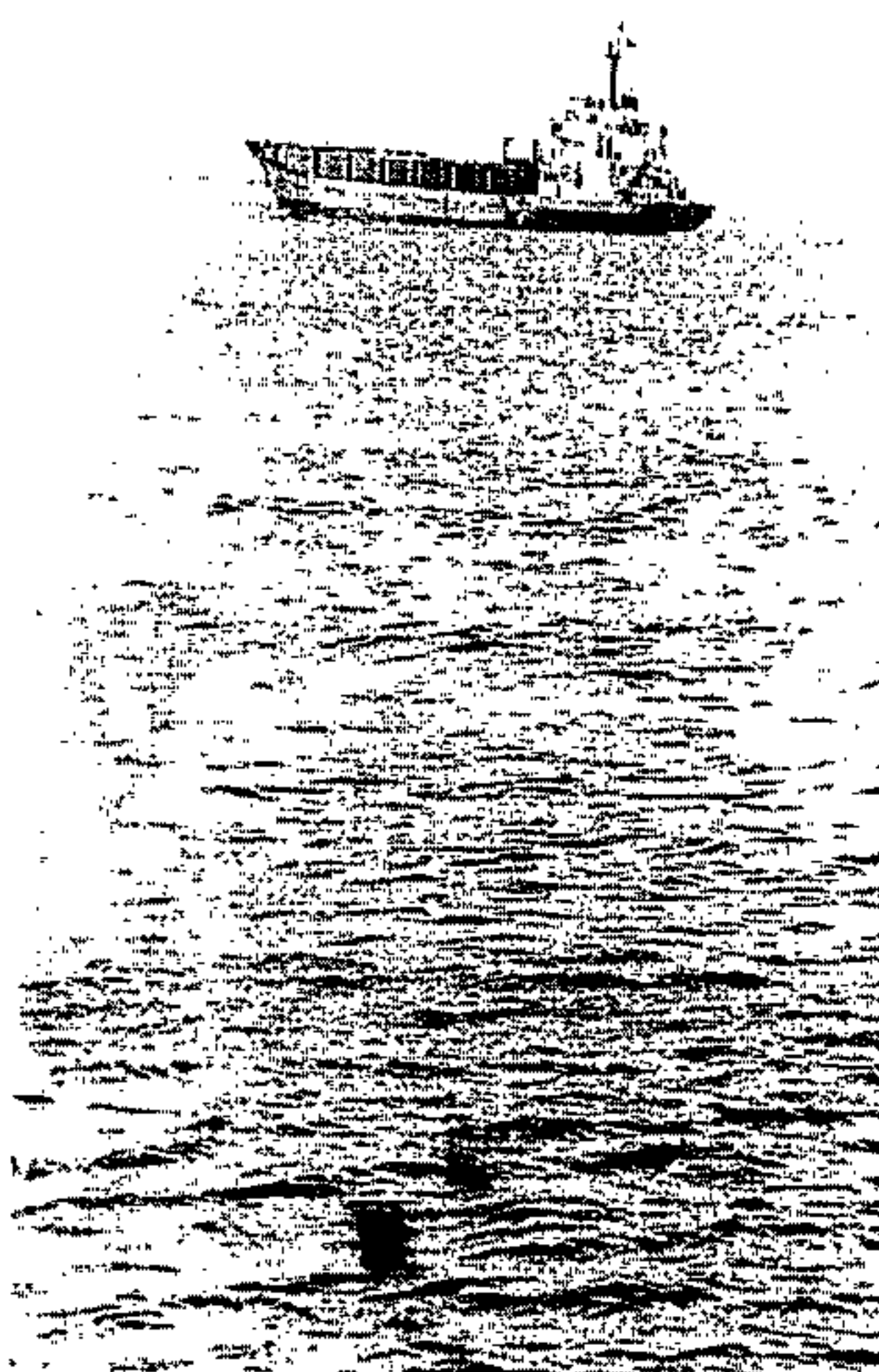
can effectively double the shipping cost of a door-to-door container from R1 000 to R2 000," comments Siedle. Thus high-value traffic has become particularly attractive to road hauliers.

Apart from price, there is not much to choose between road and sea in terms of time and convenience. "Road transport is probably faster between Durban and East London or Port Elizabeth," comments Unicorn executive director Mike Groves. "But on the main route between Durban and Cape Town there's very little in it. However, in terms of fuel, sea transport is much more efficient than road."


On SA's regional routes — serving east and west Africa — trading conditions have deteriorated to an even greater extent.

Two years ago, Zambezi Africa Line — set up by Siedle to serve Mozambique and the Indian Ocean islands — converted to a co-loading arrangement with Unicorn. Last year it withdrew from the service, as cargoes continued to decline in the face of worsening congestion and delays at Nacala. Despite operational difficulties, Unicorn continues to offer regular sailings to these areas.

Nacala is the Mozambique port closest to Malawi, but from there containers can take up to three months to reach Blantyre, because of port congestion and disruptions of the rail route by the Mozambique Resistance Movement (MRM). Erratic shipping







African ports to top up cargo en route between South America and the Far East.

The trade has had its share of casualties. Apart from Bank Line, recent disappearances include Afro-Eurasia Line, Wan Hai Line and Magna Marine Lines. Tight market conditions are likely to force a further shake-out over the next few months.

#### North America

The North American shipping route is in turmoil. Recent months have seen two takeovers, one bankruptcy and two new entrants to the trade.

The change of ownership of Lykes Lines has been overshadowed by the merger of US-based Moore McCormack Lines and US Lines. The expertise of US Lines — the second biggest carrier in the US — is expected to inject more vitality into the South African operation. It is also expected to speed the containerisation of US-SA trade.

Many operators regard the trade as unsuitable for containerisation. Southbound project cargoes are too bulky, and mineral and ore exports are not suited to liner carriage. But US Lines' bossman, former trucker Malcom McLean — regarded as one of the world's last great shipping tycoons — has ideas for a round-the-world service em-

ploying modern container liners. Half of US Lines' 40-vessel fleet is containerised and McLean has 14 4 000 TEU container ships on order from South Korean shipyards.

The line operates between the US, Europe and the Far East, and its merger with Moore McCormack will bring strong penetration into African and South American markets.

Moore McCormack has stepped up its sailings from every three weeks to fortnightly, using semi-container ships alternating with break-bulk vessels. It is probably only a matter of time before it adopts the US Lines' name for its services.

Other conference members are apparently uneasy about Moore McCormack's bid for increased market share, anticipated pressure to switch into containers and the fear that McLean would like the facility of quoting more competitive rates than are allowed within the conference system.

News of the US Lines-Moore McCormack merger followed hard on the heels of the collapse after less than a year of newcomer Cape Lines last November. Launched in January 1982 as SA's first wholly SA-owned shipping line, it boasted of being "more South African than Safmarine." It was backed by the Robert Enthoven family,

which provided much of the original venture capital.

One month before the crash, executive vice-chairman Johan Strydom was quoted as saying: "The line's backing and the determination of the shareholders that it should survive is so strong that management is facing the future with total confidence."

Frantic behind-the-scenes attempts to save the line and work out a deal with conference failed, fuelling industry speculation that Safmarine had struck a deal with Cape Lines chairman Enthoven to cut his losses — estimated at around \$3m — and go into liquidation.

In its hey-day, Cape Lines claimed that it had forced down rates by as much as 20%. As a result, the conference lines probably lost some \$25m in revenue, to the short-term benefit of shippers.

What went wrong? Industry insiders claim it was a combination of inexperience of liner trades, high charter rate payouts on vessels and under-estimates of landside costs.

It was during 1982 that non-vessel-operating common carriers (NVOCCs) flocked to the trade. Their primary function is to assemble and consolidate small shipments from a variety of sources into container

# We've got the world at





ic and political ties with Taiwan, attracted swarms of outsiders to the trade in the early Eighties. Keen to rationalise their services, members of the four conferences operating between SA and the Far East joined together to form the Safari Service. The six participants are Safmarine, K Line, Mitsui OSK Lines, NYK Line, Maersk Line and Nedlloyd Lines.

Originally operating four fully cellular vessels of 16 000 TEU on a fortnightly schedule, backed by fortnightly conventional sailings, Safari announced in March that it would be reducing its back-up service to one sailing a month. This reflects a decline in demand for its break-bulk service.

Though most of the outsiders still rely on semi-bulk cargo to fill their ships, they have concentrated their efforts on container traffic.

In November 1981, Safe Line shook the industry by slashing westbound rates from

\$3 000/container to \$1 500. Despite protests to the contrary, other independents were forced to follow suit, forcing rates down to as low as \$1 200 westbound and \$600 eastbound.

The conference hit back by introducing more flexible tariffs and dividing box rates into fewer commodity categories. In some cases they came to within \$100 of non-conference rates.

The Safari Service, although run as a joint operation, is not as tightly knit as the Saecs venture. "In fact," comments one shipping source, "if Safari participants concentrated less on undercutting each other, perhaps they would be more effective in countering opposition from outsiders."

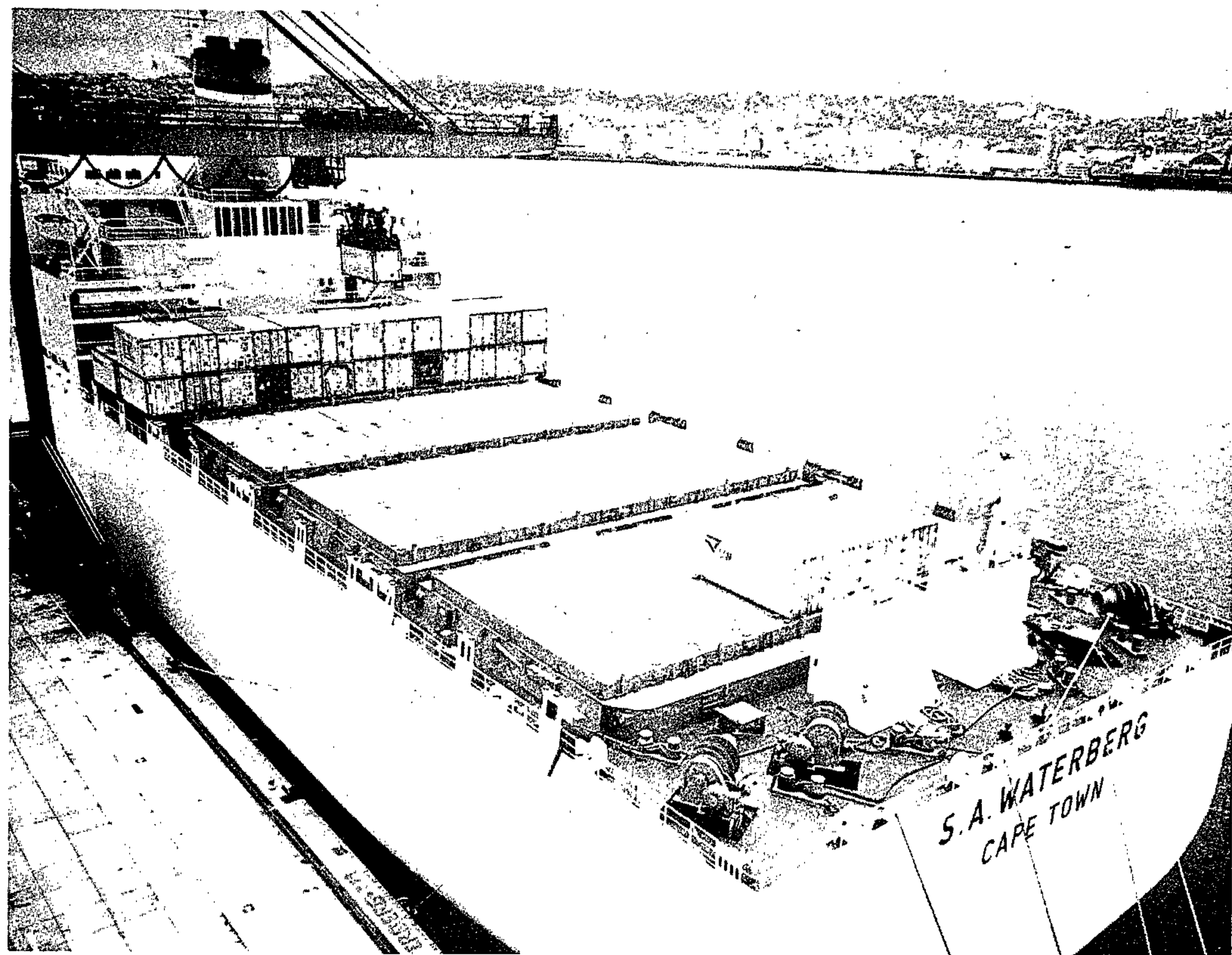
Still active is Gold Star Line, the pioneer of containerised shipping on the route. Although a conference member, it operates its own vessels outside the Safari Service. From being a major force on the trade, Safe

Line's market share has dwindled in the face of increased competition. For some months, the line combined its SA service with other routes, but it is now offering direct sailings again.

Other outsiders of note include the container operator Nantai Line of Taipei, which entered the trade in March 1982. It has been "encouraged" by the government to develop trade with SA, one of Taiwan's closest trading partners.

In another development last year, Ahrenkiel launched a liner operation, following a 12-year association with Datsun/Nissan in carrying motor vehicle assembly kits to SA. Like many other outsiders on the trade, the Ahrenkiel Liner Service operates multi-purpose vessels, carrying semi-bulk cargoes, topped by containers.

Established operators continue to contend with crosstraders such as Elma, Frota-line and Lloyd Brasileiro, who call at South





entrants, tramps, alternative transport services, alternative sources of supply, domestic production or substitution of liner cargo, and the countervailing power of shippers' councils.

"Shippers' councils such as those established throughout Europe are effective in ensuring that conferences do not act arbitrarily in providing services and changing rates."

Here's the rub. The SA Shippers' Council (SASC) is not nearly as powerful as similar overseas bodies. For the past few years it has had some say in the SA-Europe conference's freight determinations. But chairman David Lewis (MD of Cereal and General Exports) complains of inadequate consultation.

"Well-established private sector bodies such as the SASC and the Transport Consul-

tative Committee (TCC) are available to government. But they are often inadequately used or, worse, not used at all."

Although not originally invited to participate, the SASC has secured a voice in the National Transport Policy Study (NTPS). Launched last year by the Department of Transport Affairs with a minimum of fanfare, the NTPS is likely to have far-reaching implications.

## Circling the globe

*Competition on SA's main international shipping routes is cut-throat, as lines battle for cargo*

### Europe

In a determined bid to counter competition from independent operators, the SA-Europe Container Service (Saecs) in January introduced new market-related tariffs on its southbound service.

While rebating is endemic to liner shipping worldwide, conference men admit that their counter opposition policy (COP) had got out of hand. "With imports down and Europe stagnant, we could only go for increased market share," comments Neil Sempill, local chairman of the Europe-SA Conference. "But discounts of more than 40% made a mockery of the tariff."

The revision exercise brings the tariff, which had developed into a cumbersome document over the years, into line with modern requirements of shipping in the con-

tainer era. The new rates, which incorporate January's 7.5% freight hike, are close to the actual rates achieved in the market last year. A margin for negotiation remains, but rebates are unlikely to exceed 10%.

In addition to tariff simplification, the conference now offers shippers commodity box rates (CBRs) — lump sum freight charges per container. CBRs tend to lead to greater cost efficiency by encouraging merchants to ship full container loads (FCLs) and to maximise container space utilisation.

Northbound, some 90% of the cargo moves under contract and the existing commodity rates take into account the specific requirements of each industry. High-value, high-rated imports continue to subsidise low-value exports. Whereas average revenue from a southbound container is around

\$2 100, northbound revenue is around \$1 200.

Independent operators are estimated to carry 15%-20% of southbound containers and 5% of northbound. Perceiving a gap left by the advent of the cellular service in 1977, independent lines operating multi-purpose vessels have made an all-out bid for semi-bulk export cargo, such as asbestos, vermiculite, ferrochrome, copper and granite, probably carrying around 50%.

The conference has not recovered from the bad timing of its entry into containerisation during the 1977 recession. Even the subsequent boom years did not enable it to reach the desired level of return on investment. And 1981 was expensive. Intermittent strikes at Southampton cost the lines around \$10m, while they had to find another \$10m to cope with congestion at City Deep.

In 1982, the Saecs service experienced an 18% decline in southbound tonnages and it expects a further decline of more than 13% this year. This means that by the end of 1983, trade will have fallen by one-third from its 1980-1981 peak.

Saecs is aiming for a 7% increase in refrigerated and semi-liner exports this year. Currently it is running at about 65% of capacity northbound and 75% southbound.

Saecs operates two fully cellular services, one to the north-west Continent and the UK and the other to the Mediterranean. The nine vessel-owning participants of Saecs are Safmarine, the South African flag line; OCL and EHCL of the UK; CMCR of France, CMB of Belgium, Nedlloyd of Holland and DAL of Germany, which operate as Joint Container Lines; CGM of France; and Lloyd Triestino of Italy.

EHCL may soon change hands, since its parent Ellerman Lines is currently up for sale. Its Saecs vessel, the *City of Durban*, is likely to continue in the trade under its new owner.

For the second time since the start of the service, two large 2 450 TEU (20 ft equivalent unit) cellular ships, the *City of Durban* and OCL's *Table Bay* have been pulled off the north-west Continent route. And at the end of the deciduous fruit export season, sailings were switched from a weekly to an



Conference's Sempill ... going for increased market share



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billions predicted by many economists. While this may indicate the underlying strength of the SA economy, it is of small consolation to those in the shipping industry.

The Nedbank Group Economic Unit sums up: "The South African upswing that got under way at the beginning of 1978 came after two-and-a-half years of solid recovery in the major overseas economies, and two-and-a-half years of broadly-based and rapid increases in the volumes of SA's exports."

"The situation is now quite different. In 1981, real exports fell by the largest percentage of any post-war year, and last year they stayed more or less unchanged at that

low level. Almost all forecasts spell out only a mild recovery for SA's major trading partners.

"A sharply higher gold price certainly will offset some of the effects of an only mediocre initial recovery in other exports, but the impact of a broadly-based improvement in export revenues will be absent for much of 1983."

There is, however, some optimism that, with the US economy showing signs of strengthening at last, and overseas stockpiles of some commodities running low, SA can look forward to better prices and a small increase in export volumes in the

latter part of the year.

Again this brings little comfort to the shipping fraternity, since the greater part of their earnings comes from generally high-rated imports, rather than low-rated exports. And imports this year are likely to limp along at a low level.

It usually takes about a year for an increase in export earnings to filter through to the domestic economy. Then follows a period of stabilisation as excess capacity and unemployment are soaked up. Next comes a period of fixed investment, followed finally by a surge in imports of capital goods. It could be a long wait.

## Time for a re-think

*The conference shipping system is once again under scrutiny. And major changes may be in the offing*

A veiled threat by the shipping cartel serving the European route that it may downgrade its commitment to the trade has thrown the conference shipping system into the spotlight.

Battling with declining traffic and increased cut-rate competition from independent shipping lines, the Europe-SA Conference has challenged the SA government to find a tangible way of honouring its side of the Ocean Freight Agreement (OFA).

Under the OFA, set up in 1977 at the start of the containerisation programme, government and conference — in view of the vast capital outlay (R2 billion) involved in providing a cellular service — "recognise the need for the service to be supported to the fullest possible extent." They also pledge to "use their best endeavours individually and collectively to:

□ Encourage and persuade importers and exporters of general cargo to ship exclusively in vessels operated by the conference; and

□ Discourage and dissuade importers and exporters of general cargo from using any service afforded by an operator who is not a member of the conference."

The public sector is bound to use conference vessels for at least 87,5% of its imports from Europe and to make that a condition in all tenders for the supply of materials. However, there is no controlling body to enforce the measure. "I defy anyone to police it," comments one shipping man. "It's a myth."

The conference is taking government to task for reneging on its obligation under the OFA "to take such measures as are considered appropriate for dealing with any oc-

currence which undermines, or threatens to undermine, the efficient and economic operation of the shipping services provided by the conference."

On a recent visit to SA, conference chairman Neil Forster indicated that there is widespread dissatisfaction with the terms of the OFA.

While the OFA provides for a freight rate level giving members a 12,5% return on the cost of their ships and 10,5% on the cost of



Transport's Eksteen . . . appealing for more support

containers, member lines' return on their investment has fallen to a low 2%-3%. As a result, conference's cumulative revenue since 1977 is \$60m below its entitlement under the OFA.

Following pressure from the lines, the Director-General of Transport Affairs, Adriaan Eksteen, earlier this year appealed to organised commerce for support of the conference lines, stressing the long-term benefits of "a reliable and regular service, in contrast to the services of outside operators who may not offer long-term undertakings."

Eksteen is taking a more low-key approach than his predecessors. Past commerce secretary Tjaart van der Walt some years ago made a strongly-worded appeal for voluntary compliance from shippers. And those with long memories recall Joep Steyn's not-so-veiled threats to withhold import permits from non-users of the conference service.

Then there was the controversial Shipping Act Amendment Bill of 1976, which included a clause providing for an anti-dumping levy to be charged on goods shipped in non-conference vessels. The penalty would be the difference between the rate charged by the outsider and the normal conference tariff.

Not that Forster is advocating such drastic measures. "We don't seek subsidies, formal protection or the banning of non-conference ships. But on a purely commercial basis we could be helped by SA Transport Services (SATS) to get a better deal."

Forster argues that since the SA-Europe Container Service (Saecs) — a "club" of conference container operators — provides the major throughput on the container system, it should get some sort of volume rebate, as is common commercial practice overseas.

On the operating side, the cellular ships, representing an investment of \$1,2 billion,



## EXPORT FOCUS

The SA Foreign Trade Organisation (Safto) predicts an increase of up to 10% in merchandise exports by value in 1983. This is based on the continued availability of non-agricultural products for export and improved foreign market conditions towards the end of the year.

Negative factors are a relatively high-value rand and the impact of the prolonged drought. Maize earnings alone are expected to show a reversal from earnings of R800m — 8% of last year's total merchandise exports — to a net outflow of R100m.

Firmer prices are expected to boost earnings for most commodities towards the end of 1983. Volume rises could occur for wool, aluminium, paper pulp and perhaps a few minerals. However, for most bulk commodities, improved export volumes may be evident only next year. For processed and manufactured goods, aggressive marketing could bring earlier improvements.

Africa is showing an increasing tendency to source from SA, because of reliability of supply, fast delivery and relatively low transport costs. But less and less foreign exchange is available, which acts as a constraint on demand. As a result of these two conflicting trends, SA's market share may have grown, even though volume has dropped.

Certainly, this country is the major source of supply for most of southern Africa, particularly for basic industrial, mining and agricultural products.

With Far East and South-East Asian countries showing an enviable growth record compared with the industrialised

West, SA's export growth market over the coming decade is likely to shift in this direction. Main markets are Japan, Taiwan and Hong Kong, but the increasingly pragmatic approach of other countries in the region is reflected in increased purchases from SA.

Indeed, official trade figures show that in 1981 Asia was SA's only export growth point. Last year, exports to Asia increased more than those to any other area.

But there are constraints. Safto chairman Dr Paul Hoogendyk argues that the present high inflation rate in SA is eroding this country's competitive position, creating a price disadvantage that is not offset by the weaker rand.

Safto has appealed to the authorities to soften the impact of the free exchange rate through export incentives. Overall, Hoogendyk admits that: "Considerable progress has been made in the systematic restructuring of the many different incentives into a more logical package.

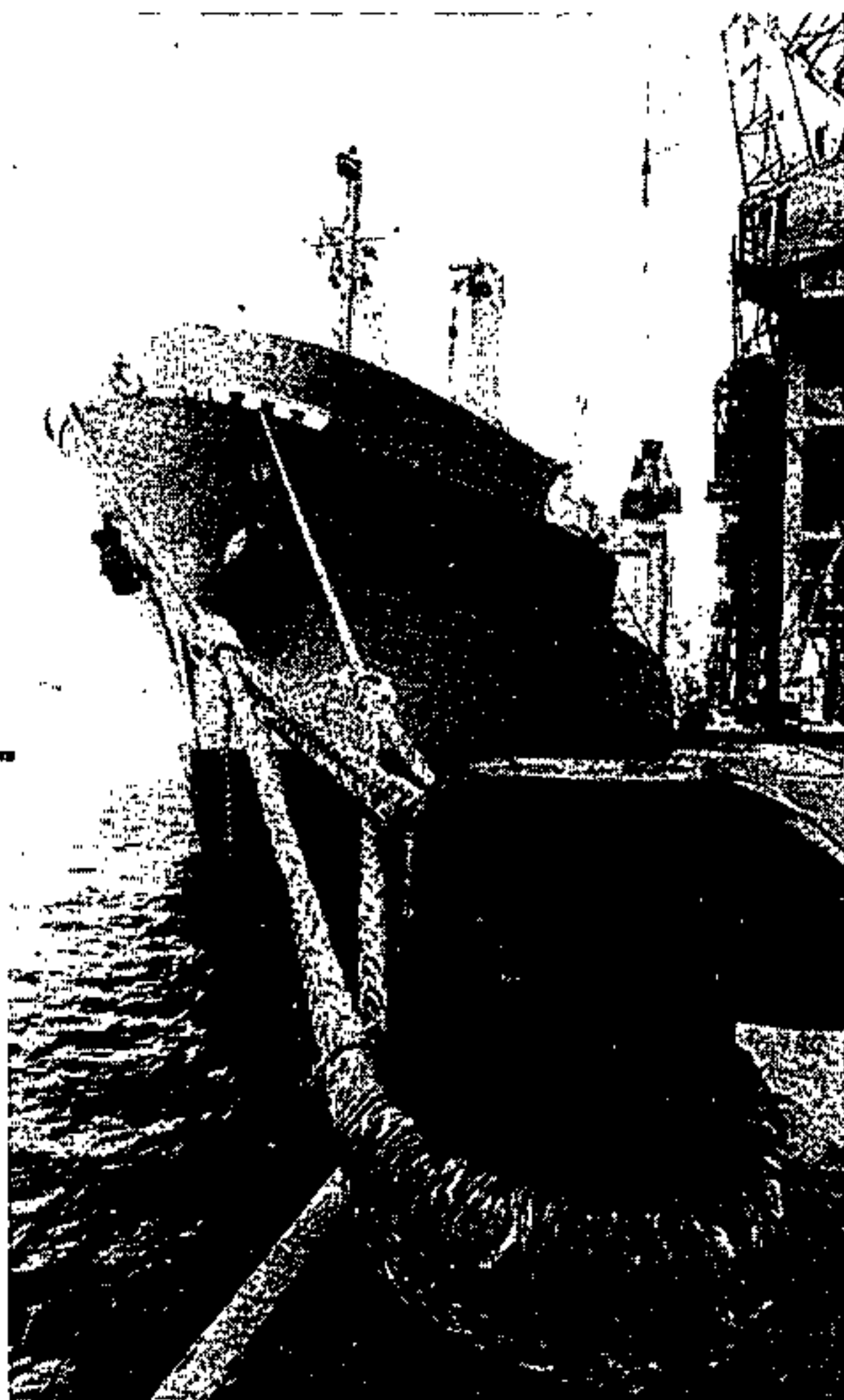
"However," he adds, "it is a pity that procedural delays, administrative complexities and narrowed interpretations are threatening to rob the new incentives of some of their motivating effect.

"Aggravating factors include the sudden withdrawal of three highly effective incentives (the finance charges aid scheme and two rail concessions); the experience of some exporters of steel products to the US; and SA's commitment in principle to signing the General Agreement on Tariffs and Trade (Gatt) codes on subsidies and countervailing duties."

While the full ramifications of the Gatt codes are not yet clear to SA industry, the Private Sector Export Advisory Committee comments that the implications are not as serious or as imminent as at first feared. It believes that most of SA's export incentives are defensible and that the Gatt rules will leave considerable room for manoeuvring.

Pointing to the successful containerisation programme and the export development programmes for coal (through Richards Bay) and iron ore (through Saldanha Bay), Safto is continuing its fight for a targeted approach to swing SA away from its traditional dependence on bulk primary exports — minerals and agricultural products.

Says Safto chief executive Wim Holtes: "SA could become a major producer of steel, exporting a wide variety of processed products. Similarly, we should be able increasingly to market chrome as ore, scree, ferro-alloys or stainless steel, as the market requires it."



electrical equipment imports in 1981. This is the largest import category, and exceeds even oil. While it rose slightly in value to reach R5,1 billion last year, volume fell 33,7% to 1,29 Mt.

Escom is still building four or five power stations at any given time, and is spending billions of rands on them. The import requirement is probably around R100m a power station a year.

Two other major capital projects are Sappi's R800m expansion at Ngodwana paper mill in the eastern Transvaal, with an import value of around R200m, and Mondi's R600m paper mill at Richards Bay, with an import value of around R100m. Both projects are of two years' duration, giving a combined annual import figure of R150m.

So SA's major capital projects are likely to generate only R650m in imports this year.

Merchandise exports (excluding gold) are still staggering along at dismal levels. They

grew steadily throughout the Seventies to reach a high of R9,48 billion in 1980. The following year, as the recession took hold in the West, non-gold exports fell by 2% — their first drop in 10 years. They limped along at this level to reach R9,51 billion — an increase of just over 2% — last year.

In the earlier part of 1982, the lower rand shielded exporters against unfavourable overseas trading conditions. However, ex-

port values continued to increase in the third quarter, despite a slight rise in the value of the rand.

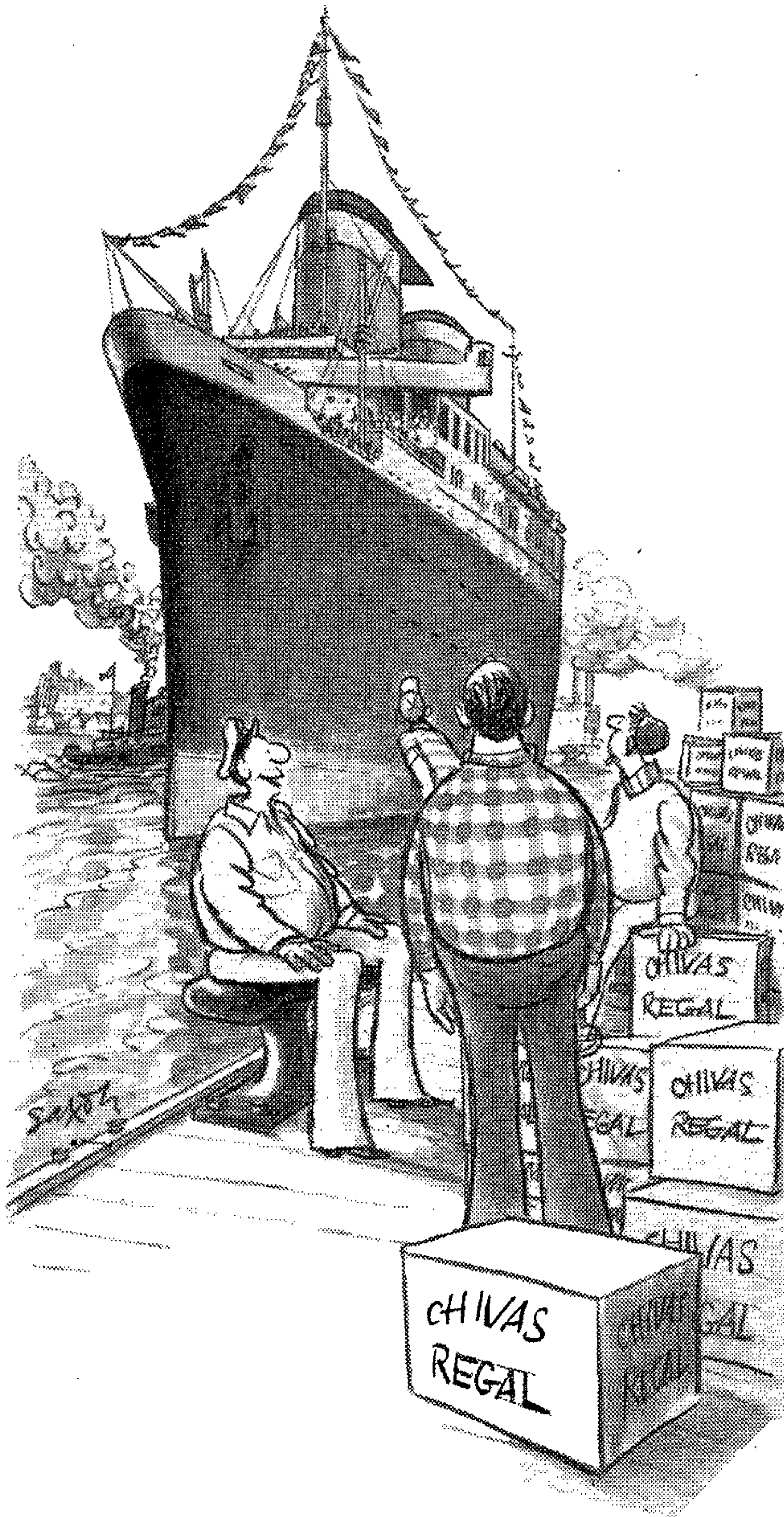
In volume terms, the figures show a fall of 3% to 63,86 Mt last year. The trends are constant across all types of cargo — containerised, general and bulk.

The 26% increase in export value in January and February of this year, compared to the first two months of 1982, was due almost entirely to the high value of gold bullion and Krugerrand sales. Tonnages shipped fell nearly 20% compared to the same period of last year.

The substantial decline in imports, sharp rise in the gold price and moderate increase in merchandise exports resulted in a trade surplus last year of R660m against a deficit of R192m in 1981.

The current account of the balance of payments ended 1982 with a deficit of just over R3 billion — far lower than the R7

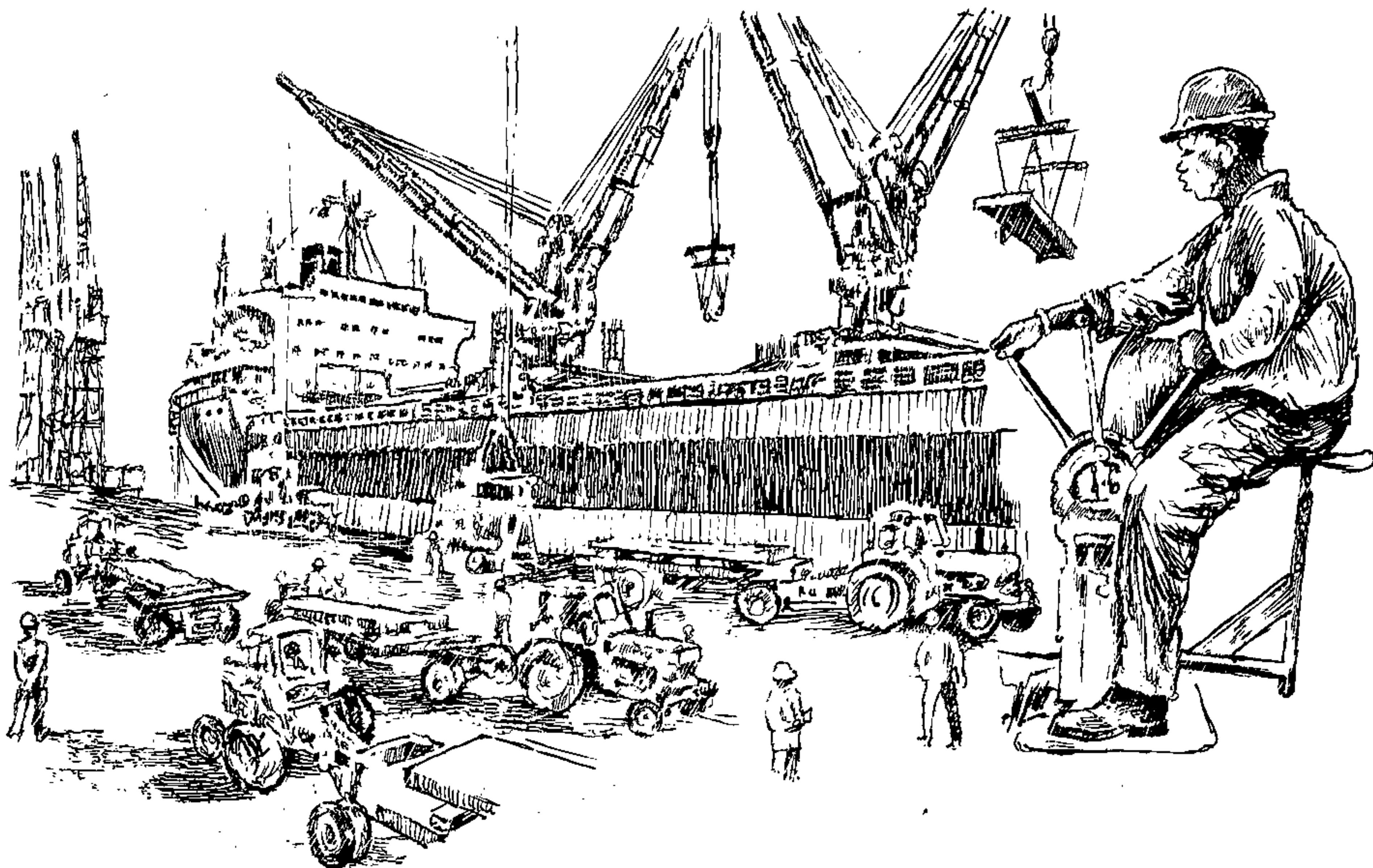




*"They'll be back...  
they forgot the Chivas Regal."*

59781





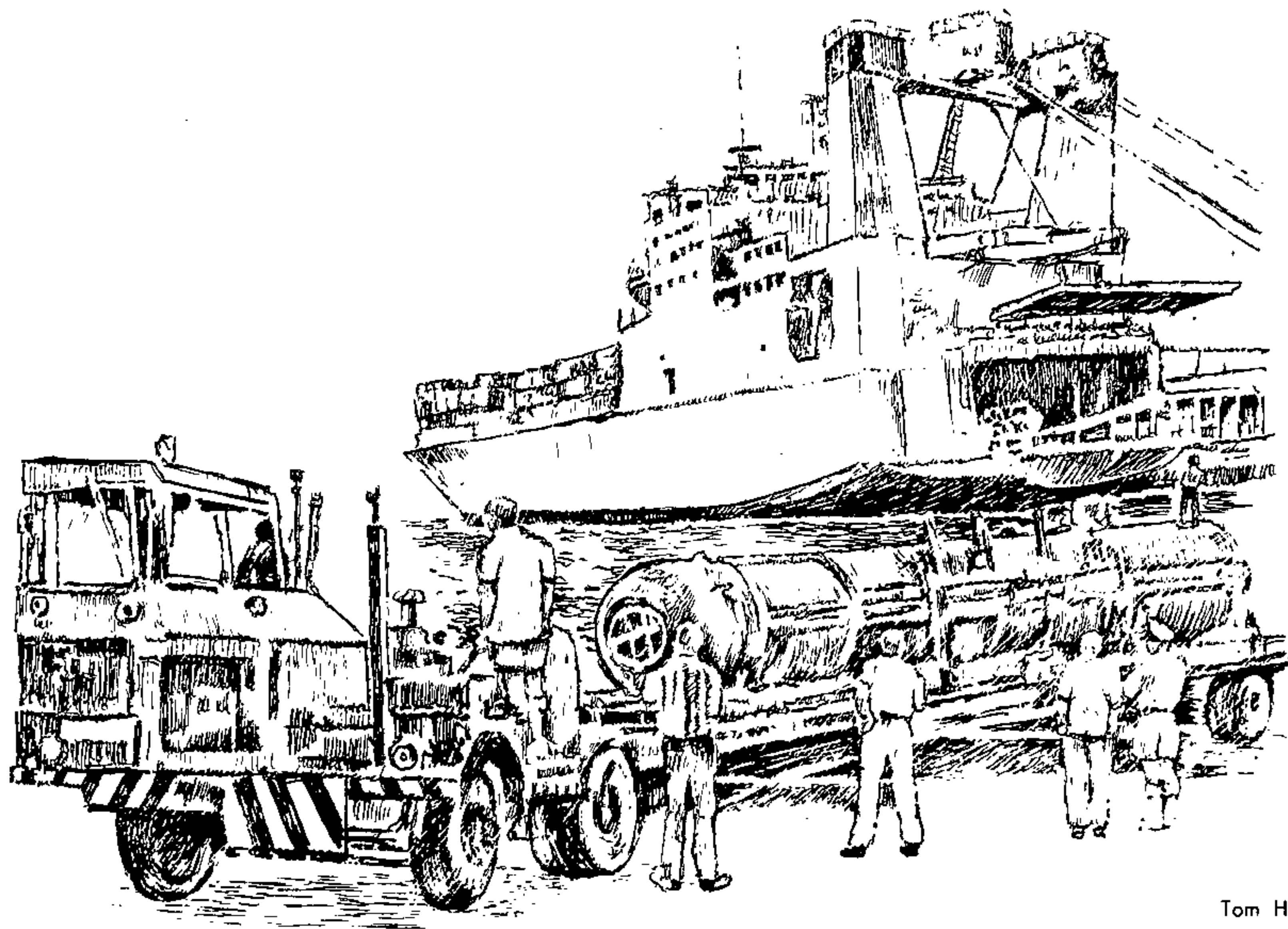
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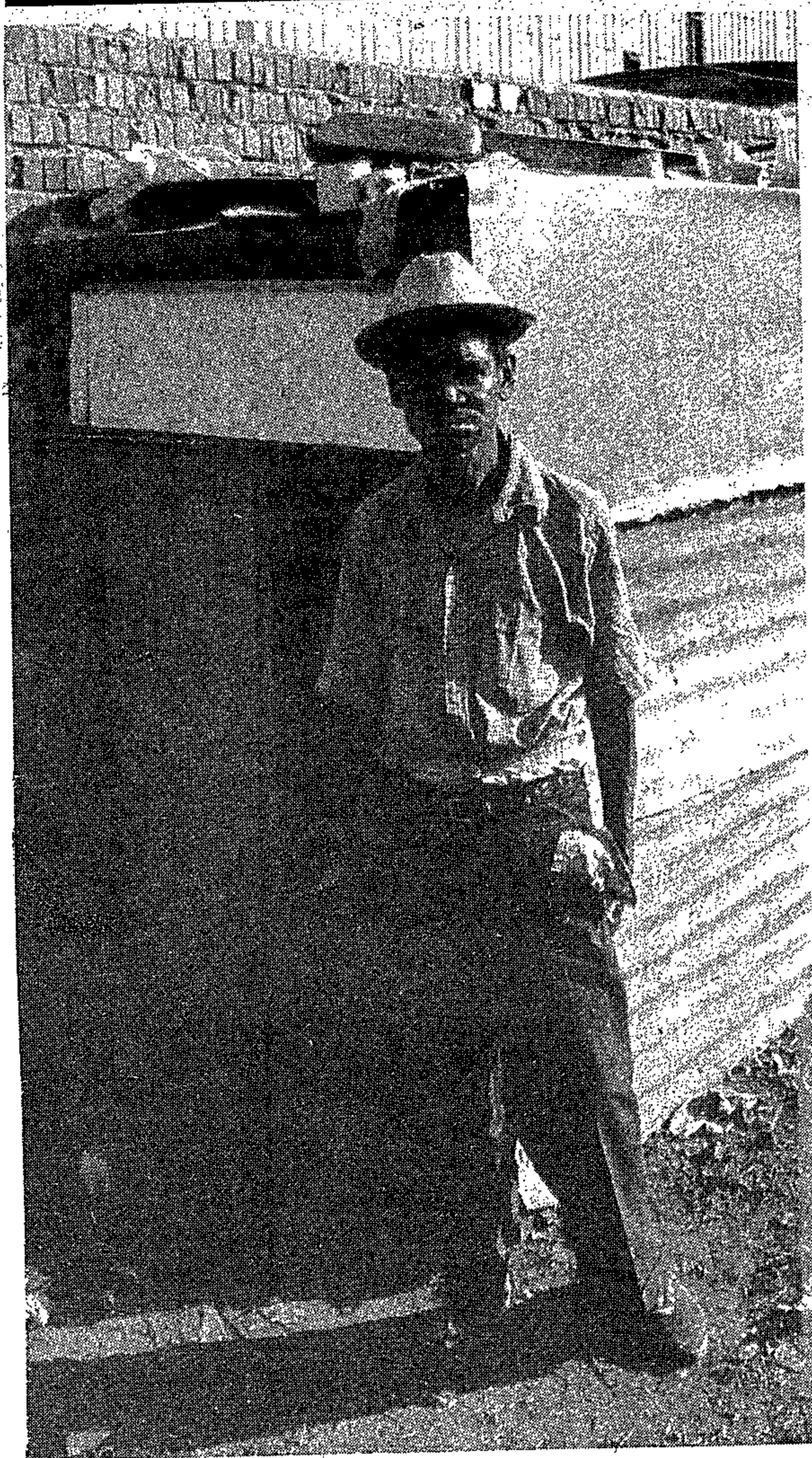


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SUNDAY EXPRESS June 5, 1983

## PLAYING BY THE RULES OF



Mr William Beckett — his home in Wynberg is nothing more than a corrugated shed against a wall in a yard filled with rubbish.

CONT



Sunday Express  
3-06-83

berg, Kew, Sandton, Bram-  
ley and Randburg.

They can see that moving  
will only mean unnecessary  
cost, hours spent travelling  
and their having to leave the  
community which they love.

Sandton Indians have been  
given a township in the area  
— Marlboro Park.

The coloured community  
also feels it needs and de-  
serves a residential area  
there.

Cinema manager Mr  
Frank Jinga said: "There is  
no apartheid here. We all get  
along together. It is like no  
other township... we know  
each other and have respect  
for each other.

"We grew up rough, tough  
and smart. Neither bulldoz-  
ers nor dynamite will move  
us from here. We want to die  
with our people.

"The coloured community  
has been here for as long as I  
can remember."

Mr Jinga echoed the senti-  
ments of the Wynberg  
coloureds when he said: "We  
don't mind moving to better  
conditions, but it has got to  
be right here in the Wyn-  
berg-Alex-Sandton area."

Mr Godfrey Patrick, who  
has lived in the community  
for 20 years and works in  
Wynberg, said: "It's like one  
big family here.

"Other townships are cor-  
rupt and miserable.

"There is no violence here  
everybody lives happily to-  
gether."

Mrs Norma Patrick, a  
teacher at a school in Vrede-  
dorp lives in one room with  
her three children and bro-  
ther-in-law. "There is no pri-  
vacy — but where must we  
move to? They must build us  
houses in Alex," she said.

dra have to travel to school  
in Vrededorp, Johannesburg,  
while their teachers have to  
travel from Pretoria.

Both teachers and pupils  
at Krause Street Secondary  
School say their lives would  
be a lot easier if there were a  
school in a coloured area  
closer to Alexandra.

Most of the 800 pupils at  
the school travel by bus from  
Alexandra. The school —  
with black, coloured and  
Indian pupils then — was sit-  
uated in Alexandra for over  
60 years before it was moved  
to Vrededorp in 1978.

Now there's no school for  
Alexandra's coloured child-  
ren.

The principal, Mr Edmund  
Petersen, said the school  
drew its teaching staff from  
a 75km radius.

Mrs Mary Ollier teaches  
the Standard One class and  
to get to school on time, her  
day begins at 3.30am.

Mrs Ollier, who lives in  
Eersterus outside Pretoria,  
recently suffered a stroke  
and suffers from hyperten-  
sion and arthritis. But still  
she must take six trains to  
and from school every day.

"We were happy in Alex  
township — it was all right,"  
she said.

The first train leaves Eer-  
sterus station at 5.50am and  
the changeover is at Station  
B, Pretoria. "That's where  
we have got to run seven  
minutes to catch the Johan-  
nesburg train on Pretoria  
A," she said.

One other change at Park  
Station in Johannesburg and  
Mrs Ollier finally gets to  
Vrededorp.

But travelling by train  
had to stop for a week after  
Mrs Ollier had a stroke last  
month. Commuting by car

"The train is bad for my  
health, but I'll go back to the  
car if it gets bad," she said.

School ends at 2.10pm and  
she will finally get home at  
between 5.30pm and 6pm.

Mr Stanley Ernest, a  
mathematics teacher also  
lives in Eersterus. Although  
he travels to school by car he  
would prefer not to travel  
the 142km at all.

He has to leave home at  
6am to reach the school at  
7.45am.

He gets home at 3.30pm  
and has to prepare his les-  
sons and mark work for an-  
other three hours, leaving  
little time for socialising.

He said that if a coloured  
area were established in  
Sandton or Alexandra he  
would want to teach in a  
school there.

Two Standard Eight  
pupils, Rosemary Meyers,  
15, and Josephine Williams,  
18, who live in Alexandra,  
said they would prefer to go  
to school there as well.

"Lots of children, espe-  
cially the little ones, live far  
away from the bus stop and  
have to get up very early in  
the morning," said Rose-  
mary.

"In the afternoon the  
buses come late. Those with  
money can drive home, but  
the rest of us have to hike —  
and it's bad for the young  
children."

Rosemary, who studies  
until about midnight, gets up  
at 6am to take the school  
bus.

"I hope that the school  
moves back to Alex, because  
there is no Standard 9 and 10  
here, and we will have to go  
to school in Boksburg or  
Noordgesig (near Orlando,  
Soweto)."

Sunday Express  
03-06-83

APARTHEID MAKES LIFE HELL FOR THOSE

# The daily 'Great Trek' that keeps Sandton 'white'

332 3/17 3/17 3/17  
S. G. Grey 6/6/83

HUNDREDS of workers travel between Wynberg and coloured townships up to 50km from Johannesburg. Many of them would like to live closer to their work.

Mr Trevor Davids and Mr Goolam Sheria are among them.

They live in Bosmont, Johannesburg and travel by car. They have to get up at 5.30am to reach work at 7.15am.

They have a lift club with four other people. But transport costs them each R30 a week.

"It would save on travelling costs and time if we could live nearer work," said Mr Sheria, a senior quality control inspector.

"We are part and parcel of the area. We would consider moving here if a coloured area was established. The guys staying near here can even walk to work."

Said Mr Davids, a production supervisor: "A lot of people working around here live in Eldorado Park. The three Eldorado Park buses are always chock-a-block in the evenings."

These people, they said, had to get up at 4am and take two buses to get to Wynberg.

Both Mr Sheria and Mr Davids strongly supported the establishment of a coloured residential area in Sandton.



● Mr Trevor Davids  
... a 5.30am start

By STEPHANIE VENTER

TREVOR Davids is just one of hundreds of coloured workers who get out of bed before dawn — winter or summer — to trek between 25km and 50km to clock in on time for work in Sandton's industrial township of Wynberg.

Not that the money there is much better than anywhere else.

No, it's quite a different problem...

Mr Davids and hundreds like him are unable to live near their work because Sandton does not have a coloured township, and neither will it get one, in the words of Mr Pen Kotze, the Minister of Community Development, in five, 10 or

even more years.

Even the last outpost of coloured people living on the fringes of factories in Wynberg, or in the zoned black area of Alexandra, is going to be moved elsewhere.

The ministerial decree that there is no need for a township means that hundreds of coloureds will be forced to continue their daily trek, criss-crossing the city to work and school and home again — and totting up millions of kilometres a year in the process.

Take Mr Trevor Davids's case.

He spends R30 a week getting to Wynberg from his home in Bosmont on the other side of Johannesburg — and he is perhaps still one of the luckier workers.

Hundreds of others have to get up at 4am to catch

buses in from Eldorado Park, south of the city.

More than 500 schoolchildren in Alexandra have to travel daily across the metropolis to Vrededorp — there is no school closer to home.

For some of their teachers, the 'march' is even longer — they come from as far afield as Eersterus in Pretoria, catching up to six trains a day to get from home to work and back again.

Commuting is far easier for Mr Essop Sutton.

He has worked at a factory in Wynberg for 15 years and lives in the area.

He walks to work.

"It is just right here, I don't want to move at all," he said.

"I do not have to pay extra for transport. I am quite

happy staying here. Where else can I go to?"

But for him and thousands of others the future is uncertain.

More than 6 000 people living in Alexandra township have now been told there is no need for the establishment of a coloured township there or in the Sandton area.

They may eventually have to move to unfamiliar townships up to 50km from Johannesburg.

Between 30 and 40 families live in Wynberg — an area which has been set aside for industrial development. They, too, will have to move.

But they do not want to move and neither do those people who were brought up in Alexandra.

According to a report by the Save Alexandra Coloured Party, 90% of the working community works within the vicinity of Wyn-



# COLOURED FOLK WHO WORK IN THE FACTORIES OF SANDTON'S WYNBERG

## Alexandra's 'come and see' challenge

"SANDTON desperately needs a residential area for coloured people," the chairman of Sandton's management committee, Mr Rick Valente, said in January.

Last November the PFP faction on the Sandton Town Council requested that the Department of Community Development investigate its proposals that a coloured group area be established in Sandton and that the Indian area of Marlboro Park be extended east of the Jukskei.

A survey was carried out and submitted to the department, but last month Minister of Community Development Pen Kotzé disappointed thousands of coloureds when he refused to consider investigating a coloured area in Sandton — it was "not necessary".

This week Alexandra's leaders challenged the Minister to visit the area to see the conditions in which people were forced to live.

While there is no official coloured area in Sandton there can be no school. Most children travel to a school that was in Alexandra for 60 years before it moved to Vrededorp in 1978.

Schoolteachers, factory workers, salesmen, toddlers and unemployed all make up the vibrant coloured community in Wynberg — an area earmarked for industrial development.



● Mr Frank Jinga, Mr Yunus Makda, and Mr Ali Mahomed — smart clothes among the shacks of Wynberg. Picture: PAUL VELASCO

## Long, arduous trek to school for pupils and teachers



● Mr Stanley Ernest  
...142km round trip



● Mrs Mary Ollier  
... six-train trek

MORE than 500 coloured children who live in Alexan-

was easier, "but it costs R3 a day — it's too much for me".

Sunday Express  
3-06-83



# ER BUSES STONED

Sowetan  
7/6/83  
~~7/6/83~~

TEN people — including six children — were injured when angry commuters stoned Putco buses after they had failed to arrive on time at the company's Vosloorus, Boksburg, bus terminus yesterday morning.

A spokesperson for the company told The SOWETAN that when the buses finally made it

By MZIKAYISE EDM

to the bus terminus, angry commuters started stoning them, causing damage estimated at R8 500. Police had to be called to disperse the crowd.

The spokesperson said: "The company recently conducted a passengers' census in order to introduce a new

schedule for the running of buses between Vosloorus, Katlehong and town. This schedule was introduced yesterday morning, and it provides for a lower trip frequency.

"Most unfortunately this coincided with the unusually heavy build up of passengers yester-

day morning."

She said: "A bus was later found abandoned near Katlehong after it had apparently been driven into a car near Katlehong and, six children who were on the bus were injured. Damage to the bus is estimated at R3 000."

It could not be established whether any of the injured, who included two bus drivers,

had to be treated for injuries.

Col Wallis, the District Commandant of the Kempton Park police said police were sent out after they had received a report that buses were being stoned in Vosloorus.

He said: "When police arrived they dispersed the crowd. Nobody was arrested."



# Luxury bus 332 service to Reef gets nod

Municipal Reporter

A LUXURY bus service between Durban and Johannesburg would be launched soon, it was learned last night.

The National Transport Commission had granted permission to run a daily service for whites which would stop at Pietermaritzburg, Estcourt, Ladysmith, Harrismith, Warden, Villiers and Heidelberg.

The fare was expected to be in the region of R65 return and R35 one way, said last night.

Greyhound, the oldest coach company in the country, would start the new service as soon as its luxury bus fleet, already on order, arrived from overseas.

But Sandton Coach, which had planned to run a multiracial express service between the two cities, has been refused permission.

## Appealed

In November last year both companies were granted permits after many previous unsuccessful attempts.

The South African Transport Services appealed against both permits because the train service on that route was not operating at full capacity.

The appeal against the multiracial express service was upheld but not against the other.

Mr Tony Hunter, managing director of Sandton Coach, said last night: 'I am flabbergasted at the decision.'

Thousands of Indians and coloureds have been forsaken at both ends. I just cannot understand how our application, which had such tremendous support, could have been refused.

He would reapply, he declared.

Last night Durban's director of publicity Terry Toohy said he would have been happier if both services had been approved.

The multiracial service would have been more 'tourist orientated', he said.

# Fines, rivalry curb pirate taxi business

By HARESH OUDERAJH

332

EAST LONDON — Unemployment has driven scores of car owners to make what money they can by operating as unregistered "pirate" taxis.

High petrol costs, a highly competitive market, the law and violence have, however, reduced their business considerably — and also thinned out their ranks.

Pirate taxi owners interviewed this week said it was difficult to obtain a licence and in many cases their applications had been rejected by the South African Transportation Board in Port Elizabeth.

On the other hand it was also expensive to obtain roadworthy certificates every six months and the money earned was used for "basic needs", a pirate taxi driver said.

Pirate taxi owners said they earned between R50 and R60 a week, but some earned up to R150 a week. Two years ago there were about 200 pirate taxis operating in East London and Mdantsane, but they have been reduced to about 100.

One forced out of business said: "I used to get parking fines and this used to leave me worse off than before I started. I was also involved in punch-ups and decided it wasn't worth the trouble of continuing."

Many pirate taxis survive by transporting vendors and people who hire their cars for special trips.

Pirate taxis transport people and their goods to and from their homes and charge an extra fee. They start their business as early as 4 am to beat legal taxis to commuters.

The activities of pirates have drawn angry

reactions from legal operators.

"We are totally against pirate taxis. They are taking away our business," Mr Cyril Mashalaba, a committee member of the South African Black Taxi Association (SABTA), said.

He said legal taxi owners lost hundreds of rands to pirate taxis. The "war" between legal and pirate taxis started in 1976 and was continuing.

"Two legal taxis have been burnt in previous fights and pirate taxis were also damaged," Mr Christian Ndondo, secretary of SABTA said.

"There are many punch-ups between us, especially during peak hours," he added. "We gave pirate taxis a concession to operate in King William's Town and Mdantsane but we stopped this after a feud in 1982," Mr Ndondo said.

"We used to sympathise with pirate taxis as most of them had no source of income, but this affected us adversely," Mr Ndondo added.

Mr Mashalaba said pirate taxi operators who mostly used cars, had room for six passengers while they had space for eight in their vans.

"We take a longer time to get a full load and they are at an advantage as they are faster", he said.

"Pirate taxis also pick up passengers at bus stops while we park at the taxi rank for a load," Mr Mashalaba said.

"But pirate taxis do this at a risk of being given a fine," he added. Despite months of feuding there had been a decline in the incidents of violence between legal and pirate taxi owners,

Major J. F. van Wyk, of the South African Railways Police, said.

"It is difficult to end this problem, but we are definitely curbing it. My men are able to identify a number of these pirate operators as we operate in unmarked cars and keep them under observation.

"We make about 50 arrests a month, but they pay admission of guilt fines of R50 to R300 and continue operating," Major Van Wyk said.

"However, they will not be able to do this in future as the Motor Transport Act has been amended. If they are convicted three times, their vehicle will be confiscated," he said.

"It is difficult to prove their guilt in court unless passengers testify but the amendment itself will improve the problem.

"I must warn passengers that they are not entitled to be paid by the Third Party Insurance if they are injured while travelling in pirate taxis," Major Van Wyk said.

"Passengers are insured against injury if they travel in legal taxis," he added. "We prosecute pirate taxi owners to protect legal taxi owners, commuters and other road users as most of the pirate taxis are not roadworthy and are a danger to life," Major Van Wyk said.

The District Commandant of Mdantsane D. Mlandu said the problem had been brought under control in recent months.

"We had a meeting with individuals suspected of causing problems and since then there weren't serious problems," he said.

—DDR



Protest 'strike' planned

# TAXI SHOCK

*Sowetan*  
*332* 8/6/83

IN a move that may result in transport chaos for the black community, taxi-owners throughout the country have threatened to stop operating for a week, if the Government fails to resolve the deadlock between them and various transportation boards over the use of kombis as taxis.

Two months ago local transportation boards issued a directive that in future only sedan vehicles would be registered as taxis and that kombis would no longer be allowed to ferry passengers.

The announcement drew angry reaction from taxi-owners, community leaders and commuters who called on the boards to withdraw the directive with immediate effect.

Mr Noel Mlokoti, the general secretary of the Southern African Black Taxi Association (Sabta) told The SOWETAN that for two months they have been negotiating with different transportation boards throughout the country to rescind their earlier directive. There has been no favourable response from the officials.

"Taxi-owners are losing their patience and Sabta has decided to call a crucial meeting to be held tomorrow at the Madadeni Hall, in Madadeni Location near Newcastle starting at 10am to discuss and plan

To Page 3

# Taxi strike pends

From Page 1

for the proposed strike," Mr Mlokoti said.

He said taxi-owners had initially decided to stage the "strike" by not operating from next Monday (June 13) to Saturday (June 18). The meeting will however decide if the "strike" should be put into effect next week or at a later date. This will depend

on talks between the Minister of Transport, Mr Hendrik Schoeman, and Sabta, he said.

According to Mr Mlokoti the organisation has already drafted a memorandum to be presented to the Minister. Sabta has made contact with the Minister, and they were still waiting for him to give a date to meet him to discuss their grievances.

"We hope to meet the Minister within the next two weeks. Since the directive was issued refusing to register kombis as taxis, taxi-owners have experienced great financial loss in running their businesses and we hope that the Minister will be the only one to come to our rescue, he said.



## Meeting on bus fares

8332  
10/6/83  
A DECISION on whether anything should be done about the proposed busfare increases proposed by the Port Elizabeth Tramways will be taken at a meeting organised by the Port Elizabeth Black Civic Organisation (Pebco) on Sunday.

The meeting to discuss the increases will be held at the Roman Catholic Hall, Seyisi, Kwazakele at 2pm.

Mr Vuyisile Oliphant, secretary of Pebco, said it was decided at a recent report-back meeting on discussions his organisation and trade unions had with the managing director of PE Tramways, Mr Carl Coetzer, that the matter be discussed on Sunday.

The proposed black "city councils" would also be discussed.

Link between city hotels and ocean travel probed

# PASSENGER LINERS AHOY

with ARS & S  
11/6/83

332

KEVIN JACOBS  
SOUTH AFRICA'S  
largest shipping  
company may  
bring passenger  
liners back to  
Cape Town.

A Safmarine investi-  
gation of the possibil-  
ity is "quite a long  
way down the line,"  
says company chair-  
man Mr Marmion  
Marsh.

And by the end of the  
year the company will  
have taken delivery of  
five new Japanese-built  
ships — at a cost of  
R100-million — for its  
trade routes.

## Hotel industry

Mr Marsh, also a di-  
rector of Southern Sun,  
links a possible passen-  
ger-liner service with  
Cape Town's healthy ho-  
tel industry.

Safmarine was con-  
ducting a feasibility  
study of the idea but  
could not project "wheth-  
er we will do it or not",  
Mr Marsh said yesterday.

"We have to bring a  
few points together —  
but we are quite a long  
way down the line with  
it." He added that the  
shipping company would  
abandon the idea if stud-  
ies suggested it would be  
uneconomic.

Safmarine had taken  
delivery of the first of its  
five new vessels on or-  
der, and would have the  
rest of the R100-million  
fleet by the end of the  
year.

## Bulk carriers

Three of the Japanese-  
built ships will be bulk  
carriers and the other  
two will be refrigerated  
fruit-carriers known as  
"reefers".

● The Union-Castle  
mailship service ended  
its more than a century-  
old link between South  
African ports and South-  
ampton in September  
1977 with the departure  
from Cape Town of the  
Windsor Castle.

Records show that the  
mail service started in  
1857 with the RMS Dane  
sailing from Southamp-  
ton on September 15.

● A full interview with  
Mr Marsh appears on  
Page 1 of Business Ar-  
gus.





REV BUTI: Complaint to Government.

...imidated. - This action by those representing the law caused us to feel that our right to worship the Lord without State interference is in jeopardy, and that this humiliation is an attack on our honour as part of the body of Christ.

"Accordingly we urgently appeal to the Minister and to the Prime Minister to ensure that those responsible for this scandalous behaviour be made to apologise for the disgusting action against the body of Christ at the time of worship and when there was neither demonstration or any other act against the law of our land."

A spokesman for the office of the Minister of Law and Order, a Mr Pélser, said it would not be ethical for the Minister to comment to the Press on the content of the telegram. He said the matter was private between the Minister and Rev Buti. The reply would be directed to Rev Buti and not to the Press.

## Ax gets the chop

THE HILLBROW "Jawbreaker" Rodney Ax (19), was sentenced to death yesterday by a Rand Supreme Court judge for the multiple rape of a woman Ax held captive for a week-end.

"Ax," said Mr Justice Human, "terrorised the ladies of Johannesburg. No one was safe in lifts or in the privacy of their flats."

## Talks

A BITTER row over wage increases for black mineworkers threatens to disrupt this week's historic negotiations between the National Union of Mineworkers (Num) and the Chamber of Mines.

The union, which only last week won recognition for about 12 000 miners at eight mines, this week issued its demands for a 30 percent pay rise and an end to racial discrimination on Chamber mines.

# Minister to probe taxi row

THE REFUSAL by the transportation boards to register kombis as taxis was not authorised by the Government.

And as a result of the controversy surrounding this directive the Minister of Transport Mr Hendrik Schoeman has instructed the Director of Transport, Mr Ecksteen, to investigate boards throughout the country on who gave them permission to issue such a directive.

A four-man delegation comprising Mr Jimmy Sojane, president of the Southern African Black Taxi Association (Sabta); Mr N P Mlokoti, general secretary; Mr Mofat Kitha, the association's assistant secretary and Mr P M Nkosi, PRO of

Sabta, met Mr Schoeman in Cape Town on Monday to discuss the grievances. The four men, who also presented the Minister with a memorandum drawn up by taxi owners throughout the country, were accompanied by three leading Pretoria advocates.

In an interview with The SOWETAN yesterday Mr Mlokoti said the Minister informed them that he was not aware of such a directive because at no stage did he give the transportation boards permission to issue such a directive.

He said: "The Minister was very sympathetic to our case and he appointed Mr Ecksteen to investigate the matter.

He also promised that as soon as the Welgemoed Transport Commission was completed he would come back to us to give his final decision on the issue."

Mr Mlokoti said Sabta was very happy with the outcome of the meeting and that they were hoping the Minister would solve the dispute between them and the transportation boards as soon as possible so that "we know where we stand".

Two months ago transportation boards issued a directive that in future only sedan-type vehicles would be registered as taxis and that no more kombis would be allowed to ferry passengers.

## Sonn slams Govt policy on education

THE GOVERNMENT must now admit openly that education is nothing more than the handmaiden of apartheid, the president of the Union of Teachers' Associations of South Africa (UTASA), Mr Franklin Sonn, said in Worcester this week.

Mr Sonn, who is also president of the Cape Teachers' Professional Association (ETPA) was speaking at the opening of the CTPA's annual conference.

He said the CTPA was doubly disappointed

by the Government's rejection of the main thrust of the De Lange Commission's recommendations because the association had acted positively by taking part in the investigation.

"The Government will never again be able to maintain that separate education is scientifically justifiable," said Mr Sonn.

The CTPA had no choice but to re-emphasise that apartheid and racism were in conflict with the spirit of education and violated honour and dignity.

The CTPA could not allow itself to be estranged from black colleagues in the Joint Council of Teachers' Associations of South Africa.

"If we betray them, we will lose our great goal of bringing people together irrespective of race and other irrelevant factors," said Mr Sonn.

The Government was given an opportunity to opt for a decentralised educational system, but decided to adhere to the bureaucratic, centralised system, he said. — Sapa.

KEEP YOUR HOME AND FAMILY SAFE!

# Security Fencing

## Court throws fraud appeal out

By MONK NKOMO

Court yesterday.

The appeal by Mrs Sa-



(232) 8/14/83

# Commuters fight bid for Putco rise

By Eugene Saldanha

The National Transportation Commission was yesterday asked to turn down an application by Putco for a 12,5 percent fare increase because the company provided a "poor and irregular service for which commuters are already being overcharged".

The commission is considering an application from Putco for a 12,5 percent increase in Reef and Durban fares from September 1.

The Ennerdale Civic Association (ECA) and the United Women's Association of Ennerdale and Lawley have objected.

An ECA representative, Mr Ben Peterson, told the commission that Ennerdale residents, including pensioners, were already paying R3 a day — R1,50 a trip — for the 29 km trip to Johannesburg.

Mr Peterson said the quality of the Putco service had deteriorated since the last fare increase in April. Buses were filthy, unhygienic and cockroach-infested.

"Inflation is caused not by the workers but by the people who control the economy. If this increase is granted, it will lead to a demand for higher wages, which will prolong the recession and cause ripples throughout the economy," Mr Peterson said.

He added that Putco's operating costs on the Johannesburg—Ennerdale route were low and an increase was therefore unjustifiable.

Mr A Findlay SC, who represented Putco, said the company had applied for an increase only because it was absolutely necessary.

Putco was not a subsidised monopoly which was "out to make a fat profit". In fact the company had forecast a loss for the first six months of this financial year.

Mr Findlay said workers often felt that when fares went up they were paying too much. "But the problem may be that they are earning too little. No bus company can solve that problem," he said.



# Hauliers take <sup>332</sup> legal advice <sup>190/8/6/95</sup> on <sup>Mercury</sup> 'harassment'

By Nagoor Bissetty

THE Durban-based South African Private Hauliers' Association is taking senior counsel's advice in a bid to stop the Department of Transport Affairs from what it claims is 'continuing harassment' of private hauliers.

Mr Ramcharitar Panday, chief spokesman on transport affairs for the South African Indian Council and the association's main spokesman, said yesterday that more than 50 hauliers, mostly from Natal, had been fined for carrying goods without necessary documents from Local Road Transportation Boards.

Some of the hauliers had been fined up to R5 000 after appearing in magistrate's courts in the Transvaal, he said.

Mr Panday said many Indian hauliers had applied for permits, even temporary ones, but their applications had been refused by transportation boards without reasons being given.

He said he had asked

for an interview with the Minister of Transport Affairs, Mr Hendrik Schoeman, to highlight the plight of hauliers, especially Indian hauliers who had invested tens of thousands of rands in haulage businesses.

'An official of the department in Pretoria has undertaken to arrange a meeting with the minister next week,' he said.

In the meantime, the hauliers' association is seeking legal opinion with a view to interdicting the department from what it says is the department's 'continuing harassment' of private hauliers.

'We know that the main reason for this is that private hauliers are in competition with the Government-owned South African Transport Services.

'But as South Africa is reputed to be a country for free enterprise and social reform, we cannot turn a blind eye to injustices being meted out to many hauliers who are voteless and therefore voiceless,' he said.



**KIRKINIE**  
Prayers for George Pro-  
mies late of Parkwood  
will be held at the Hob-  
kirk Doves East Chapel,  
Jorissen Street,  
Bramfontein on Tues-  
day June 21st at 12.30  
prior to the funeral  
service to be held at 1.00  
at the Greek Ortho-  
dox Church of the Vir-  
gin Mary, Glenhove  
East, Lower Houghton  
after proceeding to  
West Park Ceme-  
tery. Suggest donations  
Greek Old Aged  
Home in lieu of flowers.  
HOBKIRK DOVES. Tel:  
39-5967.

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tions Greek Old Aged  
Home in lieu of flowers.  
HOBKIRK DOVES. Tel:  
39-5967.

**MARR**  
The funeral service for  
Mrs. Rudolph, late of  
Edview, Germiston,  
will be held in the  
H. Berrange and Sons  
Chapel, for Jack and  
St. Germain on Tues-  
day 21 June '83 at 2  
p.m. from where the  
casket will proceed to  
the South Park Ce-  
metery. P. H. Berrange  
& Sons 51-8138.

**OSBORN**  
The cremation service  
for Arthur William late  
of Discovery, Roodeport  
will be held at the Hob-  
kirk Doves West Chapel,  
Jorissen Street,  
Bramfontein on Tues-  
day morning June 21st  
at 11.00 a.m. prior to the  
funeral which will be  
private. No flowers by  
request. Suggest dona-  
tions in lieu of flowers  
to Methodist Church,  
Florida. HOBKIRK  
DOVES. Tel: 39-5967.

**RINDEL**  
The cremation service  
for Thomas Scott late of  
Enslington, Jhb will be  
held at The Victoria  
Methodist Church, Main  
Belgravia, tomorrow  
Tuesday, June 21st at  
10.00am, prior to the  
funeral which will be  
private. Suggest dona-  
tions in lieu of flowers  
to Cancer Research, Box  
1000, Jhb 2000. HOB-  
KIRK DOVES. Tel:  
39-5967.

**ROUFA**  
The requiem mass for  
Christina late of Cam-  
erdowns, will be cele-  
brated at St. Mary's  
Catholic Church, Pieter-  
maritzburg at 2 p.m.  
Tuesday, June 21. View-  
ing at 1 p.m. At Bob  
Chapel Commercial Rd.

**SIEPMAN**  
The cremation of Cor-  
nellis Siepmann late of  
Durban, dearly loved  
husband of Winifred  
will take place privately  
in Durban. DOVES &  
ADAM REID, Aiken-  
St., Port Shepstone.  
091-22587.

**SIMM**  
The cremation service  
of late Mr. Thomas  
Simm will take place on  
Tuesday 21st June at  
3.00 p.m. in the Angli-  
can Church of Nigel.  
Cremation privately.  
DOVES & KLOPPERS,  
Nigel. Tel: 739-7024.

**STEPHENS**  
The cremation service  
for David Frank late of  
Jhb will be held at St.  
Patrick's Roman Catho-  
lic Church, 9 5th Street,  
La Rochelle tomorrow  
Tuesday 21.6.83, at 3.00  
p.m. prior to the crema-  
tion which will be pri-  
vate. Flowers suitable  
for distribution will be  
appreciated. HOBKIRK  
DOVES. Tel: 39-5967.

**VANNIEKERS**  
The funeral service for  
Lucy Violet late of  
Randburg will be held  
at the Hobkirk Doves  
East Chapel, 10 Jorissen  
Street, Bramfontein on  
Wednesday 22.6.83, at  
11.30 a.m. prior to the  
interment at West Park  
Cemetery. Suggest do-  
nations in lieu of flowers.

# Putco differs on when to pay out

By Jon Qwelane

Two Soweto houses were sliced in half by runaway buses in separate incidents, and each is receiving different treatment from the Putco bus company.

The first house, belonging to Mrs Christinah Chabaku of Rockville, was damaged two years ago when the townships commemorated the outbreak of the June 1976 riots.

Youths stoned a bus travelling along Vundla Drive and the driver lost control of it. The vehicle careered off the road and smashed into Mrs Chabaku's fence before stopping inside the two bedrooms, which were flattened. It then caught fire.

The driver fled and the bus was later towed away.

Though there were people inside the house, nobody was injured. Mrs Chabaku died a month later. Her son and a daughter now live in the house.

The second house, which is in Jabulani township and belongs to Mr Absalom Masuku, was smashed in half last week when a bus driver lost control of his vehicle. The bus had earlier crashed into a car, killing the driver, and had also collided with a taxi, the driver of which had his leg broken in the accident.

The bus driver vanished immediately after the accident.

The West Rand Administration Board has begun to rebuild Mr Masuku's house.

Mrs Chabaku's house, which she bought from

Wrab, has still not had its bedrooms re-built.

An executive of Putco, Mr Paul Nucci, today said the two accidents were in no way similar.

He said that last week's accident was a normal one and Putco was not rebuilding the house because it was insured by Wrab. "Our gratuity payment to the owner of the house for damage to his goods is an act of good faith on our part" he said.

"In the case of damage caused to the Rockville house two years ago, vandals stoned our driver. We are against the principle of paying out in such a situation, because we suffer a lot of damage when people at these commemorations stone our buses," Mr Nucci said.

## Woman in car shot twice

Pretoria Correspondent:

A young Pretoria woman is in a serious condition in the H F Verwoerd Hospital after being shot in the chest at the weekend.

Brigadier Hendrik du Plessis, head of the Northern Transvaal CID, said Mrs Sarah Barkhuizen (23), of Paff Street, Claremont, was travelling in a car with her husband, Mr Coenraad Barkhuizen (23), between Hercules and the Hartbeespoort Dam at 10 pm on Saturday.

Two shots were allegedly fired from outside into the car, both bullets striking Mrs Barkhuizen in the chest.

She was taken to the H F Verwoerd Hospital where she underwent an emergency operation.

A 23-year-old man is to appear in court tomorrow.

## Muslim chicken boycott is over

Own Correspondent

DURBAN — The two-year Muslim boycott of chickens produced by one of the country's biggest poultry concerns has ended.

Rainbow Chickens, who were at the centre of the row about the slaughter of their chickens under Islamic religious rites, have announced that their chickens have been declared "halaal" (kosher) for Muslim consumption.

A spokesman for the firm says its Hammarsdale plant has 24 slaughterers and two inspectors supervising the killing of





# Truck-hire takes a <sup>332</sup>~~25~~ <sup>RDM</sup> bad mauling <sup>22/6/83</sup>

THE TRUCK-HIRE industry is taking a mauling — and it does not look like recovering until well into 1984.

Figures from the SA Vehicle Renters' Association (SAVRA) display this serious downturn, with estimates for this year looking equally bad.

These statistics account only for the activities of transient fleets; contract hire figures are kept very much under wraps.

But, said Royston Knowles of Avis, the stats are pretty representative of the position of the industry as a whole. Contract hire and leasing are probably not quite as badly hit as transient — but the difference is not significant enough to be of any importance.

The industry's growth pattern started its about-turn last year.

The truck rental market rocketed up more than 50% in 1980 compared to 1979. The increase in 1981 was 18.9%. But the 1982 figure showed a negative growth of about 10%. And estimates for 1983 seem to indicate a fall-off of about 20% compared to last year.

More significantly, the monthly revenue per vehicle dropped drastically in 1982 compared to 1981.

"But", said Knowles, "this was due to everybody starting to discount as the recession began to bite."

"And the figure is liable to stick at about the R660/vehicle/month mark due to continued discounting."

The latest SAVRA figures are shown below. They are computer-compiled by the Bureau of Financial Analysis at the University of Pretoria, from returns submitted by members of the Association.

This means that statistics are not available from ALL truck rental operations; some large operations are not yet members (although the Association does include many majors).

With a linear extension of the figures by analysts, however, these statistics can be fairly judged to represent the position throughout the country's rental industry.

	1980	1981	1982	1983 (estimate)
Revenue .....	R27-m	R39.8-m	R43.2m	R35-m (max)
Rental fleet size .....	4 000	5 020	6 500	5 000
Revenue/vehicle/month .....	R562	R794	R665	R660
Average revenue/rental agreement .....	R 82	R116	R168	R165-R168
Utilisation/vehicle .....	62.27%	52.5%	45.6%	

(332) 2004  
Supplement to the Rand Daily Mail, Wednesday, June 22, 1983

# SABS code of practice for safe cargo loading

THE South African Bureau of Standards has announced that it is in the final throes of preparing a code of practice for the safe loading of all types of cargo on all types of vehicles. Technical work for the code, which will be issued soon, has been completed.

The Bureau became involved in drawing up the code because of a lack of nationally-recognised standards for the securing of cargoes.

There is no shortage of reports of objects, and sometimes full loads, falling from heavy vehicles. It is probably more because of good luck than anything else that there are not

more reports of such incidents causing damage, serious injury, and even loss of life.

A spokesman for the Bureau said the code is comprehensive. "It will not only provide guidance to large carriers, corporations and government institutions, but will also be of considerable use to the ordinary consumer who has to transport his own goods occasionally," he said.

It apparently goes right down to the fundamental aspects of cargoes and cargo securement, and describes (in simple language) forces that cause cargoes to slide or fall from vehicles.

It emphasises that once a load starts to slide, a much greater force is needed to stop it than that needed to secure it in the first place, and that because of this, it is vital to secure the whole cargo in such a way that no part of it will move.

The effects on cargoes of vehicles braking, negotiating bends, being driven over rough surfaces and being jolted — plus combinations of these forces — are also described, to underscore the necessity of securing cargoes properly.

One chapter deals exclusively with the distribution of cargo, and how it influences safety and cargo securement.

Another deals with securing materials, their selection, minimum strength requirements and methods of securing. It spells out how securing materials (such as harnesses, nets, cables and chains) should be selected.

Not much, if anything, has been overlooked. Whole chapters have even been devoted to specific types of cargo, dealing with such things as different types of freight containers and pallets and how they should be packed and secured.

There are also details on: heavy cylindrical cargoes (pipes and rolls of newsprint), logs and sawn timber, tins, boxes and cardboard containers.



# Taxi issue before MP

332

Sowetan

22/4/83

By ELLIOT  
TSHINGWALA

A SOWETO Council delegation will ask the Minister of Transport Mr Hendrik Schoeman to intervene in the controversial ruling by the Transportation Board to stop issuing certificates to minibus taxis.

The delegation, which include members of the council's transport board, will fly to Cape Town soon after the parliamentary session, which is presently sitting, ends next month.

A member of the Soweto Council's Transport Committee, Mrs Martha Taylor, said an appointment had already been made.

According to a ruling by the Transportation Board, announced three months ago, minibuses will no longer be allowed to operate as taxis. As a result no new certificates will be issued to minibus owners who want to use them as taxis. Only five-seater sedans will be allowed to operate.

Mrs Taylor said the banning of minibuses would cause a lot of problems and unnecessary delays to hundreds of workers who depend on taxis for transport to and from work.

"Hundreds will lose their jobs as a result of coming late," Mrs Taylor warned.

This is the second delegation to the Minister in this regard. Early this month the chairman of the taxi association umbrella body, Mr Jimmy Sojane, and some of the organisation's officials, met the Minister in Cape Town to discuss the matter.

Mrs Taylor added that she would also ask the Minister to put traffic lights at a pedestrian crossing at the Old Potchefstroom Road near Klipspruit.

A number of people, especially children, have died or were injured after being involved in accidents at the crossing.



# 'Steer SA's buses down right road'

LAY OFF using buses as a means of achieving political ambitions, use them to reduce the possibility of slums developing, and move away from passenger subsidisation (which cost South Africa R920-million last year).

Those were three of the main points Dr Piet Welgemoed, chairman of the Welgemoed Commission of Inquiry into Transportation and of the Bus Commission, made when he opened Western Greyhound's new R3.2-million bus terminus, service and administration centre in Klerksdorp's Uraniaville recently.

The new centre, the third to be opened, forms part of a R15-million modernisation programme being tackled by United Transport Holdings, Western Greyhound's parent company. The other two, each of which cost about R3-million to build and equip, are in Bophuthatswana (near Rustenburg) and at Witbank in the Eastern Transvaal. A more expensive centre is being planned for Randfontein.

In a speech that left the audience in little doubt that he strongly favours rigid control and despises slack management, Welgemoed described the "politicisation of transport, and of the bus transport industry in particular," as probably "one of the most serious problem areas developing in public transport."

He said the Bus Commission had laid heavy emphasis on this aspect in its report, which had been handed to government shortly before he spoke.

"The Commission has underlined this matter heavily, because of the grave consequences it can have," he said.

"This is a matter which is slowly but surely getting out of hand.

"I do not wish to throw stones, but do request all political parties and denominations that try to use buses for political gain to stop doing so.

"Disturbances that are not always connected with bus transport continue to occur. It is a situation which, unless it is soon defused, will become progressively worse.

"It is already happening — and it happened again only a short while ago — that when people can no longer get beer, they burn the buses. The worst thing about these occurrences is that neither tariff issues, nor anything else connected with buses, was at issue.

"The matter went much deeper than tariff increases. People were using buses for political purposes."



A multiracial bus operating in Cape Town, where City Tramways maintains that integration is the answer to non-subsidisation.

Commission "favoured depoliticisation does not mean that we intend to sweep the problem under the mat, but that the problem should be addressed free from the deliberate bias, distortion, over-emphasis, name it what you will, which is inherent in party politics."

One of the problems he identified that was aggravating bus users was the cumbersome procedures adopted by officialdom. This should be rectified, he said.

As an example, he criticised the present procedure for approving applications for tariff increases, which can take anything between three and 15 months (with about six being the "normal period").

"This procedure can be improved and speeded up," he said, and pointed out that the way these applications are handled makes it extremely difficult for operators and for the Department of Transport "to follow sound financial policies.

"The result (of these delays) is that tariffs have to be adjusted by larger amounts, and that these large adjustments cause resistance among travellers."

His Commission recommended that procedures be speeded up, and "that a mechanism be established for responsible consultation between the bus user, the authorities, and the bus service.

"We are trying to move away from public hearings to hearings where the people concerned have their say in an orderly manner."

He touched briefly on the

nal report.

It appeared that Dr Welgemoed and his Commission were not as one on the issue of passenger subsidisation. None of them liked it, but while the majority of the Commission's member apparently favoured phasing it out slowly, Welgemoed's personal opinion appeared to be that it should be terminated immediately.

He said that last year, R920-million was paid out in direct and indirect subsidies for the mass movement of passengers by bus and by rail. "In South Africa at present, about 25% of the total income of bus transport companies comes from subsidies.

"The Commission received a great deal of oral and written evidence on subsidies, from which it was clear that a large majority of people and bodies with practical knowledge and experience of passenger transport believe it is necessary to subsidise bus passenger transportation.

"There is also a school of thought which believes that subsidies will not be necessary if all restrictions are lifted, and the free market system be allowed to determine fares. For several reasons, it was not possible for the Commission to support this view.

"The Commission, however, came to the conclusion that we cannot continue with subsidisation at the present rate and recommended that, at present, subsidies are still desirable — subject to a few conditions, such as: only worker-commuters should be

tee, consisting of members of all parties, be appointed to draw up a timetable for its gradual phasing out."

Dr Welgemoed's views are obviously closer to "speakers at last year's CSIR Annual Transport Conference, who concluded that an economic service should be rendered and that the ideal situation is one where every passenger pays the whole of his economic fare himself."

Stressing that it was his own opinion, not his Commission's, he said: "I am of the opinion that the economic tariff should remain the basis of reward, and that subsidisation should always be looked at critically and that its purpose, at all times, should be limited to the realisation of economic aims. Under no circumstances should it encourage poor performance."

He pointed out that attitudes towards transport have changed. In the past, politicians regarded it as the most important element for the creation of prosperity. But "it is now accepted that transport is only one of several elements necessary to get socio-economic development going. To invest in transport only leads to under-investment in other sectors.

"Transport planning should be undertaken in collaboration with national economic planning and strategies."

This remark led him into discussing the government's decentralisation policies, of which he approves, and warning that "the size of the catchment area for labour is

Dr Welgemoed also warned against "too much rigidity in the establishment of new bus routes.

"This can easily lead to a situation where the home has to come to the bus, instead of the bus coming to the home, which could be a factor in slum formation. Transport and especially bus transport can perhaps assist in alleviating the slum problem — which is a worldwide problem and is part and parcel of most of the world's developing countries."

Dr Welgemoed tried to fit transport into rightful place.

"Transport plays a vital role in the economic development process," he said. "The problem of getting people to work at reasonable cost is fundamental, but transportation costs should not be a deciding factor.

"The overall consideration should be whether people are economically active or not, whether transport costs are justified or not in a wide sense. Factors such as social stability should be taken into account and bus transport with its inherent advantages should be seen as an instrument of that development.

"Passenger transport is at the interface between labour and industry. It should become a unifying factor for mutual benefit, rather than a political weapon in the hands of a few."

He made another indirect attack on subsidisation, particularly on bus companies using it to bolster their coffers and relying on it, instead of on good management, to produce profit.



LAY OFF using buses as a means of achieving political ambitions, use them to reduce the possibility of slums developing, and move away from passenger subsidisation (which cost South Africa R920-million last year).

Those were three of the main points Dr Piet Welgemoed, chairman of the Welgemoed Commission of Inquiry into Transportation and of the Bus Commission, made when he opened Western Greyhound's new R3.2-million bus terminus, service and administration centre in Klerksdorp's Uraniaville recently.

The new centre, the third to be opened, forms part of a R15-million modernisation programme being tackled by United Transport Holdings, Western Greyhound's parent company. The other two, each of which cost about R3-million to build and equip,

one in Roopothaswana (near

Rustenburg) and at Witbank in the Eastern Transvaal. A more expensive centre is being planned for Randfontein.

In a speech that left the audience in little doubt that he strongly favours rigid control and despises slack management, Welgemoed described the "politicisation of transport, and of the bus transport industry in particular," as probably "one of the most serious problem areas developing in public transport."

He said the Bus Commission had laid heavy emphasis on this aspect in its report, which had been handed to government shortly before he spoke.

"The Commission has underlined this matter heavily, because of the grave consequences it can have," he said.

"This is a matter which is slowly but surely getting out of hand.

"I do not wish to throw stones, but do request all political parties and denominations that try to use buses for political gain to stop doing so.

"Disturbances that are not always connected with bus transport continue to occur. It is a situation which, unless it is soon defused, will become progressively worse.

"It is already happening — and it happened again only a short while ago — that when people can no longer get beer, they burn the buses. The worst thing about these occurrences is that neither tariff issues, nor anything else connected with buses, was at issue.

"The matter went much deeper than tariff increases. People were using buses for political purposes."

He spelled it out: "The fact is that it is much more difficult to get things done when those who should be helping you are trying to block progress, merely to try to score political points.

"Bus passenger transport is too fundamental a need for economic progress to be left to the mercy of those who do not mean to use it well."

He said the fact that his



A multiracial bus operating in Cape Town, where City Tramways maintains that integration is the answer to non-subsidisation.

Commission "favoured depoliticisation does not mean that we intend to sweep the problem under the mat, but that the problem should be addressed free from the deliberate bias, distortion, over-emphasis, name it what you will, which is inherent in party politics."

One of the problems he identified that was aggravating bus users was the cumbersome procedures adopted by officialdom. This should be rectified, he said.

As an example, he criticised the present procedure for approving applications for tariff increases, which can take anything between three and 15 months (with about six being the "normal period").

"This procedure can be improved and speeded up," he said, and pointed out that the way these applications are handled makes it extremely difficult for operators and for the Department of Transport "to follow sound financial policies.

"The result (of these delays) is that tariffs have to be adjusted by larger amounts, and that these large adjustments cause resistance among travellers."

His Commission recommended that procedures be speeded up, and "that a mechanism be established for responsible consultation between the bus user, the authorities, and the bus service.

"We are trying to move away from public hearings to hearings where the people concerned have their say in an orderly manner."

He touched briefly on the lack of facilities for buses and passengers in both urban and rural areas, and said his personal view was that local government was "responsible for the planning and the supply of facilities, for the safety of passengers and for the supply of other amenities, such as shelters and toilets."

He promised that these aspects would be dealt with in his commission's third and fi-

nal report.

It appeared that Dr Welgemoed and his Commission were not as one on the issue of passenger subsidisation. None of them liked it, but while the majority of the Commission's member apparently favoured phasing it out slowly, Welgemoed's personal opinion appeared to be that it should be terminated immediately.

He said that last year, R920-million was paid out in direct and indirect subsidies for the mass movement of passengers by bus and by rail. "In South Africa at present, about 25% of the total income of bus transport companies comes from subsidies.

"The Commission received a great deal of oral and written evidence on subsidies, from which it was clear that a large majority of people and bodies with practical knowledge and experience of passenger transport believe it is necessary to subsidise bus passenger transportation.

"There is also a school of thought which believes that subsidies will not be necessary if all restrictions are lifted, and the free market system be allowed to determine fares. For several reasons, it was not possible for the Commission to support this view.

"The Commission, however, came to the conclusion that we cannot continue with subsidisation at the present rate and recommended that, at present, subsidies are still desirable — subject to a few conditions, such as: only worker-commuters should be subsidised, subsidies should not undermine efficiency, and every employee should earn what he is worth."

The Commission also recommended that all subsidies, including those for worker-commuters, be phased out in time.

"And because subsidies have social, economic and political connotations, a Select Parliamentary Commit-

tee, consisting of members of all parties, be appointed to draw up a timetable for its gradual phasing out."

Dr Welgemoed's views are obviously closer to "speakers at last year's CSIR Annual Transport Conference, who concluded that an economic service should be rendered and that the ideal situation is one where every passenger pays the whole of his economic fare himself."

Stressing that it was his own opinion, not his Commission's, he said: "I am of the opinion that the economic tariff should remain the basis of reward, and that subsidisation should always be looked at critically and that its purpose, at all times, should be limited to the realisation of economic aims. Under no circumstances should it encourage poor performance."

He pointed out that attitudes towards transport have changed. In the past, politicians regarded it as the most important element for the creation of prosperity. But "it is now accepted that transport is only one of several elements necessary to get socio-economic development going. To invest in transport only leads to under-investment in other sectors.

"Transport planning should be undertaken in collaboration with national economic planning and strategies."

This remark led him into discussing the government's decentralisation policies, of which he approves, and warning that "the size of the catchment area for labour is dependant on the cost of transport.

"It is obvious that the bus is the best answer for the development of rural areas. Fixed-track transport is too rigid for the type of development envisaged, and the private car cannot be regarded as an economical solution.

"The opportunities are there for the bus passenger industry."

Dr Welgemoed also warned against "too much rigidity in the establishment of new bus routes.

"This can easily lead to a situation where the home has to come to the bus, instead of the bus coming to the home, which could be a factor in slum formation. Transport, and especially bus transport, can perhaps assist in alleviating the slum problem — which is a worldwide problem and is part and parcel of most of the world's developing countries."

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"Passenger transport lies at the interface between labour and industry. It should become a unifying factor for mutual benefit, rather than a political weapon in the hands of a few."

He made another indirect attack on subsidisation, particularly on bus companies, using it to bolster their turnovers and relying on it, instead of on good management, to produce profit. "We found there is no substitute for good and informed management."

"Systems and formulae and any technical tools we may have are only as good as those who use them. The men and the companies using those tools must obviously perform better than those who do not use tools — but tools do not make management."



## BLACK TAXIS

### Kombis up front

Black taxi-owners appear to have won the latest round in their battle against the Johannesburg Transportation Board's (JTB) decision to stop registering kombis as taxis (*Business* May 13).

Following a meeting with black taxi-operators in Cape Town this month, Minister of Transport Affairs Hendrik Schoeman ruled that: "At present, a definite role in

the daily transport of commuters is fulfilled by means of kombis."

The taxi drivers, through their representative body, the southern African Black Taxi Association (SABTA), threatened to strike if the Minister turned down their request for discussions.

Schoeman says boards should continue to consider taxi licence applications on merit and in terms of the provision of existing legislation. This will continue until the report of the Welgemoed Commission on transport has been submitted. SABTA will then be given a chance to make representations.

#### Nominee

The Director-General of Transport Affairs, Adriaan Eksteen, has suggested that a SABTA nominee be co-opted to the JTB. He should not be involved in transport operations and would advise the JTB on the "adequacy or inadequacy" of existing taxi facilities in the area concerned.

Both Schoeman and Eksteen say they were not aware of, and did not authorise, local transportation boards to stop issuing taxi permits involving kombis.

SABTA legal representative Billy Hartzenberg says: "If the JTB issues permits for sedans only after this decision, SABTA can go to the National Transport Commission. We hope the Minister's decision has restored the *status quo*."

332

PM 24/6/83



FM 24/6/83 (332)

## ROAD TRANSPORT

### Indians go solo

Indian road transport operators who feel let down by the Public Carriers Association (PCA) have formed a new group, the SA Private Hauliers Association (PHA).

PHA spokesman Ramcharitar Panday, a South African Indian Council (SAIC) member, says the PCA did not serve the interests of the smaller operator and demonstrated an "unwillingness" to include Indians in its delegations to government. But he concedes that the two organisations have similar aims.

"Had they included us there would have been no need for this," he says.

But PCA chairman Mike Norris denies the accusation and says his organisation speaks for all operators including Indians. He says Panday was requested to arrange a meeting to recruit more members, but it failed to come off.

Panday claims a membership of 110 — mostly Indian operators in Natal and the Transvaal — and a few Whites who are also unhappy with the PCA. Though not a transport operator himself, he is the SAIC's spokesman on transport matters, and says he was invited to put the PHA's case to give it more credibility.

#### Rebuffed

Earlier attempts by PHA president Chris Moonsamy to seek an audience with the Minister of Transport Affairs were rebuffed on the grounds that the Minister would deal only with the PCA.

Says Panday: "The Minister can't afford to refuse to deal with the SAIC."

He says PHA members, being generally smaller operators than their white counterparts, have more trouble obtaining transport permits. He claims the PHA is prepared to seek a court interdict to stop the harassment of hauliers until the problems are sorted out. This, he says is "something the PCA is obviously not prepared to do."

SECTION C:

# SA carriers lose out on maize import

Mail Correspondent

CAPE TOWN. — Safmarine and other South African shipping lines have, because of the import system preferred by the Government, lost out as carriers to this country of 600 000 tons of maize from the United States and Argentina.

Ministerial replies to Progressive Federal Party questions in Parliament last week showed that no tenders for transport of the maize to South Africa were invited by the Government, as the maize was bought on a CIF (cost insurance freight) basis.

The Minister of Agriculture, Mr Greyling Wentzel, said that as far as he knew, Safmarine had been "given an opportunity" to carry the maize.

Mr Michael Findlay, corporate general manager of Safmarine, said that in the CIF system preferred by the Government, the successful tenderer — in this case Louis Dreyfus, a French-based company — had full control over delivery.

Louis Dreyfus could invite tenders for transport of the maize. Although Safmarine could tender in competition

with other shipping lines, Louis Dreyfus had the final say in the appointment of the carrier.

Mr Findlay said: "This is in contrast to the FOB (free on board) system, in which the importer has control over the whole operation, including the appointment of a carrier."

"We naturally prefer the FOB method, and have had talks with the departments of transport and of agriculture to try to persuade them to change their approach in the interests of South Africa's shipping lines."

Mr Philip Myburgh, MP for Wynberg and an Opposition spokesman on agriculture, said he hoped Western Cape farmers would benefit from the lower landed prices at which the further shipments of maize were to be imported.

Mr Myburgh said farmers in the Western Cape were "most upset" that they were being supplied with the imported maize at prices that would apply had it been railed from the north.

He believed a further shipment of maize was being imported at R151 a ton, as against the R172 a ton paid for the consignment discharged in Cape Town docks this month. He hoped Western Cape farmers would get the benefit of this lower price.



## Refunds on unused tickets

Post Reporter

BUS commuters on PE Tramways can receive refunds on unused tickets and clipcards, provided they apply for them within 14 days of their expiry dates.

The general manager of PE Tramways, Mr Graham Shields, said this had always been the practice.

"We feel this is adequate under all normal circumstances and there are no such things as 'undated' clipcards for schoolchildren." Cards valid for 10 return trips were dated to expire after 18 days.

He said children simply bought their tickets at normal prices when it was inconvenient to buy clipcards.

# Indian taxi owners to fight ban

332  
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27/6/83

Mercury Reporter

INDIAN taxi owners in Natal will meet in Durban today to form an association to fight apartheid.

Angry taxi owners said yesterday they had invested thousands of rands in taxi operations and for many it was their sole means of livelihood.

But as they were prevented by law from carrying white passengers, their businesses were being badly affected, they said.

Mr Ramcharitar Panday, president of the Natal Driving Instructors Association and chief spokesman for the recently formed South African Private Hauliers Association, will be the main speaker at today's meeting at the Butterworth Hotel at 10 a.m.

Mr Panday, a former taxi owner, who is also the South African Indian Council's spokesman on transport matters, said yesterday that without white patronage taxi undertakings by Indians were suffering.

'The law as it stands allows Indian-owned taxis to carry foreign whites, but Indian taxi drivers were often faced with the serious problem of deciding whether prospective white passengers were foreigners or South Africans.'

'Rather than fall foul of the law, many a taxi driver has been forced to refuse a fare.'

'This is an injustice and we want the Government to rectify it immediately.'

Mr Panday said that taxi owners wanted Local Road Transportation boards to be empowered by the National Transport Commission to find ways and means to assist Indian taxi operators.

He said that taxi owners also wanted local authorities throughout Natal to provide adequate rank stands and facilities in their municipal areas.

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# Ban all mini-bus taxis inquiry

Political Staff

MINI-BUSES should not be allowed permits as taxis, a Government commission has decided, spelling the end of the mini-bus services in the Peninsula and Soweto.

The Welgemoed inquiry into bus passenger transportation — its report has been tabled in Parliament — also calls for much stricter action against unauthorised taxis.

Its recommendations, likely to be accepted by the Government, includes removing taxis as in the United States and Britain.

But they should be one colour to make them easily identifiable.

However, taxi-owners may no longer be obliged to apply for a permit under the Road Transportation Act. They would need only a licence from the local authority.

## STRATEGIC

The commission also says bus transport should be classified as a strategic industry and should be stimulated and expanded.

The State should make available funds to encourage it as a form of mass transportation.

The State's control of bus transport undertakings should be eliminated. It should be involved only in the regulation and co-ordination of public bus transport.

Municipal bus services in metropolitan areas should be encouraged to form bigger operating units not restricted to specific municipal areas.

Private capital should be permitted in the formation of such bus corporations.

Smaller bus services should be encouraged to group together into larger units.

Lift clubs should be allowed only in certain peak morning and afternoon periods.

# Commission favours buses, curbs on

CAPE TOWN 28/6/83 332

HOUSE OF ASSEMBLY. Schoeman, also emphasises the need for increasing vehicle occupancy and the discouraging of fuel inefficient private cars.

The operation of illegal mini-bus taxis, one of the most popular modes of transport for black commuters, could be severely curbed if the government accepts the recommendations of the Commission of Inquiry into Bus Passenger Transportation in South Africa.

The report, tabled in Parliament yesterday by the Minister of Transport Affairs, Mr Hendrik

oems that only vehicles with a maximum carrying capacity of four passengers be defined as taxis.

It also recommends that legislation be adjusted to allow for a category of public passenger vehicle with carrying capacity from five to 25 persons.

Conditions applicable to bus services should also apply to this category in terms of permits, routes, tariffs and timetables.

The commission found

that authorized mini-bus taxis in many cases were a particularly strong competitor as regards bus services because they did not operate in the "spirit of the permit" of a taxi and were used as small buses along routes "when it suits the owner".

A considerable number of unauthorized mini-bus taxis were operating in many areas. In Soweto alone an estimated 3 600 to 4 000 taxis of all descriptions operated illegally.

against a legally registered number of 1 870. New regulations governing lift clubs which could affect thousands of commuters and mothers taking children to school, were recommended.

In terms of the commission's recommendations lift clubs with more than four regular passengers would have to register with the local road transportation board and would have to display special tokens.

The commission says too: "Lift club vehicles should be permitted to operate as such only between 4am and 9am and between 4pm and 7pm without special permission from the local road transportation board — and outside the prescribed periods, should be permitted to be used only as a means of transport for private purposes by the legal owner."

The commission, chaired by Dr P J Welgemoed, an indirectly elected National Party member, also recom-

## 1 'illegal' taxis

with bus operators to promote greater bus utilization.

The commission is also of the opinion that much can be done to stimulate bus transport by means of urban planning and the provision of facilities.

In this respect it recommends that the transport plans of metropolitan transport areas should indicate the role of each transport mode in the overall transport plan and the facilities required for

the passengers of the various modes.

In urban planning and land use, the location of high-density residential areas and places of work should, so far as practicable, be done with due allowance for mass transport services.

It further recommends that municipalities should be responsible for the provision and control of facilities for bus passengers in their areas.

Funds, the commission recommends,

should be voted from the Urban Transport Fund to carry the initial capital costs wholly or partly while the subsequent running costs should be recovered wholly or partly from the bus service as rent.

Private ownership of bus services should be encouraged, the commission says. At the same time it recommends that the National Transport Commission should determine overall policy in respect of passenger transport.

Political Staff and Sapa

ments that the government should:

Classify the public bus transportation industry as one of the strategic industries and therefore do everything in its power to stimulate and expand the industry and to ensure that this industry, from an energy point of view, will always be operational.

In order to encourage bus transport as a form of mass transportation, the State should provide funds to be used in co-operation



# Taxi owners tackle apartheid

Mercury Reporter

BLACK taxi operators opened fire on racial discrimination at a lively meeting of Indian taxi owners in Durban yesterday.

And the first salvo against apartheid was the formation of a new non-racial body, the Natal Taxi Owners' Association, to make urgent representations to the Government on the issue.

Many taxi owners told the meeting, attended by about 100 people, that their businesses were being crippled because they were prevented by law from carrying white passengers.

They were only allowed to carry 'foreign' whites, but they claimed that this restriction was a source of embarrassment.

## Difficult

The association, with Mr G R Maharaj, as chairman, was formed at the instigation of Mr Ramcharitar Panday, president of the Natal Driving Instructors' Association and chief spokesman for the recently formed South African Private Hauliers' Association.

Opening the meeting, Mr Panday said that in the absence of a representative body of black taxi owners it was difficult to take up their fight against racial discrimination with the Government.

He urged the association to list its grievances in a memorandum which he proposed to present to the Minister of Transport, Mr H Schoeman, on behalf of the taxi owners.

# Fares lower on Indian buses in Natal, commission reports

ORMANDE POLLOK

Political Correspondent

CAPE TOWN—Indian bus operators in Natal provided a cheaper service than other bus companies, the commission of inquiry into bus transportation reported to Parliament yesterday.

It pointed out in a report tabled yesterday that the Indian operators were providing a cheaper service without being subsidised and said the reasons were varied.

The main one was that the services were operated as family businesses 'with the personal attention and direct interest of the owners which does much to make these services competitive and keep costs low'.

The commission found that the smaller operators did not have as large overheads as the bigger companies and that 'it is doubtful whether wages are always taken into account in calculating costs'.

In general the larger Indian bus undertakings provide a better and more reliable service than the smaller ones, said the report.

It had found that the smaller operators, however, did not have the same obligation towards the public on guaranteed ser-

vice. If a bus broke down no replacement was available.

It is doubtful whether the fares charged are in fact economic fares since services are often in keen competition with each other and fares are kept low because owners and their family members work with great dedication, often without direct remuneration, said the report.

There was often an element of risk for the passenger because the service was not always guaranteed and 'further, the quality of the service may suffer if it is provided at a low cost, often with relatively worn-out buses'.

## Tax

The report, which at various times referred to the 'politicisation' of the transport system, added: 'The fact that the fares of smaller bus services are often lower than those of the larger bus undertakings sometimes leads to criticism and may even play a role in bus boycotts when fares are adjusted.'

There had also been allegations that tax obligations were not always being met.

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# Report spells doom for Soweto minibus

By Peter Sullivan,  
Political Correspondent

THE ASSEMBLY — Minibuses should not be allowed to get permits as taxis, a Government commission has decided, putting the seal on the fate of Soweto's minibus service.

In the final report of the Welgemoed Commission of Inquiry into Bus Passenger Transportation, the commission also calls for much stricter action against unauthorised taxis.

Its recommendations, likely to be accepted by the Government, have caused a stir among taxi owners in Soweto and mean the probable end of the minibus.

The 51-page report has 63 recommendations, including one that taxis should be allowed to rove as in the US and Britain.

But they should be all painted one colour, another recommendation says, to make them easily identifiable.

This will facilitate control and law enforcement, especially if the owner's name is shown on the taxi.

When it comes to minibuses, a series of recommendations have been suggested to stop them being used as taxis:

- The concept "taxi" should be defined in legislation and this definition of a taxi should preferably specify only the number of passengers.

- The present minibus that can legally transport any number from 10 to 24 passengers should not be able to obtain a permit as a taxi vehicle.

- Another recommendation says eight-passenger vehicles used as taxis should be phased out over a four-year period.

- Taxis should be defined as vehicles with room for four people plus a driver.

The commission urges that a new law should be made to define vehicles with room for five to 25 passengers, but these vehicles should be subjected to the same prescriptions that apply to buses — route-bound services with timetables subject to approval.

However, there is some good news for taxi owners besides the recommendation that they be allowed to cruise. This is a suggestion that they no longer be obliged to apply for a permit under the Road Transportation Act.

**State urged:  
Boost bus  
services**

Political Staff

THE ASSEMBLY — The Government has been advised to classify the bus transport industry as a strategic one and to stimulate and expand it.

In a report tabled in Parliament, a commission of inquiry into bus passenger transportation also recommends that, in order to encourage bus services, the State should make available funds.

These should be used in co-operation with bus operators to promote the greater use of bus transport.

The commission says the State's involvement in the direct control of bus transport undertakings should be eliminated as far as possible.

The State should be involved only in the regulation and co-ordination of public bus transport.

In the case of bus services in metropolitan areas, the commission recommends that they should be encouraged to form bigger operating units not restricted to specific municipal areas.

It also wants direct municipal control to be eliminated and private capital to be permitted in the formation of bus corporations.

## No GST cut foreseen at present

THE ASSEMBLY — A drop in General Sales Tax could not be foreseen at present, the Deputy Minister of Finance, Mr Eli Louw, said yesterday.

During the second reading debate on the Sales Tax Amendment Bill, he said the present rate of six percent was reasonably low by world standards.

Mr Harry Schwarz (PFP, Yeoville) said certain improvements had to be effected to the Sales Tax Act and moved an amendment declining the second reading of the Bill.

Mr Schwarz said the Government's action in increasing GST had added fuel to inflation.

GST had increased by 50 percent since February last year when it was only four percent. That indicated the Government's inefficiency and its need for every cent it could get. — Sapa.

## Blacks spend R36 on food a month — Louw

THE ASSEMBLY — Many people had a lot to say on general sales tax on basic foodstuffs without knowing the facts of the situation, the Deputy Minister of Finance, Mr Eli Louw, said last night.

The average black worker in the Vaal Triangle spent only a fraction of his gross income on basic foodstuffs GST, he said during the second-reading debate on the Sales Tax Amendment Bill.

He referred to calls from opposition speakers for GST on basic foodstuffs to be dropped as it hit lower income groups the hardest.

The Bureau for Market Research of the University of South Africa had done a study on it in 1980, he said.

The average income of a black worker in the Vaal Triangle was R220 a month and only 16,5 percent of that was spent on basic foodstuffs (milk, bread, meat and maize products).

Thus only R43 was spent on those foodstuffs a year, on which the GST was R26,10 a year.

The saving to such a worker if GST on basic foodstuffs was dropped would amount to only 0,08 percent of his gross income, or R2,17 a month.

Mr Andrew Savage (PFP, Walmer) asked if that meant the Deputy Minister was saying the worker's family spent only about R36 a month on basic foodstuffs.

Mr Louw said he was quoting facts from a scientific study.

The Bill was read a third time — with all three opposition parties objecting.

Mr Harry Schwarz (PFP, Yeoville) said his party opposed the Bill because it had grave doubts of the ability of the average black worker and his family to exist on that budget. — Sapa.

# Transport firm 28/6/83 (332) Industrial Week fined R10 000

THE COURTS have drawn first blood under the amended Road Transportation Act in the drive against illegal road transportation - especially the moving of goods without a permit.

A Transvaal operator has been fined the maximum R10 000 for not having a permit of authority, and had his vehicle and its load confiscated.

Confiscation occurs automatically after three such offences.

The operator - a private carrier - already had two convictions under the previous Road Transportation Act.

## Sold

The vehicle and its load will be sold and the proceeds will go to the State, a source in the Department of Transport told Industrial Week.

dustrial Week.

This decision will concern many other operators already having two, and possibly more, convictions for carrying goods without a permit.

## Penalty

Sentences are decided by the court according to individual instances, but it is considered highly probable that previous offenders will receive the full penalty if caught again, said the DOT spokesman.

Some operators may have little choice but to wind up their existing companies and form new ones, starting again with a clean slate. It is believed that others who wait until

they are caught will do the same. "They will just close down the company and start again," said the spokesman.

The R10 000 fine is the maximum now possible for a wide range of transportation offences, and will not be applied in all cases. In the case of third time offenders, however, the court has no jurisdiction - they will automatically lose their trucks and freight.

## Shock

There is a further shock in store for operators - one which may not hit them until the early part of next year. Under revised provincial road ordinances, fines of up to R2 000, or a six-month prison

sentence, or both, will be imposed on those found guilty of overloading commercial vehicles.

The new ordinance comes into effect in the Transvaal in April next year, and Natal is also understood to be fixing a date. It is only a matter of time before the new fines apply nationally.

The overloading penalty had been introduced as part of a package of measures aimed at improving road safety, and bringing fines more in line with current money values, said a Transvaal Provincial Administration spokesman.

## Damage

They also have in mind, no doubt, that the Council for Scientific Research (CSIR) proposed a sliding scale of penalties some time ago, pointing out that damage caused by overloaded vehicles was not merely doubled by a doubling of the legal maximum. Damage escalated by a factor of four, it said, which meant that a 100% overload caused 400% more damage than a properly loaded vehicle.

## Limits

The new penalties relate to section 102, of the Transvaal Provincial Ordinances, specifying the axle mass loads and limits applying to commercial vehicles and buses.



# Road users are paying rail losses, says AA chief

Staff Reporter

Road users were subsidising the uneconomical services rendered by SA Transport Services, the president of the Automobile Association, Mr Louis de Waal, told the AA's annual meeting in Johannesburg today.

In voicing the association's opposition to toll roads, he said that in the 1981-82 financial year SATS made a profit of R163 million on its pipelines.

Railways and airways had shown losses of R150 million and R57,8 million respectively.

A large part of the pipeline profit came from the 5c a litre added to the price of petrol and diesel fuel inland.

"There can be no doubt that road users are subsidising certain uneconomical services.

"It is unfair that inland road users should contribute 5c on every litre of fuel to the Railways while a mere 3,1c a litre countrywide is being paid into the National Road Fund for the financing of national roads," Mr de Waal said.

If the rail subsidisation were reduced to 3c a litre and the levy for the National Road Fund increased to 5,1c a litre, road finances would be boosted by at least R130 million annually.

"On the basis of loan financing of new road construction programmes this would service a 25-year loan at 12 percent interest of R1 020 million."

"An interesting corollary of the two cross-subsidisation elements — that of heavy vehicles by light vehicles and that by all inland vehicles of certain uneconomic railway services — is the serious economic distortions introduced into the transport sector, if not to the economy as a whole.

"While the road haulage in-

dustry has a competitive edge, road users are subsidising uneconomic railway services which the Railways cannot itself subsidise by way of increased tariffs for high-rated goods because of the risk of losing such traffic to the road haulage industry.

"In turn, the SATS are operating road haulage in competition with the private hauliers while enjoying a competitive edge over them in that the SATS are exempt from the payment of certain fuel taxes and levies.

"The phasing out of cross-subsidisation would not only benefit the road user but indeed the whole country."

The AA supported cost-related charging and the elimination of cross-subsidisation as recommended in the past and again emphasised by the Welgemoed Commission of Inquiry.

"The AA fully supports the concept of road financing by means of a broadly based and equitable 'user pays' system provided revenue so collected is earmarked for the specific purpose of funding road construction and maintenance programmes."

For these reasons the AA could not support introduction of toll roads.

"Apart from the fact that the user base becomes far too narrow and therefore extremely costly, overseas experience has proved the cost of administration often absorbs more than 40 percent of revenue collected.

"It would indeed be tantamount to a misallocation of resources if South Africa were to introduce this new form of revenue collection while, with minor adjustments, the existing sources would suffice," Mr de Waal said.

332 Khayelitsha  
Q. 601.1754 29/6/83  
\*17. Mr K. M. ANDREW asked the  
Minister of Transport Affairs:

- (1) Whether, with reference to his reply to Question No. 15 on 17 June 1983, the local Metropolitan Transport Advisory Council has been approached to determine the most economic and suitable mode of transport for the people of Khayelitsha; if so, (a) by whom, (b) when was it so approached and (c) when is it expected to make a decision or recommendation; if not, (i) why not and (ii) who is responsible for making an approach of this nature;
- (2) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes.
  - (a) The Sub-Committee for Public Transport of the Metropolitan Advisory Board.
  - (b) 9 June 1983.
  - (c) The expected date for a final decision or recommendation in this regard can not be anticipated at this stage. The matter is, however, receiving the urgent attention of all the interested parties.
- (2) No.

WEDNESDAY.

1755

Mr. K. M. ANDREW: Mr. Speaker, arising out of the reply of the hon. the Minister, in terms of an expected date for a decision or recommendation, would he expect something by the end of the year? Of what sort of time scale is he thinking?

The MINISTER: Mr. Speaker, I expect some result before the end of the year.



5.	P. J. Korkie	R70 753,47 R 8 200,00	—	Purchase price of land for the erection of 2 houses for farm labourers
6.	D. E. Landman	R59 438,47 R27 000,00	—	Purchase price of land for the purchase of a tractor and accessories
7.	G. C. Landman	R69 255,67 R16 400,00	—	Purchase price of land for the erection of 4 houses for farm labourers
8.	A. J. le Roux	R83 333,47 R26 400,00	—	Purchase price of land for the erection of 6 houses for farm labourers
9.	J. D. Meiring	R80 718,77 R22 800,00	—	Purchase price of land for the erection of 6 houses for farm labourers
10.	M. J. Meyer	R57 958,47	—	Purchase price of land
11.	J. P. Odendaal	R67 753,47 R11 400,00	—	Purchase price of land for the erection of 3 houses for farm labourers
12.	L. L. van Niekerk	R73 046,47 R16 400,00	—	Purchase price of land for the erection of 4 houses for farm labourers
13.	A. M. van Schoor	R59 748,47 R12 300,00	—	For the erection of a dwelling and milking shed with accessories
14.	A. P. van Wyk	R91 621,47 R16 400,00	—	Purchase price of land for the erection of 4 houses for farm labourers
15.	J. C. Vermaak	R62 108,47 R10 500,00	—	Purchase price of land for the erection of 3 houses for farm labourers

(b) No. *Handard Q. 61.1747*  
*Ciskei: armaments production*  
 29/6/83  
 \*32. Mr. S. S. VAN DER MERWE asked the Minister of Foreign Affairs and Information:

(1) Whether the South African Government has made funds available to the

Republic of Ciskei for purposes of armaments production; if so, what amount has been made available for these purposes;

(2) whether these funds are made available subject to any conditions; if not, why not; if so, what conditions?

# \*The MINISTER OF FOREIGN AFFAIRS AND INFORMATION:

(1) and (2) The hon. member asks a similar question in Question No. 33, which was put to the hon. the Minister of Defence today. The reply to Question No. 32, which has been put to me, is the same as the reply which the hon. the Minister of Defence will give to Question No. 33.

## Ciskei: armaments production

\*33. Mr. S. S. VAN DER MERWE asked the Minister of Defence:

Whether it is envisaged that any assistance will be granted by (a) Armscor and (b) the South African Defence Force to (i) the Ciskei Government and (ii) any company established in the Republic of Ciskei for the purposes of establishing an armaments production facility; if so, what is the nature of the envisaged assistance in each case?

## The MINISTER OF DEFENCE:

The hon. member is referred to my statement on the furnishing of particulars regarding our armaments transactions with other countries during my budget debate earlier this year. He will find the statement in columns 7561 and 7562 of Hansard No. 15 of 1983.

*Handard Q. 61.1749*  
*Ingwavuma*  
 29/6/83  
 \*34. Mr. P. A. MYBURGH asked the Minister of Defence:

(1) Whether he or any member of his staff issued instructions to the South African Defence Force or any component thereof to support Government plans to cede the district of Ingwavuma to the Kingdom of Swaziland; if so, (a) what was the purport of the instructions and (b) to whom were they sent;

(2) whether these instructions have since been withdrawn; if not, why not; if so, when?

# \*The MINISTER OF DEFENCE:

(1) Not as far as can be ascertained

(2) Falls away.

\*Mr. P. A. MYBURGH: Mr. Speaker, arising out of the hon. the Minister's reply, I want to ask him whether he is aware that the Chief of the South African Army apologized to Chief Minister Buthelezi and his Cabinet in regard to incidents in which members of the Inkatha movement had been intimidated by members of the Defence Force personnel in that very area and that that apology was offered after the Chief Minister had accused the South African Army of intimidating members of Inkatha with the object of promoting the incorporation of the Ingwavuma area?

\*The MINISTER: Mr. Speaker, that has no relation to this question.

\*Mr. P. A. MYBURGH: Mr. Speaker, further arising out of the hon. the Minister's reply, I want to ask him whether he is aware that the Chief of the South African Army apologized to Chief Minister Buthelezi and his Cabinet in regard to incidents in which members of the Inkatha movement had been intimidated by members of the Defence Force personnel in that very area and that that apology was offered after the Chief Minister had accused the South African Army of intimidating members of Inkatha with the object of promoting the incorporation of the Ingwavuma area?

\*The MINISTER: Mr. Speaker, I am not prepared to drag the Defence Force into politics. [Interjections.]

*Handard Q. 61.1750*  
*Khayelitsha*  
 29/6/83  
 \*35. Mr. K. M. ANDREW asked the Minister of Transport Affairs:

Whether transport to and from Khayelitsha is subsidized; if not, why not; if so, (a) by what amount, (b) in what manner and (c) from what date?

## The MINISTER OF TRANSPORT AFFAIRS:

No. I have to point out, however, that an application for subsidy has been received and is presently receiving the necessary attention

(a), (b) and (c) Fall away.

332 Sowetan 29/6/83

# Sabta doesn't fear inquiry

**THE RECOMMENDATIONS** of the Commission of Inquiry into Bus Passenger Transportation that mini-bus taxis should be banned, will not at any stage jeopardise the talks between the Southern Africa Taxi Association (Sabta) and the Minister of Transport Affairs, Mr Hendrik Schoeman, held in Cape Town three weeks ago.

This is the view of Mr Noel Mlokoti, the general secretary of Sabta, who said the Minister had assured the association's delegation that met him on June 13 that he would take a final decision on this controversial issue after the Wel-

gemoed Commission had completed its investigations on transport facilities.

The final report on the commission, which was tabled in Parliament on Monday, recommended that only vehi-

cles with a maximum carrying capacity of four passengers be defined as taxis.

A considerable number of unauthorised mini-bus taxis were operating in many areas, the commission stated.



# Clipcard refunds (332) E. Post 30/6/82 statement clarified

Post Reporter

THE general manager of PE Tramways, Mr Graham Shields, today clarified a statement earlier this week that although bus commuters could receive refunds on unused tickets and clipcards within 14 days of their expiry date, refunds were not given on unused portions of clipcards.

Once one of the 10 portions on a clipcard had been used, a refund on the remaining nine could not be obtained.

Asked why clipcards had to be dated instead of merely specifying a number of trips, he said this was because clipcards were designed for "use by workers".

"Theoretically they should not have any portions left over, but we do include extra days before the expiry date to cater for unforeseen circumstances."

The Evening Post had received complaints from members of the public who felt 18 days was too short a period for 10 trips.

# Taxi ban a threat to minibus sales

By SIMON WILLSON

Industrial Editor

MINIBUS sales could drop by 30% if the Government accepts the recommendations of a commission of inquiry which has advocated banning their use as taxis.

Mr Brand Pretorius, sales director of Toyota, South Africa's leading commercial-vehicle manufacturer, said yesterday that the conversion of the commission's findings into legislation would also force manufacturers to raise minibus prices to cover lost revenue from lower sales.

The Welgemoed Commission's report, which was tabled in Parliament on Tuesday, said minibuses should not be given permits to operate as taxis. It called for a stricter definition of a taxi to help enforce new legislation.

Parliamentary observers say the commission's report is likely to be accepted by the Government, and its provisions would mean the end of the large minibus taxi services for blacks all over SA.

Mr Pretorius said the black minibus taxi market was worth about R50-million in 1982.

Minibus sales totalled about 15 000 units last year, of which 4 000 units were sold to the black taxi market. Toyota estimates the current number of black taxi-operators at 22 000.

About 41% of the private buyers of new Toyota Hiace 10-seaters, and about 74% of Hiace 16-seater buyers, used them as taxis.

More than 80% of all second-hand Hiaces sold last year were used as black mini-bus taxis.

Mr Pretorius said: "Our dealers report that minibus inquiries from potential black taxi-operators have already dropped sharply."

"Current taxi-owners are also unsure about the future. If their permits are not renewed and they lose their source of income, they will be unable to pay off the vehicles and this will lead to a spate of repossessions."

"Further depression of the used vehicle market in this sector will result."

Mr Pretorius said the local content programme for vehicles became mandatory in the light commercial-vehicle market in 1981 when all manufacturers made substantial investments in tooling up.

"If this report is accepted, we estimate that current market sales volume will drop by 30%, and that manufacturers will have to put prices up to recover their income."

He doubted whether any anti-taxi legislation could be enforced.

"Such legislation will force present legal operators to go underground. We know already that many passengers are under instructions to say they paid no money and were friends of the driver."

The Welgemoed Commission said taxis should be defined as vehicles with room for four people plus a driver.

It urged that legislation should apply to vehicles carrying between five and 25 passengers. These vehicles should be regarded as being in the same category as buses.



# Independent taxis may wait on increase

By PHILIP  
VAN DER MERWE  
Staff Reporter

CAPE TOWN'S independent taxi owners are unlikely to put up their fares — at least for the next three months.

Marine Taxis — with 48 taxis it is the biggest city taxi operator — was given permission this week to increase its fares by up to 50 percent.

The local Road Transportation Board said Marine could increase fares from 80 c to R1.20 a kilometre and the flag-fall tariff from 60 c to R1. For waiting time it could charge 10 c a minute (R6 an hour).

## Application

The second largest operator, the Cedar, Central and J & J taxi group, which has 36 taxis in the city, announced it had already applied for a similar increase.

But today Mr Alex Kirsch, chairman of Owner Drivers Radio Taxis, an association of about 24 independent taxi drivers, said he would recommend to his members that they wait at least three months before

increasing their fares to see how the public reacted to the increase by other operators.

He has already circulated a questionnaire asking members to indicate whether they wanted an immediate increase, no increase at all or to wait for at least three months.

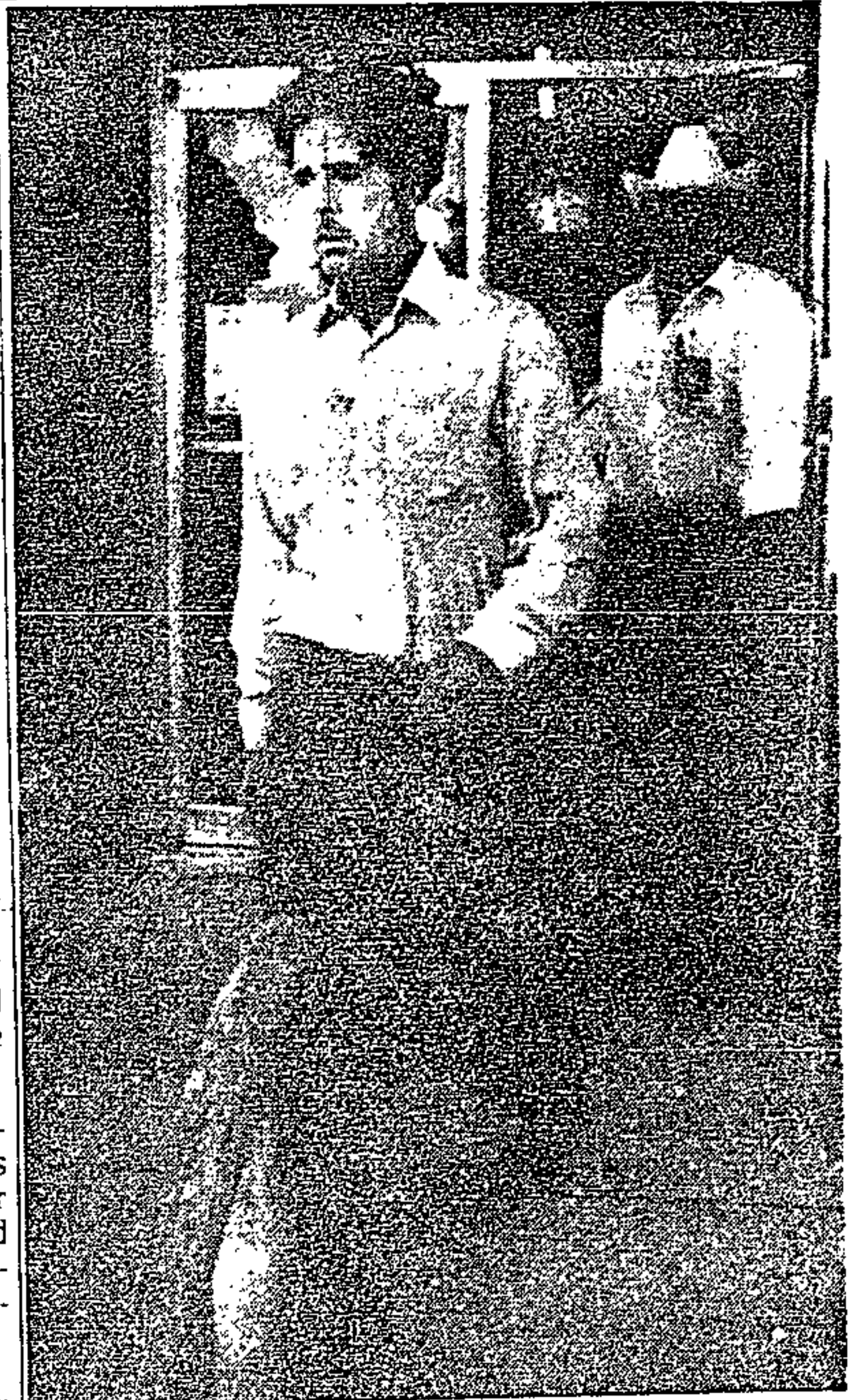
## Recommendation

But Mr Kirsch said he was confident the independent taxi men would follow his recommendation to "wait and see".

And Mr Ernest MacDonald, whose Sea Point Taxis has nine vehicles in the city, said he would be sticking to the old fares as long as possible because he did not see any need for an increase and was satisfied with the present fares.

If he was forced to apply for an increase if his drivers wanted higher pay, the most he would ask for was R1 a kilometre and an 80 c flag-fall.

Taxi drivers and Cap-  
tour have expressed concern over the fare increase, saying it will chase away customers in an already declining market.



HENRY Lee Lucas, 46, who claims he has killed 100 women, leaves the Montague County courthouse in Texas after being charged with murder.



## Cape Kaapse Technikon

REGISTRATION JULY 1983

## SCHOOL OF ARCHITECTURE AND BUILDING

Full-time:

National Diploma: Architectural, Building Surveying, Construction Supervision Parts 1, 2, & 3. Plumbing Technology Part 1

Part-time:

Part 1 Subjects\*

## SCHOOL OF CIVIL ENGINEERING:

Full-time:

National Diploma: Civil Engineering, Surveying, Town and Regional Planning, Materials Testing, Cartographic Draughtsmanship.

Part-time:

TECHNICAL DRAWING: T1, T2, T3, T4, T5, T6, T7, T8, T9, T10, T11, T12, T13, T14, T15, T16, T17, T18, T19, T20, T21, T22, T23, T24, T25, T26, T27, T28, T29, T30, T31, T32, T33, T34, T35, T36, T37, T38, T39, T40, T41, T42, T43, T44, T45, T46, T47, T48, T49, T50, T51, T52, T53, T54, T55, T56, T57, T58, T59, T60, T61, T62, T63, T64, T65, T66, T67, T68, T69, T70, T71, T72, T73, T74, T75, T76, T77, T78, T79, T80, T81, T82, T83, T84, T85, T86, T87, T88, T89, T90, T91, T92, T93, T94, T95, T96, T97, T98, T99, T100, T101, T102, T103, T104, T105, T106, T107, T108, T109, T110, T111, T112, T113, T114, T115, T116, T117, T118, T119, T120, T121, T122, T123, T124, T125, T126, T127, T128, T129, T130, T131, T132, T133, T134, T135, T136, T137, T138, T139, T140, T141, T142, T143, T144, T145, T146, T147, T148, T149, T150, T151, T152, T153, T154, T155, T156, T157, T158, T159, T160, T161, T162, T163, T164, T165, T166, T167, T168, T169, T170, T171, T172, T173, T174, T175, T176, T177, T178, T179, T180, T181, 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# Govt admits role of taxis

By LEN MASEKO

IN A move to allay fears over the future of mini-bus taxis, the South African Black Taxi Association (Sabta) said yesterday the Government had indicated to the body that it accepted the "definitive role" played by these vehicles in black areas.

A telex message sent to Sabta by the Minister of Transport, Mr Hendrik Schoeman, said: "The Minister and his director-general accepts that, at present, a defi-

nite role in the daily transport of commuters is fulfilled by means of kombis."

The whole saga over the threatened existence of mini-bus taxis follows the release of the Welgemoed Commission report, which has recommended that eight-passenger vehicles, kombis, that is, should be phased out over a four-year period. Instead, the com-

mission has suggested that sedans with a carrying capacity of four passengers be used.

Quoting the telex from the Minister, Sabta boss, Mr Jimmy Sojane said: "The Minister said he was not aware of any directions and definitely did not authorise a directive to local road transportation boards to the effect that only taxi permits for sedans should be issued — not to kombis."

The Minister had indicated to the delegation of taxi-owners that met him earlier last month that he would give Sabta an opportunity to comment on the commission's report.



MR SOJANE: Hoping.

Mr Sojane added: "We in Sabta are surprised at the manner in which the commission would want things to be, that is, to phase out kombis whereas there are so many commuters serving the Johannesburg economy. Are company buses the only rightful sectors to convey these commuters and not the taxis?"

"The commuters have the right to choose their mode of transport. No one will force them to go to a train or a bus against their wishes," he added.



By Anthony Duigen

As many as three quarters of the tens of thousands of black commuters who use taxis each day are carried by minibuses. Drivers are re-adding themselves for the fight to keep the buses running against the recommendations of a parliamentary commission.

The final report of the Welgemoed Commission of Inquiry into Bus Transportation was tabled in Parliament this week and recommended that minibuses should not be given permits to operate as taxis.

Taximen are confident that their case, which will be put to the Minister of Transport Affairs, is solid enough to retain the minibuses. Minibuses were first allowed to operate as

taxis in 1978 after representations by the Southern African Black Taxi Association (Sabta) when it became clear that existing transport facilities were completely inadequate.

The minibus issue blew up earlier this year when road transportation boards on the Reef and in Pretoria decided not to register any more minibuses as taxis, possibly in anticipation of the Welgemoed report and directly as a result of continual representations by Putco, the giant black bus operator.

Putco said it had no objection to proper

taxi services but the use of minibuses which followed bus routes and picked up potential passengers made it difficult to give a good service and to keep fares as low as possible.

Johannesburg, Reef and Pretoria taximen immediately remonstrated with the authorities and protest meetings were held in the major centres.

The Pretoria Road Transportation Board rescinded its decision not to register the minibuses but the other boards remained firm. On June 13 several executive members of the Sabta and their attorneys appealed to the Min-

ister of Transport Affairs, Mr Hendrik Schoeman, in Cape Town to intervene on their behalf with the transportation boards.

"The Minister and the Director General of Transport (Mr Adrian Eksteen) accepted that minibuses had a definite role to play in daily transport of commuters," the chairman of Sabta, Mr Jimmy Sojane, said this week.

Mr Schoeman also made it clear that there was to be no immediate decision on the future of minibus taxis without Sabta having a chance to put its case to him, he added.

Organised commerce and motor manufactur-

ers (black taximen are the biggest purchasers of minibuses) have also reacted to the action of the transportation boards and the Welgemoed recommendations.

Mr Colin Adcock, managing director of Toyota, a leading supplier of minibuses, said recently that if they were barred from taxi routes the detrimental effect would be felt by black businessmen, the motor industry and the transport infrastructure.

● Sabta stated there are almost 3 000 black taxis operating in Johannesburg alone and three quarters of these are minibuses. An estimate of the number of commuters moved by taximen in the PWV each morning and evening is over 100 000.

# Drivers to fight plan to scrap taxi-buses

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# London meeting will decide fate of PE shipyard project

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By LOUIS BECKERLING  
Business Editor

A CRUCIAL meeting in London next week could provide the final chapter of the nine-year-old saga of the proposed Port Elizabeth ship repair yard.

At the meeting, which will be attended by potential US financiers of the scheme, a decision will be taken on either to proceed with the final phase of the project or to shelve it entirely.

Mr Henry Combe, managing director of the Algoa Bay Dockyard Development Company, yesterday confirmed this information and said he was headed for a "make-or-break" meeting.

Also at the meeting will be.

- The recently-installed new chairman of the dockyard company, Dr Konstant Bruinette, who is currently in the United States.

- The key figure in the design and management of the proposed dockyard, Mr Manuel Perestrello de Vasconcellos.

- Representatives of the London firm, H P Drewry, which recently concluded a



Mr HENRY COMBE

market study of the feasibility of the project.

Mr Combe said: "The decision to be taken in London is whether to proceed with the ultimate phase, which would lead to the finance being put together for actual construction. We don't yet know exactly how much money we would need but the finance is lined up and there are several sources we could employ."

Mr Combe said he would divulge details of this "ultimate phase" on his return from London.

"Should the financiers, who will be attending the meeting merely as observers and advisers, decide to withdraw from the scheme,

there are several other sources of finance we could employ," said Mr Combe.

Mr Combe declined to identify the financiers. They are, however, believed to represent US banking interests.

Explaining his reluctance to identify the US group, Mr Combe said there was "a wave of anti-South African sentiment in the States and we can't say who will be involved".

At a meeting of the Exporters Club in May, Mr Combe said he believed this would be "within 12 months", and yesterday Mr Combe stuck by this assessment.

Shipping industry sources do not share Mr Combe's optimism. Next week's meeting takes place against a background of depression in international trade and a total change of emphasis in modern shipping since the scheme was first mooted in 1974.

Coincidentally, the Lisnave Shipyard on the Tagus River in Lisbon, which Mr Perestrello de Vasconcellos designed and built in the mid-sixties, this month appealed to the Por-

tuguese Government to bail it out of bankruptcy.

Workers at the yard have not been paid for two months, and the company administering the yard has forecast a \$60 million (R66 million) deficit for the current financial year.

The Lisnave yard's collapse apparently followed as a consequence of costly mid-sixties expansion by Mr Perestrello de Vasconcellos to accommodate super tankers.

Since then the giant tankers have virtually disappeared from international trade routes, as have extra-large bulk carriers.

Preference is now shown for ships of less than 150 000 tons. (The proposed Port Elizabeth shipyard initially aimed at accommodating 550 000-ton tankers but the plan has since been scaled down to cater for 350 000-ton ships and, in a second, smaller dock, vessels of about 150 000 tons).

Commenting on the collapse of Lisnave, Mr Combe said: "We have the market study by H P Drewry to go by, and it paints a very rosy picture of the future for the Port Elizabeth yard."



# Magnum is ruled out on Maritzburg route

By Richard Paris  
Air Correspondent

One of South Africa's largest private airlines, Magnum, received what could be a crippling blow yesterday when it was advised that another carrier is to fly its fastest-growing and most lucrative route.

Magnum, which was once — but is no longer — connected to the notorious bankrupt group of companies of the same name, has been credited for putting Maritzburg on the aviation map.

The carrier launched a service between Johannesburg and the Natal capital in 1978, after a drawn-out battle with the National Transport Commission and South African Airways. It finally won the right to fly the route when it took the case to the Supreme Court.

But it never actually held a licence for a non-stop service between Jan Smuts and Pietermaritzburg — only one which was routed

by way of Newcastle.

When the Government asked the airline to rationalise its licences, it applied to the NTC earlier this month and was opposed by Comair and SAA. Comair applied to operate the route itself at the same time.

A spokesman for Comair told The Star last night it had won the route application and would be introducing 44-passenger Fokker Friendships to Maritzburg soon.

However, a director of Magnum, Mr John Bescoby, pointed out that the airline "built up this route from nothing to one of the most successful in the country".

The decision has resulted in the immediate resignation of the chairman of the Airline Association, Mr Sandy Ord, who is also Magnum's managing director.

"We will only know the reasons for the decision next week. But we do not intend to sit back and accept it. Flights will continue normally," he said.

# Govt acts to curb profitable private road-hauliers

332 RDM 2/7/83

By SIMON WILLSON

Industrial Editor

AS the quantity of freight moved by road and rail in South Africa increases after falling in the last quarter of 1982, the private sector's share is holding at more than 64%.

Private-sector road-hauliers say they are being penalised under amendments to the Road Transportation Act which hinder them and favour the State-owned South African Transport Services.

Central Statistical Services figures show the private sector holding on to its lion's share of the market.

The seasonally adjusted Sats share of national freight movement fell from 42,6% in March last year to 33,7% last December. The Road Transportation Act amendments are seen by some in the industry as being designed to arrest this decline.

In March this year, the latest month for which figures are available, the private sector moved 21 371 000 tons of freight by road against Sats 11 812 000 tons.

Total private-sector and Sats freight movements in March totalled 33 183 000 tons, up 7,7% on the February total.

Organisations representing private hauliers have been sharply critical of the amendments.

The National Association of Private Transport Operators (Napto) claims that the Government has taken little or no notice of the private sector's views.

Napto says the Department of Transport has not been concerned with the wider interests of the eco-

THE Department of Transport and private-sector road hauliers are working on new national freight statistics which will reflect more accurately the division of traffic between the public and private sectors.

Present figures have been criticised as inaccurate because they take no account of the distance over which freight is hauled.

Mr Jack Webster, chief executive of the National Association of Private Transport Operators, said: "The new figures will reflect the ton/kilometre factor and will give a better picture of the industry's productivity."

Present statistics also did not account for road transport done without reward, such as the road freightage within companies using their own vehicles.

nomy in drafting the amendments, and has been primarily concerned with protecting Sats from competition.

Napto said the ramifications of the amendments were far-reaching, because the measures:

- Removed the discretion of the courts.
- Made carriers liable to confiscation of their goods and vehicles.
- Made consignors of goods liable to confiscation of goods.

The Minister of Transport can prevent the Transport of virtually any goods even if permits are held.

A Transvaal road transport operator last month became the first haulier to be fined the maximum of R10 000 under the amendments for carrying road freight without a permit.

The haulier's vehicle and its load were confiscated, a penalty levied automatically under the amendments for a third offence.

The confiscated material will be sold, the proceeds go-

ing to the State.

Transport industry commentators speculated this week that other private road-hauliers already convicted of two offences under the amended Act would have to dissolve their companies and resume business under a different name to avoid the heavy penalty for a third breach of the Act.

The Durban Chamber of Commerce has been even more strident in its criticism of the amendments.

Writing in the transport magazine Freight & Container Weekly, a transport spokesman for the chamber said almost every piece of legislation affecting transport could be construed as containing some element of Sats protection.

"The Government honours the free-enterprise system more in the breach than in the observance when it comes to the interests of Sats."

Every obstacle was put in the way of the haulier and his client who, for a variety of

good reasons, wanted his goods delivered by road instead of by rail.

"High-rated goods being lost to private-road hauliers have been of the utmost concern to Sats which has looked, with a great measure of success, to the Department of Transport to do everything possible to prevent private enterprise from competing on the basis of cost and service," said the chamber spokesman.

Most of the so-called pirate road operators were law-abiding citizens who became outlaws only through the frustrations of meeting resistance when they tried to legalise their work.

It was to be hoped that Sats would "cease its constant search for ways and means of crippling private enterprise on the highways and settle down to the job of making its legitimate services cost-orientated in accordance with business principles to which it is required by law to subscribe".

Writing in the same magazine, a transport academic said the Government had little choice but to continue with legislation to preserve the Sats monopoly.

Mr B C Floor, director of the Transport Research Centre at the University of Stellenbosch, said Sats was unable to contract its operations because of its financial structure and its obligations as a common carrier.

"Provided everyone accepted a substantial rise in the tariffs on agricultural products and raw materials, the tariff differentiation of the Railways could be eliminated or reduced and a more open transport market could be promoted."



Owners warn of bitter fight ahead

# KOMBI TAXIS RULE, OK!

332  
City Press  
3/7/83

**JO'BURG** — Taxi-owners have warned of a bitter fight against the proposed phasing out of the Kombi-type taxi.

Their stance comes the wake of the Welgemoed Commission of Inquiry, which in its final report has called for the abolition of Kombi taxis. The commission was appointed to look into bus transport.

Taxi people have warned of the consequences that could follow if the Welgemoed recommendations were made law.

Mr Jimmy Sojane, president of the Southern Africa Black Taxi Association (Sabta), warned: "We will fight to the bitter end."

The report spells the death-knell for taxi owners throughout the country who face total ruin should the proposals be accepted.

A ban would affect thousands of commuters travelling between the cities and townships.

The report, tabled in Parliament this week,

**By LEN KALANE**

recommends that taxi permits be issued only to vehicles carrying four passengers and the driver, a move which will effectively rule out the Kombi.

It also recommends that taxis be allowed to rove as in Britain and the US and that they be painted one colour.

But Mr Sojane said Sabta didn't approve of the one colour idea, adding that a badge to distinguish registered taxis from pirates would be better.

The taxi chief however "We are going to see the Minister of Transport ourselves to put our case through."

"I don't see the day dawning when Kombis will be stopped from operating as taxis. We also have commuter support.



# Police probe transport 'fiddle'

By Kevin Davie  
3/7/83

A MAJOR investigation has been launched into allegations of transport permit irregularities involving officials of the Department of Transport.

An official of the Road Transportation Board in Durban is no longer working for the board. He appeared in court with five other men following an investigation by the Railways Police into allegations that could involve tens of thousands of rands.

The six men have appeared three times in court, but have not yet been charged. It is understood the men will be formally charged when they appear in court later this month.

The court appearance of the men arises out of the alleged sale in recent months of transport documents that had the appearance of bona fide documents, apparently complete with official stamps and signatures of senior officials.

Genuine permits are

now hard to get because transport boards have cut back on granting them. South African Transport Services has tried to reduce the huge deficit it faces by competing for business traditionally the reserve of private hauliers.

The price of the permits has rocketed as a result. They cost about R100 when bought from the transportation board, but trucks are so desperate that they resell for about R60 000.

Attempts by the Sun-

day Tribune this week to get official comment from South African Transport Services, the Department of Transport or the Railways Police were unsuccessful.

Inquiries were referred from one department to the next or senior spokesmen said the case was sub judice so they were not prepared to release even the most basic details.

"Allegations in regard to falsification of transport documents are presently being investigated

by South African Railways Police.

"Since the matter is sub judice, the department has no comments to offer," the director-general of the Department of Transport, Adrian Ecksteen, said.

Mr Ecksteen declined to say whether transport officials were involved, whether the investigation by the Railways Police was being supplemented by an investigation by the Department of Transport or whether any officials had been prosecuted or had resigned.

## Baby dies after shanty broken

Tribune Reporter

A FISH Hoek couple have alleged that their 10-week-old baby, Veronica Michaels, died of exposure after Department of Community Development officials broke down their shanty, forcing them to sleep in the open.

Captain Jan Calitz, police liaison officer for the Western Cape, said: "We can confirm that the death of this little girl was reported to the police on June 20."

"She was taken to the mortuary. The police are investigating to ascertain the cause of her death."

The child's father, Benjamin Davids, said he was told by a doctor at Salt River mortuary that the baby had died of exposure.

The child said she too

lived on a shanty on Jun

There she was by a doctor and medic

By Saturday completely took her sh

Mr F G the Department, confirmed



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# Primitive services for blacks

AR445 4/7/83 332

Municipal Reporter

PUBLIC transport services for blacks in the Western Cape were "primitive" and could cause "very serious problems" for the metropolitan road system in future, the Cape Town City Engineer has warned.

A report before the Utilities and Works Committee today recommends that about R80 000 be spent during the next five years to upgrade bus termini and routes in Langa, Nyanga and Guguletu.

## Khayelitsha road users will 'seriously overload' system

Municipal Reporter

According to the report, signed by the Deputy City Engineer, Mr A E Thorne, "most of the public transport interchanges for blacks are unsurfaced, poorly drained and flooded at times in the winter, causing extreme discomfort and possibly hazard ...".

In summer the areas were dusty and difficult to keep clean and the lack of permanent surfaces made effective traffic management difficult.

### "Lacking"

In addition "facilities for the sheltering and convenience of passengers are also lacking".

"Latest statistics show that the black population is the fastest growing sector of the metropolitan population and the use of private cars, whether individually owned, lift clubs or informal taxis, cannot but cause very serious problems on the metropolitan road system."

The report recommends that bus termini in Langa, Nyanga and Guguletu be redeveloped and that bus routes in Langa be upgraded.

The costs of the projects would be shared by the Western Cape Administration Board, the National Transport Commission, the Metropolitan Transport Plan and the Provincial Administration.

THE City Engineer has warned that commuting by people living in Khayelitsha will "seriously overload" the metropolitan road system and has called for an "urgent study" into a rail link with the new town.

A report before the City Council's utilities and works committee today says the new town could ultimately accommodate 200 000 people, of whom at least 40 percent would be economically active.

"The transport of such a large number of people by road, even if bus transport were used, would seriously overload the existing metropolitan road system and in particular the already heavily trafficked Settler's Way," the report says.

"The position would be considerably worsened if private vehicles were used, whether in the form of private cars or car pools or taxis."

The proposed extension of the metropolitan rail system to serve Khayelitsha had been discussed by "all the officials concerned" but the SA Transport Services needed a report showing the "feasibility and viability" of the system.

The report recommends that private consultants and the Transport Research Centre at Stellenbosch University be appointed to do the study since it is imperative "that this investigation be carried out without delay".

(25) (552)  
**Bus fares  
up July 13**

EAST LONDON The increased bus fares announced recently by the CTC Bus Company will come into effect on Wednesday, July 13.

Workers' 10-ride clip-cards will be sold at the old price up to and including Thursday, July 14. All clip-cards sold from Friday, July 15, will be sold at the new price.

— DDR



# Pebco will fight bus fares rise

332 Post Reporter Post

RESIDENTS of New Brighton were told at a meeting last night to brace themselves for a tough fight against the increased bus fares.

The meeting, organised by the action committee of the Port Elizabeth Black Civic Organisation (Pebco) to investigate ways of effectively opposing the bus fares, was held in the Great Centenary Hall, New Brighton.

It was chaired by Mr. Qaqawuli Godolozzi,

7/7/83  
president of Pebco.

Mr. Mkhusele Jack, a member of the action committee and president of the Port Elizabeth Youth Organisation (Peyco) said today the meeting was called to tell residents of the steps taken so far.

He said strategies and plans to fight the busfare increases were put to the people and a final decision when to launch these plans, which would call for "sacrifices" from all residents, would be taken at a mass meeting to be held at a later date.

# Minibus sales in the lead

By SIMON WILLSON

Industrial Editor

THE increase in minibus sales continued to outstrip the rest of the motor market in the first quarter of the year.

Manufacturers say a shadow has since been cast over their market by the report of the Welgemoed Commission, which has recommended banning the use of minibuses as taxis.

Figures from the Central Statistical Services in Pretoria show that sales of new minibuses in March this year at 1 208 units were 32,2% up on the February total.

Sales of used minibuses in March, the latest month for which figures are available, were 1 448 units — a 14,9% increase on the February total.

Sales of new minibuses in the first quarter of 1983 totalled 3 334 — 20,3% more than in the same time last year.

First-quarter used-minibus sales totalled 3 773 — 13,3% less than in the first quarter of last year.

The Welgemoed Commission recommended withholding taxi licences from minibuses, and said taxis should be defined as vehicles carrying not more than four people plus a driver.

Toyota, market leader in the commercial vehicle sector, said minibus sales would drop by 30% if the commission's recommendations were accepted by the Government.

The National Association of Automobile Manufacturers of South Africa, the Automobile Association and the South African Black Taxi Association will oppose the commission's findings.

A breakdown of the sales figures shows that new-minibus sales in the PWV area in March at 132 were 34,7% up on February's sales. PWV sales of used minibuses totalled 63 — an increase of 12,5%.

Sales of new minibuses in the Western Cape in March totalled 72 — an increase of 105,7% on February sales. Used-minibus sales in the area in March were 55% up on February sales at 228.

New-minibus sales in the Durban area at 74 in March were 4,2% greater than in the previous month. Used-minibus sales in the same area at 80 units were up 19,4%.



# Hauliers see threat to free trading

9/7/83 332 ROM

By SIMON WILLSON

Industrial Editor

PRIVATE-sector transport businesses believe free enterprise is under attack from Government measures designed to protect public-sector transport services.

Organisations representing private-sector transport interests have written to the Director-General, Transport, expressing concern at a tightening legislative stranglehold on private hauliers.

The organisations believe that this year's series of laws and proposed regulations controlling private-sector transportation are designed to protect South African Transport Services.

Sats's share of national freight carriage has been falling for more than a year at the expense of the private sector's rising market share.

Official figures show the private sector's seasonally adjusted share of goods carried by road and rail at 64,4% against 35,6% for Sats.

But this year's amendments to the Road Transportation Act, which came into force on April 22, and the succession of draft regulations that have followed, have raised private-sector fears that their domination of the market is now the target of a Government campaign to boost Sats.

Mrs Iona Reed, secretary of the private-sector Transport Consultative Committee (TCC), says: "We believe that there is now so much legislation coming out of the Department of Transport that the department is in total conflict with the Government's policy of a free-market system."

"Every new proposal from the department is merely more protection for Sats and leaves less room for free enterprise. It's frightening."

The TCC, along with other private-sector bodies, such as

the Federated Chamber of Industries and the Association of Chambers of Commerce, have submitted objections to proposed legislation to the Director-General, Transport.

Amendments to the Road Transportation Act are on the statute book in spite of opposition from the private sector and complaints from umbrella organisations that they were not consulted sufficiently before the legislation was enacted.

These amendments include tightening the rules making all lorryloads of freight subject to official inspection, and a tenfold raising of the maximum penalty to R100 000 for contraventions.

Under the amendments, the Minister of Transport also received the power to prevent the conveyance of virtually any goods on a goods vehicle, even if permits allowed it. They also removed the discretion of the courts in penalising offenders.

The first private-sector road haulier to incur the maximum penalty under the amendments was fined R10 000 and had his load and vehicle confiscated.

Private-sector indignation has switched to new proposals by the minister which will affect transport of freight by road in containers.

The proposed regulations would:

- Compel road hauliers to load containers on vehicles only in such a way that they could be opened for inspection.
- Remove the exemption of goods from the provisions of the Act if they were carried by road in containers.

Mrs Reed says: "This is a

direct attack on private enterprise in transportation and would impede the speedy movement of imports to the Reef."

Mr Norman Fletcher, a member of the FCI subcommittee on transport, says the proposed container regulations will result in increased costs to manufacturers and consumers through needless double handling.

"Importers will simply re-pack imported freight in Durban and have it put on regular road transporters. This means costly double handling, but it will still be cheaper than sending it by rail."

"The trade press is also outraged about the container proposals. Quoting hauliers' verdicts of 'unutterable madness', Freight World says that for Sats to boost its coffers 'by beating private concerns with official cudgels goes against every precept of the free-enterprise system'."

Freight & Container Weekly says that if the proposals are approved, "hauliers who up to now have provided a speedy, competitively-priced service for importers on the Reef, will finally be forced to bow out."

The Director-General, Transport, Mr Adriaan Eksteen, confirmed this week that with the exception of the four provincial administrations, all reaction to the proposals had been unfavourable.

He said the department was analysing private-sector reaction before taking a decision.

"The objections of the various bodies are viewed in a serious light and the assurance can be given that this matter will be carefully considered."





Mowbray bus terminus ... becoming a flashpoint.

W/E ARGUS 9/7/83

# Crime, congestion: It's terminus chaos

By IRVING STEYN  
Weekend Argus  
Reporter

THE Mowbray bus terminus, on the edge of a residential area, is becoming a flashpoint, with muggings, unbearable noise from hooters, accidents and littering.

About 350 000 commuters and up to 12 000 buses weekly clog the area, to the exclusion of other traffic.

Local residents and shopkeepers are inflamed by the apparent "game of ducks and drakes" authorities are playing with what has become an increasingly hard-to-handle hot potato.

## Streets closed

As the numbers of buses and commuters increase, so:

- a number of streets have been closed to traffic other than buses;
- muggings have become frequent, with many women refusing to use the subway;
- the litter problem has become "disgusting".

Now, after years of asking for a solution, the local ratepayers'

association accuses:

- the bus company of being a law unto itself;
- the traffic department of turning a blind eye;
- the city council of dragging its heels on the issue.

## Junction

The chairman of the Mowbray, Rosebank and Observatory Ratepayers' Association, Mr John Day, says more and more bus services are being brought into the area.

"Why is it necessary to bring all these people into Mowbray? Very few of them work here. They catch trains and buses into other areas. They should look to Salt River as the natural junction — not here."

Every time improvements are made to the terminus, which was built 12 years ago, more buses are pumped through the area.

"We have tried everyone and everything, but they are all playing ducks and drakes with us," Mr Day said.

The City Council has now closed a number of

roads, apparently without advertising their intention, and the traffic department simply ignores the blatant violation of traffic laws by bus drivers.

"At one time there was a bus inspector doing point duty. I can predict right now that one day we are going to have a terrible accident."

Congestion builds up during the rush hour and lasts until seven or eight at night, with bus drivers simply leaning on their hooters in congested situations.

## Knocked down

"There have even been complaints from a church in the area about the noise from hooters. And that was on a Sunday morning."

A businessman near the terminal, Mr Patrick Leonard, said Mowbray's streets were never designed to take the number of buses they are forced to take now. Cars had been damaged, some more than once. One man had been knocked down by a bus which had allegedly mounted a pavement.

"These bus chaps seem to have complete immunity from the traffic department," Mr Leonard said.

A city councillor for the area, Mrs Agnes Beyer, said the council had no improvements planned for the terminus "for a couple of years". The matter was being investigated by municipal officials.

## Responsibility

A spokesman for City Tramways said the establishment of termini were the responsibility of the City Council.

He did not think moving the Mowbray terminus to Salt River would be practical. The Mowbray terminal was closest to the black areas of Guguletu, Langa and Nyanga and to the southern suburbs, where most the commuters worked.

Cape Town's traffic manager, Mr Harry Atwood, commented: "Mowbray terminus was designed for a quarter of the number of buses using it today. Makeshift changes have been made, but the problem is that you are dealing with a saturation situation."



# City's taxis with 'worst in world'

Cape Times 9/7/83

332

## Chief Reporter

MOUNTING criticism of Cape Town's taxi services, considered by many visitors as not only inadequate but "among the world's worst", has brought calls for action from hotel and tourist bodies and from organized commerce, for improvements in this sector of the Cape's all-important tourist industry.

Spokesmen for Captour, the Cape Hotel, Bottle Store and Restaurant Association and for the Cape Town Chamber of Commerce said this week that they would welcome fully-representative and frank talks between bodies concerned with tourism and the taxi operators.

Mr Moss Raymond, chairman of the Western Province Taxi Owners' Association, said he, too, would welcome such talks.

## 'Unjustified'

"This would give us a chance to tear strips off the hotels for taking business away from us — and then charging more for the services they provide — and to answer what we feel is unjustified criticism."

Captour (Cape Tourism Authority) feels particularly strongly about the "unhappy" state of taxi services in the Peninsula, and its managing director, Mr John Robert, has called for an inquiry into the taxi industry here.

Cape Town taxis have been faulted by tourists on these and other points:

- They are expensive compared with taxis in other cities of the world, and strangers to the City

frequently feel they have been "ripped off".

- Many Cape Town taxis are dirty and in a generally run-down condition.

- There is no uniformity, as in London, for easy identification of taxis.

- There are no "cruising" taxis, as elsewhere in the world, and in parts of Cape Town taxis are hard to find.

- Cape Town taxi-drivers are often ill-informed about the sort of things tourists want to know about.

The Local Road Transportation Board recently granted applications to some taxi operators — and other applications are being considered — for 30 per cent increases in their tariffs. The successful applicants are now entitled to raise their charges from 80c to R1,20 a kilometre, and their flag-fall from 60c to R1.

Captour's publicity manager, Mr Hans van Heukelum, said yesterday that Captour's efforts to establish Cape Town as an international conference centre could be seriously jeopardized by poor public transport, and particularly by taxi services that fell short of standards that visiting business executives and others expected.

Mr Brian Macleod, director of the Cape Town Chamber of Commerce, said it was through taxis that visitors often formed first impressions of a city, and the Chamber was "most concerned" about the number of complaints brought to its notice about taxi services in

Cape Town.

- Taxi owners on the other hand said yesterday that they were strictly controlled and monitored by a special department of the City Council's Traffic Department and that complaints that their charges were excessive or "rip-offs" were largely unfounded.

Mr Moss Raymond said one the greatest "menaces" faced by taxi owners was the number of pirate taxis that were taking business from them.

Mr George Todd, managing director of one of the biggest taxi-operating companies in the Peninsula, said taxi drivers had not had an increase in income since 1979, and that owners had had to meet steeply rising running costs.

He admitted there were "certain privately-owned taxis" that were not kept as clean as they should be, but it was up to the authorities to act against these people.

## Taxis 'examined'

- A spokesman for the Cape Town Traffic Department said every registered taxi in the municipal area — and there were about 520 of them — had to be examined for a certificate of fitness every six months. This entailed a thorough internal as well as external examination of the vehicle.

A special team of six officers at the department concerned itself exclusively with taxi operations, he said, and the pirate taxi was one of its biggest problems.

DURBAN-based shipping and forwarding company Sealandair have placed a R200 000 order for four Mercedes trucks from NMI's truck division in Prospecton — after an 18-year battle to obtain a harbour carrier's licence.

Sealandair, formed in 1965, is the only Indian-owned company to hold such a licence in this country.

## SHIPPERS' SUCCESS AT LAST

*S. Tribune 10/7/85*

### Finance Reporter

"The licence, normally the preserve of the South African Transport Services and a handful of

white-owned companies, was our major priority," said manager Nithia Reddy, son of the former South African Indian Council chairman Mr J N Reddy.

"We were determined not to throw in the towel, and 18 years of perseverance paid off in April this year when we were finally granted the licence."



# HAULIERS HIT BACK

**ACTION** is being taken to bring about the scrapping of the controversial permit system controlling the transportation of goods by road.

Behind the move is the emergent South African Private Hauliers' Association (PHA) which wants it replaced with a temporary permit system that would put all transport operators on the same footing.

Smarting from a rebuff by Transport Minister Hendrik Schoeman who opposed a hearing to bring about this change, the PHA - a fast-growing organisation of fleet and warehouse owners - 80% Indian and 20% White - has appointed legal counsel to advise how they can get negotiations under way.

Expecting its membership to spiral from 110 fleet owners to about 500 when it spreads from Natal to open branches in the Transvaal and Cape regions, the PHA claims that the matter has "come to a head" with the drying up of permits being issued to its members now being "squeezed out of existence".

The PHA claims its aims are in line with those of the Public Carriers' Association (PCA), and that

it has a "bigger" membership than the PCA, but the latter is reportedly distancing itself from the PHA.

Now counsel has been appointed to pursue representations with the Minister of Transport through legal channels, disclosed Ramsharitar Panday, a PHA spokesman and transport affairs representative on the SA Indian Council (SAIC).

"The Minister says he cannot see us because we are not officially recognised - but we are a legally constituted body and have asked him to make good his assurance in Parliament, and Hansard, that he is prepared to talk to anybody who has trouble with current transport legislation," said Panday.

Panday said that attempts earlier to join up with the PCA "brought no response". So the PHA decided to go it alone.

"The PCA said that we would be included in their delegation scheduled to meet the Minister, but that did not happen," said Panday.

Neither Jack Webster, PCA executive director (on lecture tour), nor Mike Norris, president of the

PCA (on leave), could be reached for comment.

Norris is on record as having said that Panday was asked to arrange a meeting to recruit more members, but the meeting did not materialise.

Said Panday: "Our arrangement was that the PCA would be coming back to us with a packaged suggestion. I had only one meeting with the PCA, but have received no contact from them since then."

Panday claims that about 35% of PCA members have permits to operate, but PHA president Chris Moonsamy said it was closer to only 5%.

"These operators have been building their businesses on the strength of temporary permits relating to all kinds of manufactured commodities, including containers for the reef and CKD packs, spare parts and machinery.

"These permits started to dry up towards the end of last year. Things have finally come to a head since the authorities introduced R10 000 fines, plus confiscation of goods and vehicles for those caught operating without permits," said Moonsamy.

Some PHA Members have up to 35 trucks in

their fleets, almost totally financed by finance houses, and involving up to R30 000 a month in lease repayments," he said.

Said Panday: "Our members are not pirates or fly-by-nights. Some have fleets worth more than R2-million, and most have warehouses, workshops and other costly overheads."

The authorities have been glad of their help in clearing goods from Durban docks, especially in 1981 when there was a log-jam of traffic. But now things

are tighter, these operators are being squeezed out of existence.

"Some have to work through White nominees. These people own the permits and use our members to carry goods using their permits, in return for 10% of the profits."

"These White nominees are, in at least five cases, members of the PCA, and scarcely own any vehicles. The people who are carrying the goods in these instances do not enjoy the benefits of PCA membership, which is wrong," said Panday.

**Staff Reporter**

332  
Industrial  
Week  
12/1/83



# Black transport political risk

372 Star 13/7/83

Bus operation in South Africa is dominated by whites. The users are overwhelmingly black.

The reaction of the "white" Welgemoed Commission on bus passenger transportation to this stark fact was to deplore the "politicisation" of bus transportation. Yet the very policy it now suggests hopelessly politicises the issue.

The commission recommends long-term phasing out of subsidies, banning kombi taxis altogether and, at the same time, depoliticising the issue. The commission's fear of politicisation is clearly justified.

A likely scenario: buse fares becoming rapidly more expensive, the option of black-owned microbus transport removed and the inevitable striving for personal freedom in the form of the motor car frustrated by an incurable shortage of road space in and out of the townships.

No doubt in line with its concept of depoliticisation the commission recommends an elaborate structure of "autonomous" agencies to control the bus industry. This includes the National Transport Commission (NTC), Regional Road Transportation Boards and Regional Transport Co-ordinating Boards.

The prospect that one day the bulk of bus users might influence operators through the normal channels of representative government seems very dim. One detects a reluctance to face up to the demands of a democracy.

The original purpose of establishing autonomous agencies ("boards") was to remove specialist activities from the general function of government departments and the prejudices of the party in power.

In the case of bus transportation these agencies are being used to accommodate highly controversial activities which are the subject of intensely political control. This control is inaccessible to meaningful debate by elected representatives and the public.

The Welgemoed Commission went so far as to suggest that bus transportation be declared a "strategic" industry. The implications for open and free coverage of the industry by the media are obvious.

Almost ironically the Commission revealed the value it places upon the autonomy of the proposed agencies by first recommending that the NTC retain the responsibility of high level formulation of broad policy and then proceeding to recommend what large sections of that policy should be.

In recommending the banning of microbus taxis the commission pre-empted the discretion of the proposed Regional Road Transportation Boards.

The appointment of the commission was premature. How can anyone solve an issue which centres upon the sentiment of blacks where there is no proper channel for that sentiment? This leads automatically to the whole

Conrad Berge of Jomag, writing in his personal capacity, warns of the dangerous nature of the newly-proposed African public transport policy.



Conrad Berge . . . "There is a reluctance to face up to the demands of a democracy."

question of a new constitutional dispensation.

What can be done?

Bus transportation cannot be separated from the creation of appropriate democratic administration. The bus transportation issue is a classic example of the type of problem a new constitution is trying to solve. It inevitably contains the clues to a solution.

● First, the wrong intention behind delegating control of buses to autonomous agencies must be acknowledged and the work handed over to government departments, where it can be frankly identified with the Government and debated openly as such.

● Second, this work must be distributed to all three tiers of government.

While the first and third tiers already have departments of transport, the introduction of such departments in provincial administrations would accommodate much of the work of the proposed Regional Transport Co-operation Boards and offset the traditional bias of provincial administrations towards extravagant highways and car commuting generally.

In the urgency to find a new constitutional dispensation not enough thought has been given to preserving and adjusting the existing three-tier system.

● Third, the multi-chamber interim system of government must include blacks and be extended to all three tiers.

● Mr Conrad Berge is honorary secretary to the Johannesburg-based Metropolitan Action Group (Jomag).



2691 332 Feb 15/7/83

# SATS wants to advertise on sides of trains, vehicles

By Richard Paris

South African Transport Services wants to boost revenue by selling advertising space on the outside of its trains, coaches and lorries.

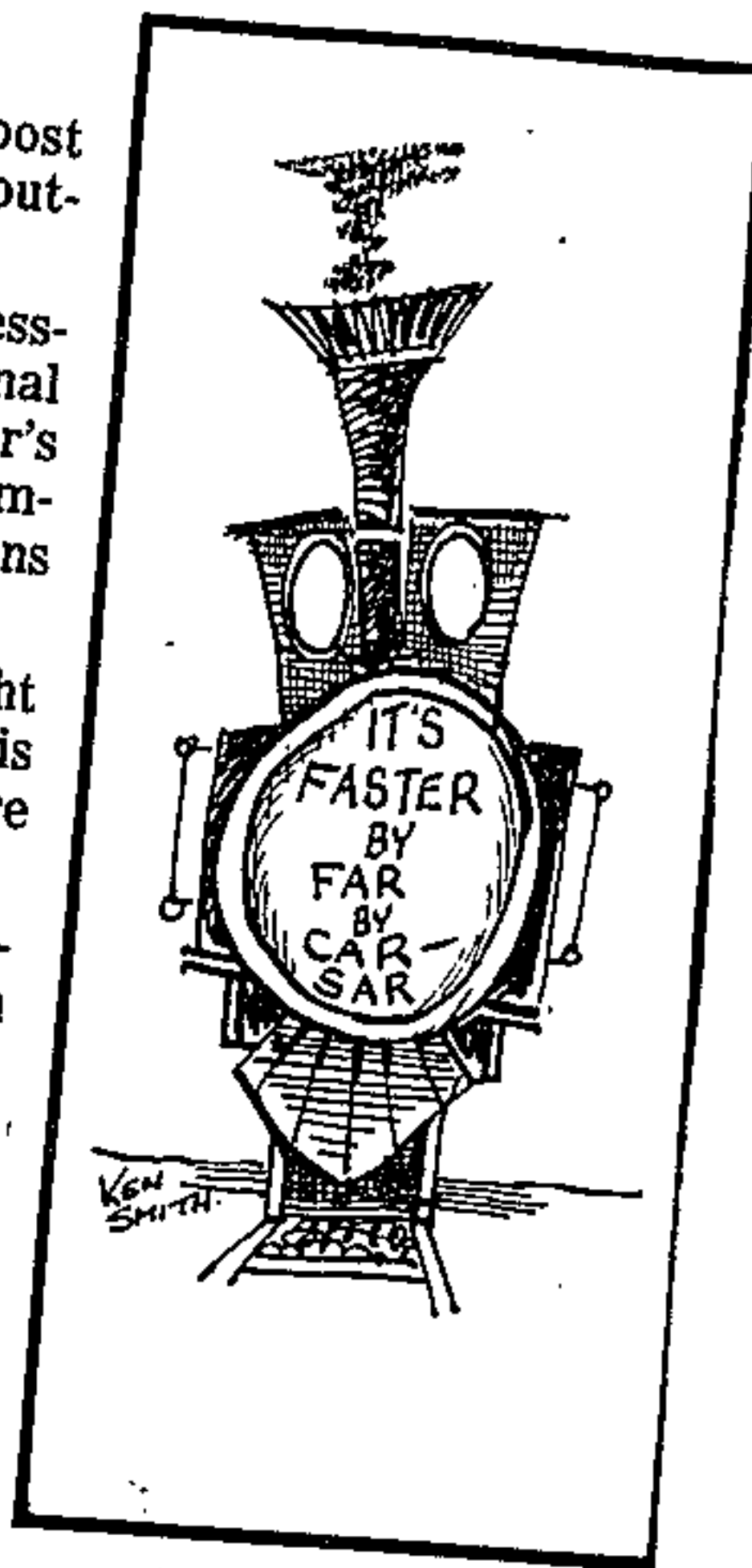
The assistant general manager, Mr Barry Lessing, said yesterday that although there were no final plans, SATS was interested in the private sector's reaction to advertising on wheels ranging from commuter and long-distance passenger and goods trains to coach and truck services nationwide.

"We have no idea what sort of market there might be in South Africa for external advertising of this nature or how much we could charge, but we are anxious to try it," explained Mr Lessing.

SATS has an annual deficit of more than R700 million. The national railways of at least one European country — Germany — has begun train advertising.

Advertising inside commuter trains in South Africa had been a "moderate success" but SATS hoped for a more positive response to external advertising.

The Railways' willingness to consider such a radical concept was part of a much more aggressive marketing strategy now adopted by the SATS, he said.



# Simpler motor licence system from August 1

Ar645 18/7/83 332

By BRIAN STUART  
Provincial Reporter

EVERY motorist in the Cape will soon receive a vehicle registration certificate as part of the province's new simplified registration system.

And, in future, to notify any change of address or transfer of ownership, motorists will merely complete a pre-addressed postcard and pop it in the post — no stamp is needed.

The system comes into operation on August 1. To start it, the province will instruct its computer to issue a vehicle registration certificate to every motorist. This will take the form of a postcard addressed to the owner.

## All details

The certificate will reflect the computerised entry recorded by the Provincial Administration, including the owner's name and address, type and make of vehicle, year of model and engine number.

Motorists must keep this certificate, as it replaces all previous registration certificates. It is proof of registration and must be handed to the new owner on change of ownership.

It will also notify motorists that from August 1 all registrations will be handled by municipalities and no longer by offices of the Receiver of Revenue.

## Automatic

New motor vehicle registration forms have been drawn up. They are contained in a single document which will automatically provide the carbon copies needed by the province, the municipality and the owner.

Attached to it are postcards, pre-addressed to the province's motor vehicle registration office and requiring no postage stamps.

Motorists will use these to notify changes of address, transfer of ownership, the theft of a vehicle or its permanent unfitness or scrapping.

It will be unnecessary for motorists to notify both the municipality and the province of the change. The pre-printed postcard will be enough.

All motorists will automatically receive these postcards on registering or re-registering any vehicle on or after August 1.

Other motorists will be able to obtain the postcards, free of charge, from their local municipalities.

## Falling away

As from August 1 the old system requiring motorists to re-register their vehicles when moving from one magisterial district to another will fall away — as long as they remain within the Cape. This will save re-registration fees.

But they should still complete a postcard to notify a change of address. This will automatically be entered in the computer.

This is important to motorists, because the computer issues reminders, about six weeks in advance, for the payment of annual licence fees.

## Post offices

This is the reminder the motorist takes to any post office in the Cape to obtain his new disc. The annual renewal of licences will continue to be handled by post offices.

If a motorist fails to notify a change of address, this notification will go to his recorded address and he could find that his licence has expired. He will then have to re-register the vehicle, which will cost R10.

In any case, the law requires him to give notice of a change of address or transfer of a vehicle.



# Taxi owners woo clientele

THE much maligned Soweto taxi owners have launched a get-tough campaign against their drivers in order to win the support of the unsympathetic Soweto commuters in their fight to retain their minibuses.

Though initially the Soweto people had expressed anger when it first became known that the Transportation Board intended phasing out minibuses, support of commuters is now vacillating. This worries Mr Thabo Makoa, the chairman of the Soweto region of the South African Black Taxi Association (SABTA).

Mr Makoa stirred a hornet's nest when he wanted to find out why the support of the Soweto commuters — "whom we are serving" — was dwindling. The grievances of the people

By PHIL MTIMKULU

against the taxi-drivers came out fast and flowing while Mr Makoa bravely fielded them.

Mr Makoa was told of commuters' grievances against taxi drivers and taxi owners. Mr Makoa was not allowed to exonerate the owners because they were not driving the vehicles. It was pointed out that it was their responsibility to inculcate good manners in their drivers.

Some of the grievances given to Mr Makoa were:

- Rudeness on the part of drivers to commuters.
- Commuters were

ordered out of taxis if they did not produce change.

- Drivers dropped passengers off before their destinations because they want to dash back to town or Soweto.
- Drivers ordered commuters not to smoke, yet they often smoked in taxis.

The most serious complaint against the drivers was their tendency to join a colleague in assaulting one person without bothering to establish the cause of the fight.

Mr Makoa and another executive members, Mr Seth Ramonotshi, conceded some of the points. But they pointed out that in the event of commuters



MALIGNED: Mr Thabo Makoa, chairman of the Soweto region of the South African Black Taxi Association (SABTA).

being assaulted by a driver, it was incumbent upon them to get in touch with either the owner of the taxi, the rank from which the taxi departed or the association to which the taxi belonged.

Mr Makoa also revealed that his association had bought a squad car specifically to monitor their drivers. But even with it, he pointed out, it was still difficult

to monitor the drivers. "But those we catch will regret the folly of their ways as the punishment we will meter out will hit the owners hard in their pockets. But over and above our efforts we would still appeal to the commuters to come to us with their grievances," Mr Makoa said.

"So they need community involvement," Mr Makoa concluded.

## Nkomo's son free

HARARE — Zanu leader Mr Joshua Nkomo's son-in-law, Mr John Ndlovu, has been released from maximum

# Rene denies amnesty hint

LONDON — Seychelles President Albert Rene has not yet decided whether to free the mercenaries, including South Africans, who carried out the abortive coup on the islands 19 months ago.

In a telephone interview, Mr Machel said: "I cannot confirm a report that they will be set free. No decision has

"But nothing has been decided officially."

It was put to Mr Machel that the report, which appeared in The Mail on Sunday here, included an interview with President Rene and that it could cause hurt to the

process was continuing. Already all women prisoners, and 30 men serving short terms of sentences for minor offences, had been released.

"There are a few more left," he said.

# US battles to kick out self-exiled African poet

CHICAGO — Yesterday the federal authorities resumed their efforts to deport Dennis Brutus, a black poet in self-imposed exile from southern Africa for 10 years because of his criticism of South Africa's apartheid policy.

The deportation hearing scheduled before Judge Irving Schwartz at US District Court here, represents a rare instance in which immigration and naturalisation service officials seek deportation based on classified information that is withheld from the defendant and his attorney.

Brutus (59) a professor of African and English literature at Northwestern University, has been fighting deportation for a year and a half, arguing that he would become a target for assassination by the South African secret police if forced to return to southern Africa. As

police.

In an advisory opinion to immigration authorities, Lawrence Arthur chief of the asylum division of the Bureau of Human Rights and Humanitarian Affairs, said his agency concurred with Brutus that he has a "well-founded fear of persecution in South Africa." He added, however, that Brutus had not established that he faced such persecution in his home country Zimbabwe. Now a black-ruled nation, Zimbabwe was formerly Rhodesia, a white-governed British territory.

"He claims fear of persecution by agents of the South African Government should he return to Zimbabwe and believes that the Zimbabwean authorities will prove unable to offer effective protection to him," Arthur said. "He cites the assassination of a prominent African National Congress official in Zimbabwe to support



# Taxis chasing time

332

20/7/83  
10/1/83  
By PHIL MTIMKULU  
WITH the recommendations of the Welgemoed Commission having already been tabled in Parliament, the South African Black Taxi Association (SABTA) is racing against time to try and influence the authorities not to outlaw their mini-buses.

The national office of SABTA has been holding meetings with influential people and their members informing them about the implications of the recom-

mendations of the commission. The first meeting was held on Tuesday between SABTA and oil companies and representatives from the motor manufacturing industry.

Today the National Executive Council of SABTA will meet at their mid-year conference in Welkom. Tomorrow the general membership will meet at the same venue.

The Welgemoed Commission recommends that the mini-

buses should be phased out as they compete to the detriment of existing taxis and bus services. It also recommends that much stricter action be taken against all unauthorised taxis.

There has been a flurry of activities since the commission's report was tabled in Parliament. Officials of the taxi association including individual taxi owners have been canvassing support to try and stop the authorities from phasing out mini-buses.



# Six Department of Transport men to appear in court

Mercury 22/7/83

## Mercury Reporter

SIX officials from the Department of Transport will appear in the Durban Magistrate's Court in connection with alleged irregularities in the issuing of transport permits to private hauliers.

An SAIC transport spokesman, Mr Ramcharitar Panday, said he believed at least six Indian hauliers had bought permits for R10 000 apiece.

The official price of the permits, which are issued at the discretion of Local Road Transportation Boards, is R10 each.

He said many small-time hauliers had had difficulty in obtaining permits since the Government-owned South African Transport Services had begun to compete more intensely with private business.

Brig Casper Pelsier, officer commanding Railways Police in Natal, said the matter was being investigated.

And a senior prosecutor at the Durban Magistrate's Court said charges had not been formulated as the matter was very complicated.

# Higher bus fares likely

CAPE  
Times  
22/7/83  
332

Staff Reporter

PENINSULA commuters can expect a further bus fare increase of about 8,5 percent in cash fares if an application by City Tramways to the Local Road Transportation Board proves successful.

In a statement yesterday, City Tramways said the increase was necessitated by a "general increase in operational costs".

The proposed increase has been logged with the Road Transportation Board and City Tramways said they expected the increase to be published in the Government Gazette.

A 12 percent increase in fares in May this year prompted a bitter outcry from several members of the lower-income group.

The statement said that apart from an interim increase in salaries and wages, the company had not assigned increases in operational costs to its passengers since September 1982.

"Linked to a wage agreement with the Tramway and Omnibus Worker's Union (Cape) already reached during April this year and which will take effect during November, the company is obliged to recover operational costs from its passengers."

The statement also said the proposed increase was by no means sufficient to cover the total increase in operational costs.



# Tramways ask for increase in bus fares

Staff Reporter

AN APPLICATION for an 8,5 percent increase in bus fares throughout the Cape Peninsula has been lodged with the Local Road Transportation Board by City Tramways.

According to a City Tramways statement, the proposed increase in cash fares was necessitated by a general increase in operational costs.

To minimise the effect of an increase in tariffs on passengers, City Tramways will apply to the Department of Transport to increase the subsidy on 10-ride clipcards.

## EXAMPLES

Examples of the proposed increases are, (new prices in brackets):

- Cape Town — Bellville Station 85 cents (93)
- Cape Town — Sea Point 47 cents (50)
- Cape Town — Bakoven 58 cents (63)
- Cape Town — Llandudno 78 cents (80)
- Cape Town — Hout

Bay/Harbour 85 cents (93)

● Adderley Street — Kloof Nek 47 cents (50)

● Adderley Street — Camps Bay 55 cents (60)

● Castle Street — Ndbeni/Municipal Market-Pinelands 63 cents (68)

● Claremont Station — Lansdowne Terminus 45 cents (49)

● Claremont Station — Hanover Park 50 cents (55)

● Claremont Station — Manenburg 58 cents (63)

● Claremont Station — Guguletu 63 cents (68)

● Claremont Station — Nyanga/Guguletu/Heideveld Station 63 cents (68)

● Sea Point — Mowbray 58 cents (63)

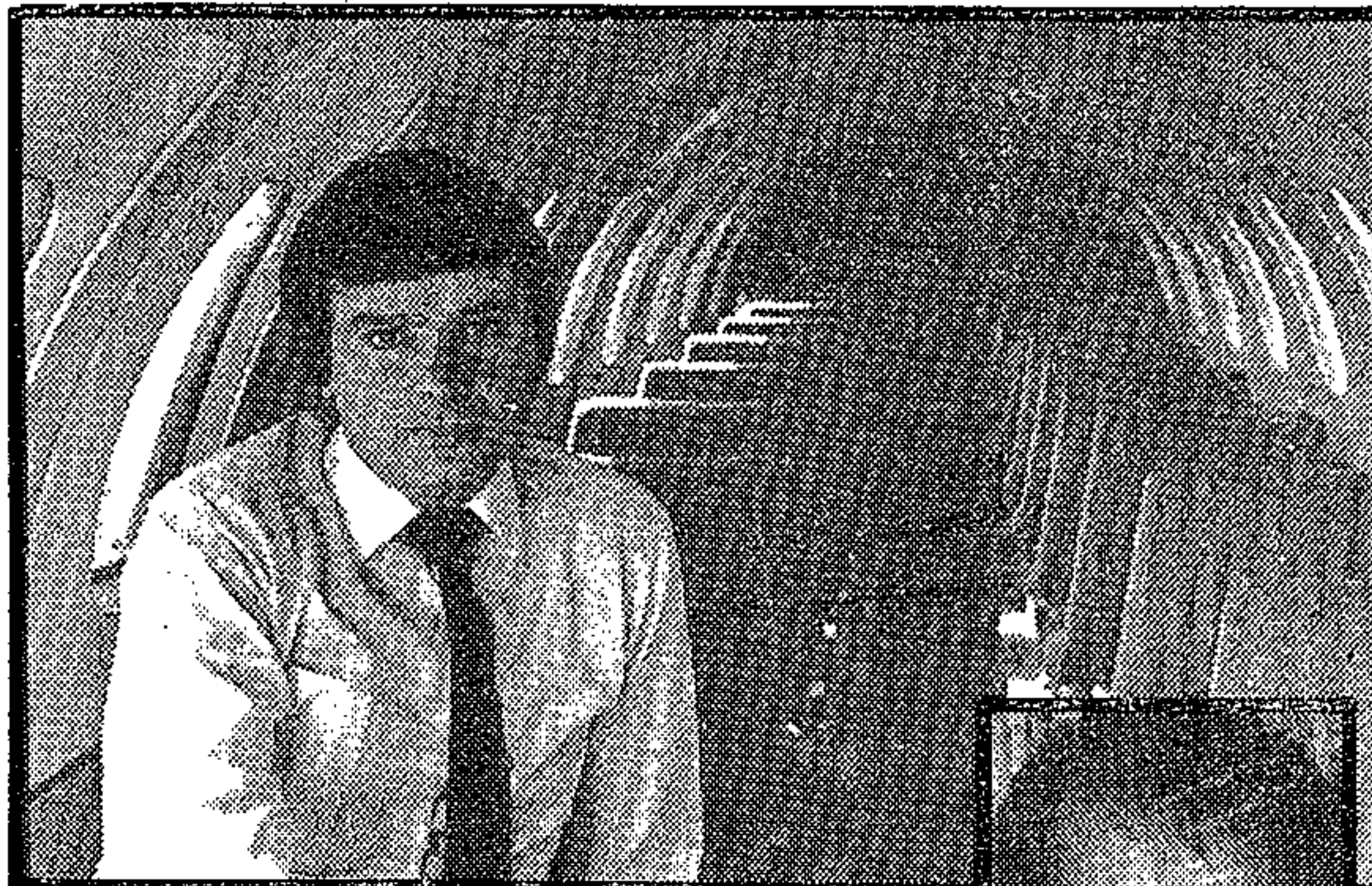
● Fish Hoek — Noordhoek 47 cents (50)

● Wynberg Station — Constantia Nek 55 cents (60)

Children under the age of four travelling in the care of a fare-paying passenger will be carried free of charge provided the child does not occupy a seat in the bus.



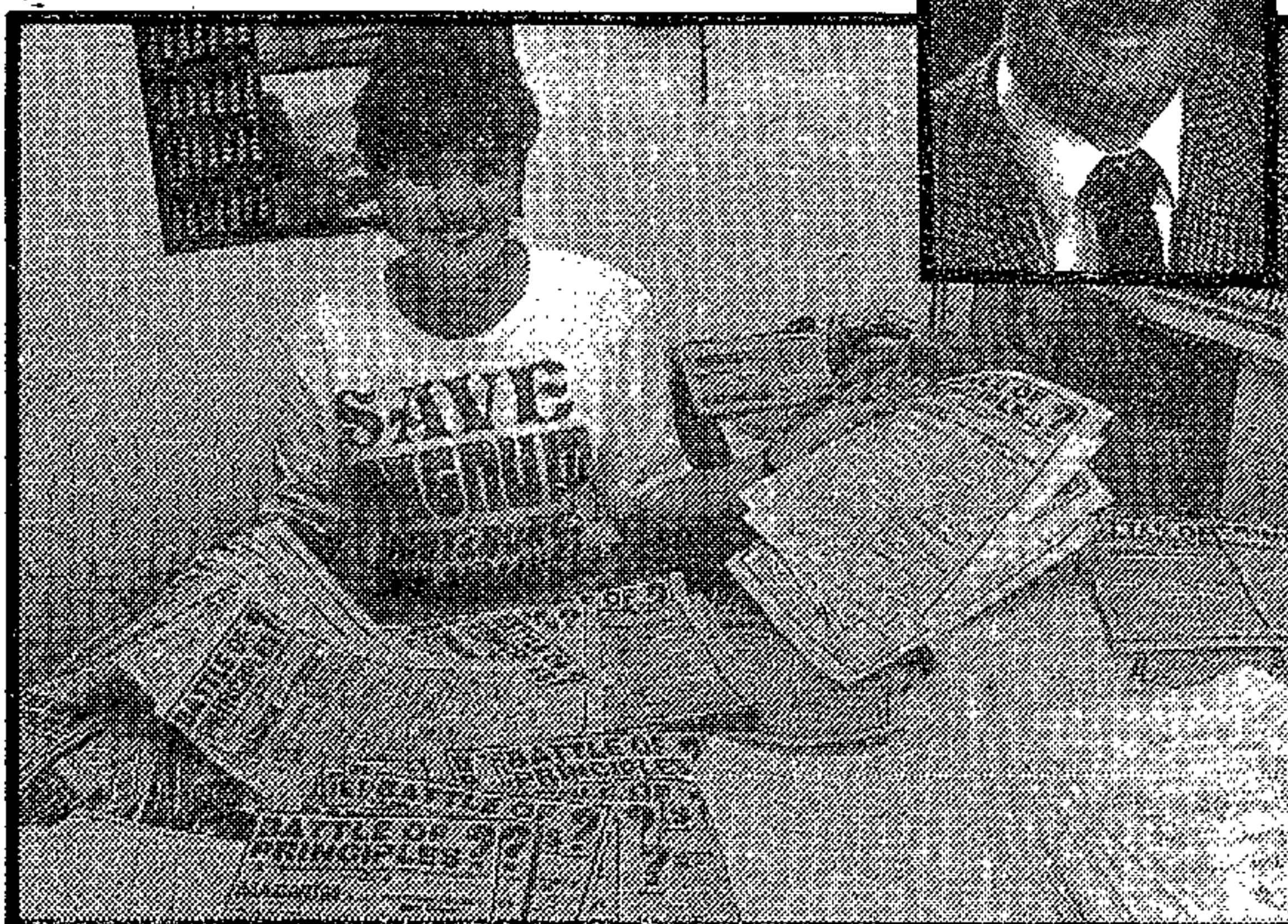
# IT'S A FIGHT OVER FLIGHTS AS MARITZBURG COMES TO THE AID OF MAGNUM AIRLINE



□ ABOVE: Magnum chief John Bescoby in one of the threatened airline's Metroliners: 'We'll fight for our rights' RIGHT: Mike (top) and John Hatfield, organisers of the "Save Magnum" campaign



## SHOT DOWN



□ Liz Parrott with hundreds of petitions supporting Magnum

QUOTE: <sup>332 S. Tribune</sup> This whole business  
is extremely unfair. 24/7/83  
it's a blow to free enterprise

Cont →



Sunday  
Tribune  
24-07-83

AN influential group of Pietermaritzburg citizens is attempting to shoot down efforts by a commercial airline to gain control of the skies over the Natal capital. Up in arms are about 5 000 people who have signed petitions deploring the attempted ousting by Comair of Magnum Airlines, who have served the city since late 1979 and have become almost a household name among Pietermaritzburg people.

While they will probably stop short of surrounding Pietermaritzburg's Oribi Airport with anti-aircraft guns to prevent a Comair aircraft landing, the protest group, which contains significant numbers of businessmen and industrialists, has fuelled the determination of Magnum to keep control of the lucrative direct daily flights to and from Johannesburg.

Apart from the purely commercial aspect of the battle between the two Johannesburg-based airlines is the sense of outrage that the city's reputation for fair play has been brought into question.

In June, the National Transport Commission (NTC) awarded Comair what the airlines calls the "first ever approved" licence to fly the route.

Magnum has claimed it does not need a special licence for a direct flight. Under three separate licences, the company's aircraft are permitted to fly between Johannesburg and Newcastle, Newcastle and Durban and Durban and Pietermaritzburg.

Magnum has not advertised the Durban or Newcastle stops and flies directly between Pietermaritzburg and Johannesburg on the grounds it does not have passengers for either Durban or Newcastle.

Now Magnum, which Pietermaritzburg people feel came to their aid and gave them an air service when no one else would, may have to give up the route, which carries 2 700 passengers monthly.

Magnum is to ask the Supreme Court to examine the NTC's refusal of its licence application. The court cannot issue another licence but it could advise the NTC it believes its decision should be reviewed.

Fullpage Comair advertisements in Pietermaritzburg's newspaper, The Natal Witness, have

### By RON GOLDEN

said: "We're looking forward to sharing a Friendship." The airline plans to introduce Fokker F27 Friendship aircraft on the route.

But a "Save Magnum" campaign has countered with its own advertisement in which more than 30 companies have identified themselves with the campaign and many others have subscribed to it.

The campaign organisers, local businessmen Mike and John Hatfield, say they have collected about 5 000 signatures from upset people.

They have also started a voluntary contribution fund towards advertising the campaign and cash left over is to go to the Red Cross/Sunday Tribune Drought Relief Fund.

Ken Vale, assistant Town Clerk responsible for administration of Oribi Airport, said: "On moral grounds we are behind Magnum. They started it all when everybody else (other airlines) said 'no' to the route."

In a letter to the Press, Mayor Pamel Reid said the council "has fully supported Magnum and would continue to do so" but must simply await the outcome of Magnum's decision to try to have the matter reviewed.

Four prominent citizens who also gave their reservations were:

□ George Foot, director of the Chamber of Industries: "In my personal capacity, I feel Magnum provided us with a good service and there is a general feeling among the people of Pietermaritzburg that this whole thing seems to have been done in an unpleasant way."

□ Rob Findlay, manager of the Chamber of Commerce: "We are extremely disappointed Magnum have lost the licence; their efforts pioneered the whole opera-

promoted Magnum and utilised it among our members. The whole thing is most unfair."

□ Dina Bagley, manager of a leading travel agency: "This business is extremely unfair. It is a blow to free enterprise."

"The people of Pietermaritzburg have become attached to Magnum."

"They have nice planes and they are nice people to deal with; now it will all be thrown away. They have been pushed out into the cold. It is a shame."

Comair's managing director Peter van Hoven said his airline had no qualms about taking over the route.

"The fact there is moral support for a service (Magnum's) which is operating without a licence, we can neither condone or support."

"We are not in conflict with Magnum. There is a Magnum-NTC confrontation."

"By issuing us with a licence, the NTC has placed an obligation on us to provide a service and we have 180 days in which to implement it."

Mr van Hoven said that during a recent visit to Pietermaritzburg he had not encountered resistance — "and certainly no bad feeling" — to Comair.

"People were interested to hear the circumstances of our arrival. As far as sentimentality over Magnum is concerned, it is not an unexpected reaction in certain sectors of the community."

Asked about the "Save Magnum" campaign, Comair commercial director Bert van der Linden said: "We are obviously going to go ahead with our plans. We are going to try to do this in the best possible way in the interests of the Pietermaritzburg and Johannesburg communities."

"That is really our only consideration."

# Ciskei police asked to leave station

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EAST LONDON — South African Transport Services (Sats) Police asked Ciskei Police to leave Mount Ruth station, near Mdantsane, on Friday night, the Commander of Sats Police in the Border area Col. J. Sydow, confirmed yesterday.

But he would not comment on reports that people were assaulted outside the station.

"I have heard stories but I am not prepared to comment on what happened on the other side," he said.

"I believe that Ciskei Police were at Mount Ruth station and that we asked them to leave.

"They were also asked not to interfere with passengers on the premises because we did not want our police to be seen as part of their action," Col Sydow said.

He denied claims of assaults on passengers as they alighted from trains at the station on Friday night.

Three men who were at the station on Friday night said Ciskei police were intercepting people at the station and demanding to see if they

had paid their poll tax — a sum of R2,50 which was discontinued some years ago in South Africa but still payable in Ciskei.

Mr D. Maja said that he arrived at Mount Ruth at about 7 pm.

"As I walked towards the exit, an armed policeman asked for my reference book," he said.

He produced it and the policeman asked if he had paid tax.

Mr J. Majikija said he saw Ciskei policemen using sjamboks on people leaving the station.

"I was not hit because I ran off but I saw some people being hit," he said.

Mr D. Tyatyeka also confirmed assaults and the demanding of reference books to show if those asked had paid poll tax.

"But it was dark and the police could not see whether one had paid tax or not," he said.

Efforts to get the Ciskei Minister of Justice, Mr D. M. Takane, for comment were unsuccessful yesterday. —  
DDR



# 332 ~~LA~~ E. Post Commuters say they will 25/7/83 walk to work

By JIMMY MATYU

COMMUTERS who attended a Port Elizabeth Black Civic Organisation Action Committee meeting yesterday decided to walk to work from July 31 as a protest against increased busfares.

The decision was taken at a meeting in the Centenary Great Hall, New Brighton, which was attended by a large crowd, despite a heavy downpour.

Mr Graham Shields, manager of the Port Elizabeth Tramways, today said he had no comment to make at this stage on the issue.

He said the fare increases came into effect on June 5. The overall increase was 3c a trip.

A spokesman for the action committee said the "long-walk" decision had been unanimous.

A statement after the meeting said commuters would continue walking to work, or to the city, until the bus company dropped the increases.

The meeting also asked young people to act in a disciplined manner during the walks.

It was also decided at the meeting that an anti-Community Council action committee be established at a meeting to be held in the new Daku Hall on Thursday, aiming to intensify opposition to Port Elizabeth Community Council election meetings.

Speakers also condemned an attack on members of the Motor Assemblers' and Component Workers' Union of South Africa (Macwusa) outside the new Daku Hall last Thursday.

A spokesman for the Uitenhage Black Civic Organisation (Ubco) told the meeting, a decision on when to launch their own "long walk" in opposition to the busfare increases in Uitenhage would be taken at a meeting to be held in McNaughton township on Thursday evening.

# Homeland threat to airlines

By SIMON WILLSON

THE granting of independence to the black homelands was endangering private airlines, the annual transportation convention heard in Johannesburg yesterday.

Mr S M Ord, chairman of the Airlines Association of South Africa, said the industry's survival depended on a recent commission of inquiry.

The Margo Commission, appointed in 1977, supported the airline industry's claims of unfair competition by South African Airways in many respects, he said.

"The commission recommended, by a majority of seven to one, that domestic operators should be authorised to operate services to neighbouring states to ensure that there will be at least a future for the commuter operators.

"The dissenting vote in this very important recommendation was that of the representatives of South African Airways.

"In this respect one should not be under any illusion that the industry can survive if this particular recommendation of the Margo Commission is not implemented."

Constitutional development along current lines over the short and medium term would severely endanger the survival of the industry, as Government policy was to restrict international services to SAA.

"The effect is obvious. With emerging black national states obtaining independence, vast areas and destinations currently served by private airlines are being converted to services operated by the national carrier."

In reaching its recommendation, the Margo Commission identified the role that

private enterprise would have to play in the development of the sub-continent, he said.

For many of these destinations, economics would dictate that smaller aircraft be used to develop scheduled services which, by their very nature, would be different in character to SAA's intercontinental services.

Private airlines faced operating problems peculiar to this country.

The majority — in some cases as high as 80% — of air traffic which was generated in the main centres was to the decentralised growth areas and back to the main centres.

In other large countries where private air transport was important to the economy — for example, the United States — the industry connected main centres with one another.

"This principle has caused substantial traffic imbalance on many domestic commuter routes in that substantial demand in one direction cannot be balanced with a similar reverse demand.

"This makes it difficult for operators to obtain adequate utilisation of their equipment if directional traffic imbalance is to be avoided."

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X I 2 = 1.5↑



# Putco denies wanting to buy only Durban's most profitable bus routes

Municipal Reporter

PUTCO has denied angling to buy only profitable bus routes from Durban City Council, leaving ratepayers to pick up the tab for less profitable ones.

The company claims those routes were part of an agreement, several years old.

The black municipal bus service lost R4 000 000 this year. Coinciding with renewed pressure on the council to sell it, is a Putco offer to buy the certificates for 50 routes in Umlazi, Glebe-lands and Ntuzume.

Today the city's Management Committee will consider the Putco offer but Mr Marshall Cuthbert, general manager of the Durban Transport

Management Board, has warned that if these routes were sold the viability of the rest of the service would be jeopardised. He was unimpressed that Putco only wanted 'plum routes'.

Yesterday Putco liaison officer, Mr Pat Rogers, said: 'It is not true that we are only after profitable routes. What we have done is remind the DTMB of an agreement with us, which they signed a couple of years ago during the Van Zyl Commission of Inquiry into the rationalisation of the Durban bus transport system.'

All Putco wanted to know was when the DTMB was ready to honour the agreement to exchange certain routes.

The DTMB would control routes within the municipal boundary and Putco would control routes between this and the Greater Durban boundary.

But Mr Cuthbert says Putco is wrong.

When the commission met the council had specified that the scale of its black service should not be decreased.

'An agreement of intent was entered into with Putco and handed to the commission, but the latter never made any firm recommendations.'

The board had since had legal advice that the agreement was not a binding contract, as the sale of those specific routes would reduce the size of the board's operations.

A

# Legal maze for road haulers

27/7/83

By SIMON WILLSON

LEGISLATION affecting South Africa's road-transport industry was antiquated, impractical and ambiguous, a representative of the private-sector road hauliers told the annual transport convention in Johannesburg yesterday.

Mr Jack Webster, chief executive of the National Association of Private Transport Operators, said that those involved in road transport were expected to have some knowledge of the multitude of laws and regulations relating to the industry because ignorance of the law was no excuse.

But one of the industry's major problems was the nature of the legislation.

He mentioned the system of permits as an example.

"The permit system as it operates at present is a cause for considerable concern to both the authorities and the industry due to the divergence of interpretation of the authority covered by the permits."

In the past 20 years several commissions and committees of inquiry had recommended changes to the permit system, but no change had been accepted by the authorities.

Specific goods as well as source and destination were laid out on all permits, but led to conflicting interpretations which had to be resolved by the courts.

"Neither the Government nor the industry advocates

total deregulation, but the problems which are being experienced with the present system certainly seem to indicate that some change will have to be made in the foreseeable future."

Lack of uniformity in the registration and licensing of vehicles led to complications which caused frustration to all who are concerned with road traffic.

"South Africa's record in respect of road safety as a subject of discussion and concern is now firmly established as a national priority, and yet the Natal Provincial Administration has recently extended the validity of certificates of fitness for public vehicles from six to 12 months.

"Worse still, a light motor vehicle bought as new and sold within five years does not require a roadworthy certificate at change of ownership in Natal.

"The National Road Safety Council repeatedly claims that unroadworthy vehicles are a major factor in the cause of accidents. Natal does not appear to agree."

Transport of chemicals and hazardous products was a subject which should arouse the concern of the responsible authorities, the manufacturers of the products, people who carried the products and the manufacturers of their vehicles.

"Maybe it does. But when it comes to co-ordination of thinking, what is the position? It can be summed up in one word: unsatisfactory," Mr Webster said.

Implementation of the objectives of the Hazardous Substances Act of 1973 was virtually non-existent.



# Shipping backs curbs on roads

27/7/83  
232  
RDM

By SIMON WILLSON

SEA transport was being discriminated against in favour of road and rail transport, the annual transportation convention heard yesterday.

Mr I M Groves, executive director of Unicorn Lines, told the convention that the long-term future of coastal shipping could be jeopardised if the various forms of transport were not allowed to compete on an equitable basis.

"In the past year there has been an apparent disregard by many private road hauliers of the need to secure adequate permits.

"This has been aggravated by what appears to be legal manipulation of the definitions of goods listed on permits."

It was not for a coastal shipping line to say whether road transport should be deregulated or not. But shipping had to pay a premium for the services it used, so it was forced to support stricter legislation on road transport.

"The present situation, therefore, is untenable and it has become necessary for my company now to contest road permit applications and to

date a fair degree of success has been achieved."

Although rail transport had benefited from rebates granted to decentralised industrialists, sea transport was only offered a harbour charge rebate out of East London.

The sea rebate ignored the seafreight element of the total cost and fell well short of matching the rail rebate.

"This situation has been aggravated more recently by the Decentralisation Board's decision to extend the rail rebate system to the private road haulier.

"This illustrates yet another area where sea transport has been totally discriminated against and is

expected to operate in an environment which, through legislation, favours its competitors."

Up to now, Unicorn had not sought any form of Government protection, but the company might review its protection policy in the near future, Mr Groves said.

"After all, many other strategic industries receive protection, whether by restricted import permits or by the levying of duty.

"Assuming that the Government accepts the view that a strong merchant marine is in the interests of the country, then there are grounds for giving it protection against foreign competition and foreign vessels."

# Black transport subsidy under fire

By SIMON WILLSON

Industrial Editor

SUBSIDISING black public transport was not part of transport policy but part of race policy, Mr Leon Louw, executive director of the Free Market Foundation, told the annual transportation convention yesterday.

His address was one of several which were severely critical of the principle of subsidising transport. Only one address, by members of the Welgemoed Commission on bus transport, supported subsidies.

Mr Louw told the convention, organised in Johannesburg by the Council for Scientific and Industrial Research, that blacks were required by group areas laws to live a long way from work. Through no fault of their own they had to pay artificially high fares.

"If Government causes injury then it should compensate the victim. However, this is not a matter for transport policy but for race policy and, if there is to be a subsidy, it should be administered and paid for by the department concerned, namely Co-operation and Development or Community Development — whichever is responsible for the spatial dislocation of the people concerned."

His argument was supported by Mr Paul Browning and Mr Rodger Smith, of the National Institute for Transport and Road Research, who said there was evidence of a large degree of unhappiness about the services provided for the black commuter.

"The dissatisfaction manifests itself in the astonishing growth of the taxi and combi services between black townships and urban central business districts.

"These will customarily charge up to three times the subsidised bus fare and yet presumably — since they are mostly owner-driven — they produce a profitable return."

The reaction of public transport was that the private operators should be, at worst, tightly regulated — and preferably legislated out of existence. The Government's attitude was not clear, but it had been indicated in a speech by the Director-General of Transport, who had said that taxis and combis ought not to be allowed to pick up and drop passengers along authorised bus routes.

Dr Petrus du Toit, of the CSIR's transport analysis group, agreed that passenger subsidies were being used by transport policy-makers to achieve socio-political

objectives.

Bus depots, for example, were sited on a basis of political consideration and not economic efficiency.

In spite of these provisions, a study had shown that many black commuters would prefer to live close to work, regardless of transport facilities.

Dr du Toit quoted forecasts of "staggering" increases in the cost of subsidies. The loss on rail passenger transport could increase from R690-million in 1982-83 to R2 000-million in 1990.

The subsidy of bus services could increase if the same rate were applied from R170-million in 1983-84 to R430-million in 1990.

Mr Browning and Mr Smith said that subsidising public transport had been a costly failure, and that the aims of such subsidisation were obscure, ill-defined and unquantified.

"Subsidy has either failed to meet the desired aims, or those aims could have been achieved at less cost by other mechanisms.

"The long-term future of urban transport can be assured only by allowing market forces to play a greater role and by the adoption of strategic marketing principles."

The 1970s had been the decade of the subsidy when the solution to mass transit had been to throw money at public transport. The 1980s had opened with demands for greater value for money.

Subsidies inhibited innovative thought and the search for cheaper and more cost-effective options. They artificially prolonged product life and distorted signals from the market place.

Where subsidies were combined with artificial boundaries they prevented implementation of common-sense management decisions and led to lower productivity.

Subsidies also never lasted for ever, and the return to economic reality caused more difficulties than if the subsidies had never been imposed.

Mr Louw said subsidised prices tended to be higher and were a coercive transfer of wealth from the relatively poor to the relatively rich.

"Some obvious examples are the fact that South African Airways is running at massive losses which are subsidised by divisions of South African Transport Services providing services to people manifestly in lower income groups than air travellers."

● Defending subsidisation. Dr P J Welgemoed and Mr R A Smith, members of the Welgemoed Commission, said South Africa's "special social circumstances" meant a free-market approach to public transport was less likely to succeed than in other countries.

Nowhere in the world was a free-market approach operating with complete success. In Hong Kong and Japan, where private enterprise was the order of the day, governments exercised strict control over private transport operators — in many ways more strictly than did the South African Government.

"Over the years, as a result of Government policy, a considerable number of people from slum areas have been resettled in new areas. This has meant that many employees have been forced to travel increased distances to their places of employment.

"The Government has seen the need to subsidise those who have been adversely affected."



# Funds needed to avert transport crisis

SOUTH Africa's transport sector will face a crisis in a few years' time unless the decline in transport funding is stopped, according to a senior Department of Transport economist.

Mr P N Freeman told the Council for Scientific and Industrial Research's annual transportation convention in Johannesburg yesterday that transport had been a major casualty of the reordering of South Africa's investment funds.

Investment in the transport sector had declined for seven successive years, and a continued reduction would be a serious mistake.

Investment funds for transport would be harder to win and SA needed a scientific approach to allocating such funds to maximise economic development.

"Neglect of the transport system now could have very serious consequences in a few years' time."

"The authorities would

therefore be ill-advised to wait for the impending crisis before increasing funding allocations to the transport sector."

Mr Freeman compared 1982-83 Government spending in the large departments with 1983-84 spending estimates and found that transport came out badly.

With inflation at 14%, transport spending was due to increase by only 10.7% compared with increases of 16% for defence, 17% for the police, 18% for education, 21.5% for agriculture and 22% for co-operation and development.

"The impact of the decline in transport investment has been cushioned by the economic recession. When the upswing in the economy

gathers momentum, existing systems could be severely strained."

Unless the transport sector put forward convincing reasons for more investment, it would not be successful in getting more funds.

"There is, of course, nothing like a crisis to stimulate investment opportunities. Thus the current drought may prove a windfall for the Department of Water Affairs."

"However, ideally we should anticipate and warn about a crisis before it comes."

THE Government's political scenarios would inevitably affect transport policy, Mr M F Mitchell, director of plan-

ning and programming at the Department of Transport, told the convention.

Although transport policy should serve societal goals, it should not be regarded as the only means of attaining them.

"It would be an unfair burden should the transport sector alone be required to carry the load to achieve the desired decentralisation envisaged in the regional development strategy for South Africa."

"Increased accessibility by improved transport links to less-developed areas would in fact reverse the intended aim by strengthening the urbanisation trend."

Mr Mitchell acknowledged the calls for Sats rail operations to become more cost-orientated. Transport regulation in South Africa had grown out of protection of the Railways.

"However, today the Railways have largely met the development injunction in the Constitution as powerful agricultural, industrial and mining industries have been established in the interior."

But the Railways had social, political and strategic functions which affected the level of regulation.

"Despite recommendations concerning transport having been made by numerous commissions of inquiry during the last three to four decades, no rational policy for transport in South Africa has been formulated."

"Southern African society is fast becoming more complex, and in such a situation it is essential that a formulated transport policy, properly considering all relevant issues and national objectives, be decided as soon as possible," Mr Mitchell said.

INCREASED privatisation of the transport system was the only way to limit the system's growing losses, Mr Arthur Hammond-Tooke, director of economic affairs of the Federated Chamber of Industries, told the convention.

Losses on passenger services were projected to grow to about R2 000-million by 1990 at 1980 prices.

"The private sector is not making a naive plea for a *laissez faire* policy for transport in South Africa. It accepts that a complex transport system cannot simply be thrown open for a free-for-all."

"Nevertheless, it believes that a case can be made out that the regulation of the South African transport system has led to distortions, higher than necessary costs and a loss of efficiency."

The private sector asked whether more competition in transport and more reliance on the price mechanism could not be permitted to underlie a revised transport policy.

Among the changes needed were that all road users pay an equitable road space user charge.

"This is an essential prerequisite before more open competition can exist between private hauliers and the Railways, between passenger road vehicles and buses and on internal and international air routes."

Publicly owned sections of the transport system should be allowed to borrow on the capital market-related interest rates.

The regulation of transport services should be extensively liberalised and based on safety requirements alone, instead of being designed to restrain competition within and between differing transport modes.

"Above all, it is important to ensure that accountable State-owned transport monopolies are not replaced by non-accountable, privately owned monopolies which are not subject to adequate surveillance to ensure effective competition."

# R80 000 city plan to improve 'primitive' transport facilities

Staff Reporter

TRANSPORT facilities in black residential areas within the boundaries of Cape Town are "to say the least, primitive" and discourage the use of public transport.

This is said in a report to the City Council of Cape Town, core city of the Cape Town metropolitan transport area.

## PROJECT

The council yesterday accepted a project for public transport improvements of up to R80 000 in black residential areas within Cape Town under the control of the Western Cape Administration Board, for inclusion in the 1983/88 metropolitan transport plan.

The City Engineer, Mr Jan Brand, investigated facilities in these areas, with the assistance of the WCAB, officials of the Department of Transport and the Provincial Administration, the report said.

## UPGRADING

The proposed projects include redevelopment or upgrading of bus terminuses in Langa, Nyanga and Guguletu, upgrading of bus routes in Langa, and a proposed bus terminus for rural services.

The report said most of the bus stations were unsurfaced, poorly drained and flooded at times in the winter.

"In the summer the areas are dusty and difficult to keep clean."

Effective traffic management was difficult, and facilities for the sheltering and convenience of passengers were also lacking.

"Latest statistics show that the black population is the fastest growing sector of the metropolitan population and the use of private cars, whether in the form of individually owned vehicles or as lift clubs or informal taxis, cannot but cause very serious problems on the metropolitan road system," the report said.

The provincial administration will be asked to approve the appointment of consulting engineers to produce the basic design of the projects.



# Conference told bus accident rate critical

JOHANNESBURG — The death rate in bus accidents was more than 13 times greater than the death rate in other vehicles' accidents, a transport conference here heard yesterday.

And the bus death rate was more than 12 times the death rate for car accidents alone, said Mr O. A. Tenikalp, a road traffic expert from the National Institute for Transport and Road Research.

There were 26,6 deaths per thousand buses in 1981 (the latest year for which figures are available) compared to only 2,0 deaths per thousand vehicles overall.

"On average, each bus is involved in four times as many accidents as the average vehicle," he said.

"In reality, the situation is even worse, as bus accidents are also much more severe than other accidents. Each bus accident leads to approximately three times as many casualties as a car accident."

Mr Tenikalp showed the conference statistics from 1981 which showed that there were 20,4 fatal accidents per 1 000 buses, only 2,0 per 1 000 cars and only 1,7 per 1 000

other vehicles.

There were 248,2 injuries in accidents per 1 000 buses, compared to 25,7 injuries per 1 000 cars and 20,5 injuries per 1 000 other vehicles, the figures showed.

"It is true to say that the number of bus-related deaths, 633 out of the total road death figure of 9 087 for 1981, are by no means a major element of the road safety problem," Mr Tenikalp said.

"However, the significance of the above figures is that they highlight the extent of the accident and casualty involvement of buses.

Mr Tenikalp blamed the high bus accident rate on basic faults of design.

He said several familiar features of the everyday passenger bus effectively turned them into deathtraps jeopardising the safety of the passengers inside, and into guided missiles threatening pedestrians outside the vehicles. Mr Tenikalp severely criticised the accepted standards of design for South Africa's buses.

Mr Max Neppe, shadow transport spokesman on the Johannesburg City Council, said the city had a proud record of accident-free bus operations, and that any accusations would have to be backed by hard evidence. — DDC.

330 (266) 87

# Urban poor hard hit by travel costs

29/1/83

By Lucille McNamara

The urban poor were the least able to afford the costs of travel yet were the most dependent on cheap, adequate options of public transportation, Mr Raeburn Chapman, senior lecturer in the department of urban and regional planning at the University of Cape Town, said yesterday.

Addressing the Annual Transportation Convention in Johannesburg, Mr Chapman said group areas had effectively pushed the poor to the farthest reaches of cities where mass transport opportunities were least, travel distances and costs greatest and access to urban opportunities marginal.

This not only created hardship, but also sustained an unequal pattern of resource distribution and access in which the minority — the "haves" — had the means for greater private mobility and were locationally advantaged.

## Accidents: drink a big factor

The relationship between alcohol and motor accidents was grossly underestimated, Benoni's chief traffic and licensing officer said at the annual Transportation Congress in Johannesburg yesterday.

Mr D Jones said alcohol was part of South Africa's heritage and the problem of drunken driving was here to stay.

It had long been accepted that it was impossible to abolish alcohol or wish it away, with the result that its use and abuse had to be controlled.

The chief research officer of the CSIR's National Institute for Transport and Road Research, Mr H Ribbens, said his department was revising recommendations on the signs, sites, illumination and layout of mid-block pedestrian crossings.

A number of shortcomings had come to light in recent years. Apart from the poor behaviour of road users, the visual impact at pedestrian crossing was poor.

"The individual's budget is affected by distances to be travelled, number of modal changes required to reach the workplace, and rising transportation costs."

"The result is that the poor are spending an increasingly greater share of household income on transport."

Mr Chapman said erosion of time and other stresses affected productivity and family life.

A speaker from Ontario, Canada, Mr R M Renfrew, said that in the post-war period several factors had combined to create significant pressures on the financial resources of large cities. These included:

- Migration, which had increased urban populations.

- Cities had borrowed extensively for capital works to expand services to meet demand.

- Increased densities had evolved because of the demand for space.

- The increase in the standard of living had forced higher wages which had had a sharp inflationary effect on urban economics.

- Increased personal wealth had led to an increase in private car ownership which had loaded the demand for urban infrastructures.



332  
E. Post  
29/7/83

# Police warning on bus boycott

Post Reporter

POLICE have issued a warning in connection with an attempted bus boycott planned to start on Sunday, saying any form of intimidation persuading people not to travel by bus will be seriously punished.

The Divisional Police Commissioner for the Eastern Cape, Brigadier J van Rensburg, said police would be prepared for action and anybody found guilty of intimidation was liable to a fine of R20 000 or imprisonment for 10 years or both.

The Port Elizabeth Black Civic Organisation (Pebco) and the Port Elizabeth Youth Organisation will hold a joint meeting at 2pm tomorrow at the Roman Catholic Church hall in Kwazakele to discuss the proposed bus boycott.

PE Tramways issued a statement today saying bus services will operate normally next week.

The company also intends soon to introduce 10-ride unsubsidised clipcards which will not bear an expiry date. Holders will not have to pay the extra 10c peak-hour surcharge.

Conference told of basic faults in design

# SA buses deathtraps — expert

269 332  
20M 29/7/83

By SIMON WILLSON  
Industrial Editor

**SOUTH AFRICA'S buses are potentially lethal due to basic faults in their design, a Johannesburg transport conference heard yesterday.**

On average, the conference was told, each bus is involved in four times as many accidents as the average vehicle, causing three times as many casualties as a car accident.

Delegates at the conference heard that several familiar features of the everyday passenger bus effectively turned them into deathtraps, jeopardising the safety of the passengers inside, and into guided missiles threatening pedestrians.

Mr O A Tenikalp, a road traffic expert attached to the National Institute for Transport and Road Research, severely criticised the accepted standards of design for South Africa's buses in his speech to the annual transportation convention, organised in Johannesburg by the Council for Scientific and Industrial Research (CSIR).

But Mr Les Petty, general manager of transport for the Johannesburg City Council, said yesterday that Mr Tenikalp's criticisms were "generalised, and therefore neither valid nor fair" because they did not distinguish between urban and rural buses.

"He may have a point when it comes to looking at expensive buses, but to buses I cannot argue with him, but our buses are the most advanced in the world for urban operation."

Mr Max Neppe, PFP transport spokesman on the Johannesburg City Council, said the city had a proud record of accident-free bus operations, and that any accusations would have to be backed by hard evidence.

However, Mr Tenikalp accused bus designers of ignoring well-known safety factors in constructing the vehicles.

He specifically criticised:

- A horizontal rail at the top of a seat — "a very common but nevertheless dangerous feature. It is likely to cause injuries to the head, face or throat of the passenger behind."

"It also creates a gap through which a hand could pass, leading to possible wrist fracture."

- Right-angled corners on bus exteriors — these can result in sharp edges becoming exposed in a crash, and are "far more dangerous than other sharp edges due to their random orientation and the possibility of jaggedness".

- Excessive clearance above ground level — this, particularly at the rear, "creates a serious under-ride hazard".

- Anti-fire rules governing materials used in buses — "current legislation on flammability is commonly found to be too lax".

"Materials complying with (our) standards and with other similar legislation have been shown still to be rather serious fire risks."

"It is also possible that materials which pass the tests in their pristine condition would fail when damaged or mutilated."

- Buses' interior lay-outs — proper interior lay-out of a bus can help minimise on-board accidents.

Long, open internal spaces at the front of the bus are particularly hazardous.

- Welding of joints in bus construction — welding was usually considered to be the most effective method of joining, but made metal brittle and distorted and reduced its thickness. Experience of numerous premature and unexpected joint failures was confirmation of this.



TRANSPORT — PRIVATE-GENERAL  
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332 1/4 E. Post 1/8 83

# PE bus boycott call flops

By WILBERFORCE MDODA

POLICE vehicles were today patrolling the bus route between Veeplaas and Kwazakele after a call was made to the community to boycott buses because of increased fares.

Bus company officials were also on the scene.

There was sporadic stoning of buses but only slightly more than was usual for an average weekend, according to bus company officials.

Few people seemed to be walking to work and the bus services appeared

to be operating normally.

However, it was a blue Monday for pirate taxi operators who hoped more commuters would make use of their taxis because of a boycott.

Some of the operators claimed that policemen in camouflage uniforms stopped their cars and ordered passengers out.

Yesterday domestic workers were seen boarding trains at Swartkops station to return to the city where they boarded buses to the various suburbs in which they are employed.

The call to boycott buses in

the townships was made at a public meeting organised by an action committee of the Port Elizabeth Black Civic Organisation in New Brighton last week.

The managing director of PE Tramways, Mr Carl Coetzer, said in a statement today that passenger demand yesterday and so far today had followed "the normal heavy trend usually experienced at the end of the month and on Monday mornings.

"The bus service provided has been completely normal, including the extra journeys nor-

mally needed for Monday morning peak periods," he said.

"We are consequently unaware of any boycott by bus passengers anywhere throughout Port Elizabeth, Uitenhage and surrounding districts.

"There were sporadic incidents of vandalism in the form of stone-throwing, which were slightly more than usual for the average weekend.

"Such damage as did occur was repaired immediately in terms of our normal maintenance procedure," he said.



D. Dispatch 1/8/83 (747)

## Bus boycott launched in PE

### PORT ELIZABETH

An estimated 500 people attended a meeting here in support of a bus boycott which was launched yesterday.

The meeting in Kwa-zakhele on Saturday was organised by the Port Elizabeth Youth Congress and the Port Elizabeth Black Civic Organisation.

The bus company, PE Tramways, has said services will run as usual. No spokesmen could be contacted to establish whether the boycott call had had any effect yesterday.

Speakers at the meeting on Saturday urged people to prepare for the consequences of a boycott and also appealed to the audi-

ence to exercise self-discipline during the boycott.

The Divisional Commissioner of Police for the Eastern Cape, Brigadier E. S. J. van Rensburg, commenting on the boycott call, said any form of intimidation was punishable with a jail sentence of up to ten years. — DDC.

By SIMON WILSON  
Industrial Editor

# Derision for minibus ban

PASSENGER transport policy would become as ridiculous as South Africa's goods transport policy if the Welgemoed Commission's proposals were implemented, a conference heard yesterday.

Mr Rod Draper, chairman of the transport committee of the Association of Chambers of Commerce, told a conference in Johannesburg that many of the points in the commission's report could not be taken seriously or had been overtaken by events.

Assocom called the conference to discuss the commission's recommendations, which include banning the use of minibuses as taxis, and the redefining of taxis as vehicles with no more than four passengers.

Mr Draper said: "Running throughout the Welgemoed report is the leit-motiv that taxis and combis are now the devils that have sprung up through the trapdoor like the demon king of pantomime."

Taxis were cost-effective and seemed to satisfy a vast public need.

"In this country we have a policy for the transport of goods by road that becomes more Byzantine and ridiculous by the day.

"It has become unwieldy, grossly unfair and highly inflationary. Frequently the

authorities bring in new regulations that make the whole thing more ridiculous still.

"Welgemoed appears to be proposing that we go down the same road for passenger transportation."

What could be made of the commission's recommendation that would effectively ban as a taxi a vehicle that could carry between 10 and 24 passengers?

"The prohibition will be widely ignored in practice and there will be endless trouble if enforcement is attempted. There will be constant resentment, both from prospective passengers in such vehicles and from the operators, and it seems to me a particularly bad and provocative proposal."

The almost total freeing of the minibus taxi operators would open up a vast employment field for a sector of the population that badly needed it.

It was acceptable that minibus taxis should be a distinctive colour to prevent them from stopping on buses' reserved routes.

Minibus taxis should be municipally licensed, a process which would provide for

rigorous inspections for roadworthiness.

Minibus taxis licensed in this way could pay their fair share of road-user costs.

"The revenue structure of public transport, whether through the fare box or by way of subsidy, has become a costly mess.

"The slavish application of the Welgemoed proposals will make it worse because the system that presided, quite satisfactorily, over a relatively tiny public transport industry in the mid-1960s has now grown into a monster."

It was now proposed to carry this monster forward into the future except for a bit of tinkering and even more repression.

"Look at the expensive shambles that has been brought about in the public transportation of goods by road, largely through the adaptation of existing procedures, and then ask: 'Do you wish the public transportation of people to go the same way?'"

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DR GERRIE Prinsloo, a member of the Welgemoed

Commission, said no sinister meanings should be attached to its recommendations.

Interested parties were invited on numerous occasions to make submissions, and the commission consisted of representatives of all race groups.

The principle of private enterprise was accepted and stressed by the commission.

"With regard to taxis, a sincere effort was made to produce recommendations that would provide passengers with the reliability of a public transport services."

"Adult" discussion of the recommendations was needed, he said.

\*\*\*

MR NIGEL Mandy, chairman of the Johannesburg Central Business District Association, said critics of the Welgemoed Commission should recognise that it was hobbled by political factors.

These included existing and planned constitutional structures, and financial arrangements which took little account of the costs and practicalities of public transportation.

THE commission could have done worse than to come out in support of controlled private enterprise, said Mr Rollo Dickson, transport consultant to, among others, Cape Tramways.

In some parts of SA the authorities controlled minibus taxis in the interests and safety of the public.

Recent surveys in Cape Town had shown that the average number of passengers in minibuses at two large railway stations was above the legal maximum.

"At another station, where the group of combis was unusually well organised, undercutting of bus fares resulted in the total withdrawal of the bus service, after which the minibus charges were increased to a level above that of the buses.

"In 20 combis stopped in Port Elizabeth during March, several of the drivers had no licences, five were given an ultimatum to repair mechanical faults immediately and 15 were declared totally unroadworthy.

"Durban bettered this when two combis licensed to carry eight passengers disgorged 23 and 19 people respectively."

\*\*\*

MR ARTHUR Hammond-Tooke, director of economic affairs of the Federated Chamber of Industries, warned the conference of economic disruption if the Welgemoed recommendations on taxis were implemented.

# YOUR SEAL (C) PROTECTION





# People hailed out of taxis

Argus Bureau

EAST LONDON — A group of men armed with sabres and knobkerries hailed commuters out of registered taxis in Mdantsane in an attempt to end a two-week-old bus boycott, commuters said.

Ciskei soldiers and policemen reportedly stood by today while scores of people were pulled out of cars by men wearing overalls and plain clothes, and told to use buses.

## AUTHORITY

A teacher, Mrs Leonora Fosi, who refused to get out of a taxi, said she was not sure who the men were "but they must have been hired because they were acting with authority."

No comment could be obtained from the Ciskei Government.

On Monday the Minister of Justice, Mr David Takane, said no stone would be left unturned to eradicate the evil of the boycott.

He warned that people found guilty of intimidation could be sentenced to a maximum of 10 years' imprisonment.

An official of the Ciskei Transportation Board has confirmed that between 150 and 200 cars have been confiscated.

Most of the owners have paid admission of guilt fines for carrying passengers illegally and only about 30 vehicles are still being held, he said.

# Durban bus appeal 'would not affect Indian operators'

332  
2/8/83  
Mercury Reporter

IF THE Durban City Council succeeded in its appeal to desegregate its bus service on 15 routes this would not affect the city's 200 Indian operators.

This was said by the general manager of the DTMB, Mr Marshall Cuthbert, to the National Transport Commission in Durban yesterday.

Asked by objectors why the council only opted to desegregate buses on 15 routes, Mr

Cuthbert said: 'The present routes would in no way affect the city's 200 Indian operators.'

According to the application whites and non-whites could either use the city's 'international' more expensive blue-line or the cheaper green-line service.

The blue-line service for whites has been drastically cut because of poor support at night and weekends and the green-line buses were for non-whites.

Mr Cuthbert said whites and non-whites could take their pick and use any of the buses on the 15 'international routes'.

These buses could only be taken on routes to Marine Parade, South Beach, Point, Glenmore, Howard College, Glenwood, Haig Road, Berea Beach, Musgrave Road, Botanic Gardens, Durban North, Umbilo and Kingsmead.

## Overcrowding

None of the 15 routes lead to black townships where problems of overcrowding occurred.

Mr Cuthbert told the commission that the desegregation of buses on 15 routes would help the board in providing a more efficient and cheaper service.

Certain operations which were no longer necessary, whether blue-line or green-line, would be withdrawn.

In reply to a question from Mr Brendan Willmer, chairman of the South Africa First Campaign, Mr Cuthbert said the municipal non-white fleet had suffered a R3 500 000 loss this year because of boycotts, unrest in black townships, recession and unemployment.

He also said that vandalism was more prevalent on white buses, but it was virtually unknown on the city's non-white fleet.

Mr R E Knox, a former DTMB employee who objected to bus desegregation, said the DTMB should integrate all its buses if there were to be any benefit.

The commission's decision would be made known as soon as possible.



# Taxi chaos warning

269 332  
ROM  
2/8/83

By SIMON WILLSON

CHAOS would result among black commuters if taxis were limited to four passengers, Mr Jimmy Sojane, president of the Southern Africa Black Taxi Association, told the Assocom transport conference.

"At no stage will it help to exterminate combis in deference to buses. People know what they need.

"After minibus taxis have been phased out, what will be the alternative?"

He doubted that the Welgemoed commissioners had sufficient experience in the black township residents' problems in getting to and from work.

There was no way of alleviating the problems of Johannesburg's black commuters unless there were official black taxi-ranks in zones not served by buses.

His association was not opposed to the standardisation and regulation of minibus taxis.

"We recognise the need for taxis to have one colour. While it would be difficult and expensive to respray, we have devised a banner to go around the mid-section of taxis which would also be visible at night.

"Meters are more difficult to introduce in a combi because it is a shared taxi. We blacks have never used meters because we cannot afford to hire taxis individually."

His members had shown their responsibility in the costly switchover they accomplished from sedan cars in the 1970s to minibuses.

Before the Government gave permission in 1977 for black taxis to graduate to minibus size, operators used sedans, such as Valiants, which they enlarged to accommodate five or six passengers.

"It was only when a good Samaritan motor manufacturer arranged finance for us that we could buy bigger vehicles.

"All the minibuses we bought were paid off this year without a single repossession," Mr Sojane said.

# Welgemoed welcomed

332  
THE South African Bus Operators Association (SABOA) is glad that the Welgemoet Report (11) comes out strongly against nationalisation and supports the spirit of the Government in encouraging the growth of

private enterprise and the capitalistic system of the country.

This was stated by SABOA chairman Albino Carleo.

He says SABOA supports the Welgemoed

2/8/83  
Industrial Week  
recommendation that one body should represent the entire bus industry. It has tried many times to get together with the Passenger Transport Association to achieve this. So far there has been no progress.



# 95pc of Natal ~~257~~ 332 buses in Mercury 3/8/83 crashes

JOHANNESBURG—Ninety-five of every 100 buses registered in Natal had been involved in accidents last year, figures released yesterday by the National Road Safety Council reveal.

The figures show that 85 percent of all buses on South African roads were involved in accidents during 1982, and follow a shock paper delivered to a transport conference by a road traffic expert describing buses as death traps and criticising their structural design and safety features.

## Mercury Correspondent

The conference was told that every bus on the road was involved in four times as many accidents as the average vehicle.

The report said a horizontal rail on the top of a bus seat was likely to cause injuries to the throat, head or face of a passenger behind, and that anti-fire rules were too lax.

Of the 5 785 Natal buses, 5 497 had crashed, with 4 836 of the accidents occurring in urban areas and only 661 in rural areas.

A total of 14 drivers and 139 passengers had been killed throughout the country.

Although Transvaal held all records for numbers involved in accidents, the Cape and Natal

had the highest percentage of buses involved in crashes, both provinces higher than 95 percent.

The shock report which led to the release of the figures had concentrated on causes of injuries resulting from bus accidents, but it now seemed that the number of accidents themselves was great cause for alarm.

Mr O A Tenikalp, of the Institute for Transport and Road Research of the Council for Scientific and Industrial Research in Pretoria, said: 'No separate statistics are available, but the figures fit in with the general trend of road accidents in South Africa, which is worse than abroad.'

The National Road Safety Council yesterday provided figures which showed that of a total of 21 587 buses, 18 618 had been involved in accidents, resulting in 3 121 casualties, of which 153 had been fatal.

Among the casualties were 404 drivers, 311 in urban areas and 93 in rural areas. Among passengers there were 2 717 casualties, 1 404 in urban and 1 313 in rural areas.

Of the 14 drivers killed, five had worked in urban areas and nine on rural routes. The passenger death roll consisted of 76 killed in cities and towns, and 63 on country roads.

Although he had not made an analysis of accident causes, Mr Tenikalp thought the reason for the high number could be a mixture of poor maintenance of vehicles and low standards of driving.

# Transport review overdue and a long haul

IF THE mood of the private sector in South Africa's transport system is anything to go by, the authorities' present re-assessment of national transport policy is long overdue and has a big task to perform.

The last 10 days have seen a vociferous and sustained attack, in two high-profile national forums, on the country's present transport system from private operators.

Conference venues accommodating, first, the CSIR's annual transportation convention and then Assocom's passenger transportation seminar, have successively resounded with strident denunciations of national transport's *status quo*.

And, given the present nature of the South African transport set-up, criticism of the way things are at the moment is unavoidably criticism of the public sector's role in that set-up.

The sudden avalanche of opinion on every means of conveying goods and passengers within our borders has been timed to coincide with the general re-appraisal of South African transportation ordered by the Government.

The Minister of Transport has authorised an investigation by the Department of Transport and the National Transport Commission into national transport policy.

The investigation is entitled the National Transport Policy Study (NTPS) and is being conducted by local and international consultants.

Sufficient food for thought has been served up by the two big transport conferences held in Johannesburg recent-

**Simon Willson**



**Down to business**

ly to provide the NTPS staff with a sizeable pensive banquet.

Significant change in the transport *status quo* must be an option for the NTPS, because of its wide brief. It really does look as though the study group's report and recommendations will not be glossed over or pigeonholed because of the wide terms of reference it has been given.

Numerous studies, commissions of inquiry and committees have looked at various aspects and problems of national transportation since economic growth took off in the 1960s and required improvements in infrastructure.

But this is the first authorisation of a far-reaching re-assessment of the whole system, and it carries with it an implicit recognition on the part of the authorities that something is seriously wrong.

That message alone was repeated many times over at the two conferences, mostly referring to the increasing level of net losses and of subsidisation in the transport system.

If present transport policies continue, rail losses, for

example, are forecast to reach R2 000-million by 1990 against R690-million in 1982-83.

Bus subsidies would need to rise from R170-million in 1983-84 to R430-million in 1990.

It was in this deepening financial morass that most critics of the present transport system saw themselves sinking. Directly linked to a runaway subsidy ratchet is, however, the role of the public sector in the whole system. This was where most of the system's problems had their origin, the private sector decided.

On the receiving end of most of the private-sector resentment was, of course, the hapless South African Transport Services (SATS), whose losses and cross-subsidisation are so contrary to the way the private sector would like the system to be run.

If far-reaching changes to national transport policy are the desired result of the present re-evaluation of the system, it is SATS that stands to lose most.

As the private sector was reminded in the starkest terms during the annual transport convention

- SATS owns and controls country-wide infrastructure and rolling stock for goods and passenger railway operations

- SATS also owns and operates the oil pipelines running from the coast to the interior

- SATS owns and operates the country's harbour facilities, including sheds, cranes and other equipment, with the exception of some specialised operations such as the Durban sugar terminal

- SATS runs the scheduled air services on the external and the main internal routes

- SATS runs road services, employing more than 17 000 vehicles (mechanical horses, trucks, trailers and buses)

- SATS's total capital investment is nearly R10 000-million while total operating revenue is more than R5 000-million a year

- Public funds finance the entire national road network, with no prospect of privately financed toll roads or other constructions

- Urban bus passenger transport, with a few exceptions such as in Durban and Cape Town, is run by the municipalities.

If the NTPS confirms others' findings of substantial fault with the present national transport system, there can be no more obvious starting point for reform than the system's dominant force.

Support or departmental and faculty administration (see notes 4 and 5). At UCT an example of what would be included here is the Irma Stern Museum.

Included is the time spent on management and administration, technical processing (purchasing; display work; repairing and cleaning of material) and user services which includes advisory and reference services; tours; and promotions.

Include here all-time spent teaching and research by main frame or a department.

3. COMPUTING FOR ACADEMIC PURPOSES



## Bus boycott: 'Intimidator' shot by Ciskeian police

Own Correspondent  
PORT ELIZABETH. — An alleged intimidator in the 16-day-old Mdantsane bus boycott was shot yesterday by Ciskeian police, who were also reported to have assaulted pedestrians and car passengers in a bid to break the boycott.

Ciskei's police liaison officer, Major D Ngaki, confirmed the shooting which he said occurred when a Mdantsane man, Mr Tamsanqa Biyana, "broke loose after he

was arrested for intimidation".

"He paid no heed to warning shots and was hit in the shoulder."

Mr Biyana is under police guard in Cecelia Makiwane Hospital.

Asked about allegations that police had sjambokked boycotters yesterday and forced them on to Ciskei Transport Corporation (CTC) buses, Major Ngaki said "no cases have been reported by people alleging police assault".

It was reported yesterday that scores of Ciskeian policemen had arrived in Mdantsane after earlier efforts to thwart the boycott had failed.

Major Ngaki said police re-inforcements in the township had been increased since the boycott started, "but this is routine. They are there just to enforce law and order".

The boycott started after an 11-percent fare increase.

...the fire brigade arrived control.

Sowetan 4/8/83

# Taxi owners up in arms

IN A move that will greatly affect thousands of commuters, the Pretoria City Council has given taxi owners within a 25 kilometre radius of operation up to August 8 to submit objections why the rank in the city should not be moved to

332

By TOM GWEBU

Marabastad.

The Pretoria and District Non-European Taxi Owners' Association (Padneto) met at the Flamingo Lounge in Eersterust on Tuesday in an attempt to resolve these problems.

Mr H M Damons,

secretary of the association, outlined the council's plan, saying the council had "already established nine taxi points around the city.

"We will never be allowed to switch our engines off, because that will amount to parking.

These points are not ranks," stated Mr Damons.

"Marabastad is a distance from the city and our business will be affected," added Mr S J Kgapola, chairman of the association.

The new rank is to be laid at the Putco bus depot in Marabastad



# In pursuit of the safe and comfy bus: some points from Putco 83

YOUR reports on bus safety and design (July 29, 30) have included reaction from operators, but perhaps we may add a few comments.

● You have a picture captioned "The interior of a Putco bus... small low seats, handrails, and the long open space towards the front of the bus. All condemned".

It is not a Putco bus. Passengers do require room to move. It would be interesting to hear Mr Teniklap on the "standee" buses often seen in Europe.

● Handrails have been introduced in most cases with the soft seating preferred by customers, in place of the old hard seating where the hoop was part of the frame. A SA-BOA subcommittee has recommended a change towards corner grabs only in the aisle side seats, and longitudinal handrails.

● You also carry a picture of a head-on collision to illustrate the danger of "excessively high ground clearance".

It is doubtful whether such a collision would be less fatal with lower clearance. Ground clearance, of course, is largely dictated by the terrain which a vehicle has to cover, which may not be limited to city and suburban roads. This height also gives the driver added protection.

● Bus body corners can be rounded with fibreglass — but it is inflammable and toxic. — P M ROGERS, Public Relations Executive, Putco Ltd.



The picture used (above) was, in fact, that of the interior of a municipal bus, not a Putco bus. We regret the error. — EDITOR.



# Tanker inferno

(Contd from Page 1)

11am after a violent explosion.

However, a later report from Southern Air Command at Silvermine said both pieces of the tanker were still adrift at 2pm and that the bow section had stopped burning.

Smoke and flames had earlier obscured the tanker, which might have caused the confusion.

The stern was reported to have lifted higher out of the water, probably because of the amount of oil leaking into the sea.

It is believed the burning tanker split moments before a team from the John Ross were about to board it in a bid to fix a tow line and tow the vessel farther out to sea to prevent a major coastal oil-spill.

The Unicorn container vessel Breede picked up one survivor, as did a Court helicopter in a daring rescue.

About 8am the helicopter plucked a lone seaman from the burning vessel and flew him to Cape Town.

The Saldanha Bay trawler Harvest Carina, which picked up 31 survivors, reported by radio that one of the tanker crew had slight burns, while several were in a state of shock.

Two women — wives of the crew — were also rescued.

The survivors, who were in a lifeboat from the tanker, were transferred to an inflatable lifeboat from the Carina at 5am before being taken aboard the trawler.

## Heavy seas

Although the trawler crew first learnt of the disaster at 1.30am, they could begin their rescue only at 5am because of heavy seas.

Mr Eckart Kramer, managing director of Sea Harvest, which owns the trawler, said arrangements were being made for a doctor to be present when the trawler docks and for hot meals to be served.

Harbour authorities have laid out a barbed-wire barrier at the entrance to the quay where the Carina is to dock as a precaution against inconvenience caused by bystanders.

By mid-morning vessels in the area where the tanker is burning, Court helicopters, a Department of Transport Puma helicopter, a South African Air Force Super Frelon and an Albatross had joined in the search for the missing men.

But at noon Southern Air Command called off the search after giving the men a maximum survival time of eight hours.

## Clothing

It was said the men, first believed to have been adrift in the slick, would not have been able to survive the 15 deg C temperature of the water without protective clothing.

Calls for help reached the helicopter rescue service about 3am and a Sikorsky S 58 helicopter took off at 4.45am, flown by Captain Jeremy Labuschagne.

The helicopter had to return to Cape Town to refuel and took off again at 6.45am carrying a representative of the tanker's agents.

The tanker was then listing to port with its bow lowered and heat from the fire had melted

metal on one side of the tanker.

The John Ross and Land and Marine's Causway Salvor went to the scene soon after the mayday was sent out early today.

All five of the country's Kuswag-series anti-pollution vessels were mobilised and raced to the scene from Cape Town, Mossel Bay, Port Elizabeth and Durban.

The five-year-old Castillo de Bellver, a VLCC (very large crude carrier), was on its way from the Middle East to Spain.

She is owned by Empresa Nacional Elcano de la Marina Mercante of Cadiz and valued at R7,5-million.

Her 250 000-ton cargo of crude oil was worth almost R65-million.

## Disaster

Early today the head of South Africa's anti-pollution network, Captain John Robinson, warned that although the ship was some distance off the coast, it could spell disaster for the West Coast if it exploded or sank.

He said that the oil cargo could destroy the marine ecology of the West Coast, which is South Africa's major crayfish, pelagic and white fish ground.



Picture:

SHOCKED survivor of the Castillo de Bellver disaster, drinks a cup of coffee at the Cape Town helicopter base taken to the Sea Point clinic. Mr Veas was plucked from the burning ship which was already beginning to buckle. His are full of oil.

# A waving hand in a sea

By LINDA VERGNANI  
Weekend Argus Reporter

AN oil-soaked deckhand was spotted on the deck of the blazing Castillo de Bellver by a helicopter crew and lifted to safety.

Mr Jose Veas, was flown to Cape Town and taken to the Sea Point clinic. At noon his condition was described as "quite satisfactory".

"He's smiling. He's full of life. He really seems to be in a good state," a hospital spokesman said.

Captain Jeremy Labuschagne, one of the pilots of the helicopter which snatched Mr Veas to safety said: "We weren't even looking for anyone on the tanker. Then we saw this guy waving and picked him up."

"We didn't expect any survivors on the ship. We went to rescue the people in the lifeboat, but they had already been picked up."

"We circled the tanker several times before we saw this man waving on the starboard side. He doesn't seem to be injured, but he's in a state of shock."

Captain Mike Gardner, another of the pilots, said Mr Veas was lucky that a strong wind was blowing the flames away from the starboard section.

When Mr Veas arrived at the helicopter base in Cape Town his hair and ears were full of oil.

Asked if he thought he would be rescued, the dazed, Spaniard said through an interpreter: "I didn't think about these things."

He was too shocked to continue to talk about his experience.

But the ship's agent, Mr J Rolfs, who was in the helicopter and saw the rescue, said Mr Veas was sleeping when the ship caught alight.

"He boats crew"

Mr V. turning ladder, clothes.

By "enor" of the ablaze.

"It I've been said Mr

Mr de



TANKER



DRAMA

# Disaster threat to islands' bird colonies

w/c ARGUS  
6/8/83

56 332

## Smoke column 450 metres high

Weekend  
Argus  
Reporters

By RICKY STEYN  
Weekend Argus  
Reporter

craft conducted the  
search-and-rescue op-  
eration.

The Albatross brought them into the picture and they flew towards the tanker to assess the situation.

"We saw the oil slick. It was a good 20 to 25 miles long and drifting away from the coast.

"As it often happens along this coast, the ship was drifting downwind as the current drifted into the wind."

Captain Solomon said the helicopter hovered over debris and picked up a life ring.

Several ships were in the area, including a trawler, a container ship, the Breede, and another trawler, the K4.

"When we left three hours after taking off, the tanker was virtually melting.

### Burnt out

"It had burnt itself right through, and I doubt if there will be anything left.

"I don't think there will be any threat of major pollution along the coast.

"However, it remains to be seen," Captain Solomon said.

THE crew of the first SAAF Super Frelon helicopter summoned to the burning tanker, at 8.30am, reported that a "massive column of smoke" was 450m high.

This was before they sighted the ship.

Captain Ian Solomon, co-pilot of the helicopter, was summoned to the air force base at 6.45am, accompanied by his flight engineer, Sergeant-Major "Hoffie" Hoffman.

### Rainy

With crew commander Captain Tony Snyders, the aircraft took off in rain and reached its destination in 35 minutes.

Captain Solomon said: "I saw the pall of black smoke and a massive fire 20 minutes out.

"We were about 40 miles away and the fire was about 70 miles from the coast."

Flying at 60m, with a heavy 12m swell, they approached the vessel from the north-west.

Above them an Albatross reconnaissance air-

Professor Branch said it would be the swimming and diving birds which would suffer immediately.

Penguins, he said, did not have a chance against the oil because they swim for food and survival.

Once the toxicity of the escaping oil was lost, the oil would form tar balls which would plug into the islands and over a period block gills and glue birds' feathers together, he said.

While fishing would not be affected, as fishermen depended on pelagic fish such as sardines caught out to sea, the invertebrates such as crayfish and prawns would suffer badly.

Saldanha Bay is regarded as a crayfish sanctuary.

Professor Branch said it would be a disaster if oil was trapped in Langebaan Lagoon.

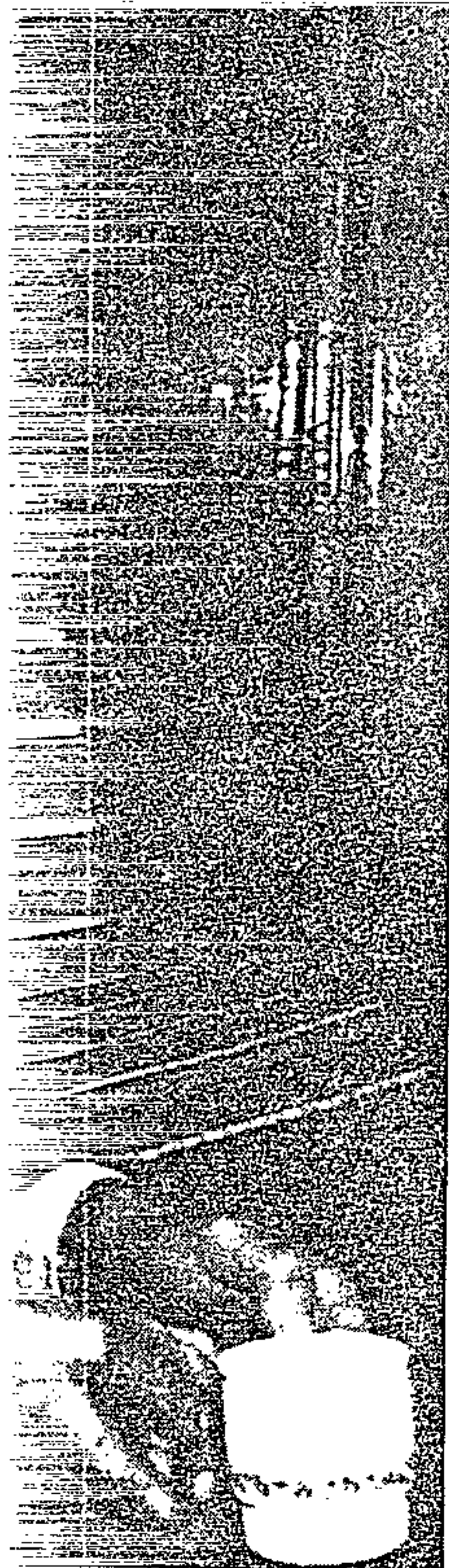
The lagoon had some of the finest specimens of bloodworm and prawns, he said.

SOUTH Africa could lose one of its wealthiest bird colonies should the oil slick reach into Saldanha Bay itself.

A Cape Town expert on coastlines, Professor George Branch of UCT's Zoology Department, greeted news of the blazing tanker with despair.

He said Saldanha Bay, Langebaan Lagoon and the islands in the area, formed South Africa's richest bird sanctuary and that if the oil found its way to them it would mean the end of thousands of marine birds and invertebrates.

The islands in the area include Dassen, Malgas and Marcus.



Picture: WILLIE DE KLERK

disaster, Mr Jose Vea, helicopter base before being rescued from the deck of the tanker. His hair and ears

## Column of smoke

"He told me he rushed up to the deck, but the lifeboats had left. He jumped into the sea with another crew member, Mr F del Gardo."

Mr Vea swam around for about an hour before returning to the blazing ship. He climbed up the pilot's ladder, went down to his cabin and changed his wet clothes.

By the time the helicopter arrived there were "enormous flames about 10m high" on the port side of the ship and the sea surrounding the tanker was ablaze.

"It was a shocking sight. I know the ship well and I've been on board many times. It was an inferno," said Mr Rolfs.

Mr del Gardo was rescued by a trawler.



332

# Safer buses would cost passengers more

By MARC DOBSON

AVERAGES showed that every bus in Port Elizabeth would be involved in some kind of accident within the next 10 months, the general manager of PE Tramways, Mr Graham Shields, said this week.

Last year the fleet of 480 buses had 608 accidents.

Mr Shields, who was reacting to a road traffic expert's description of South Africa's buses as "potentially lethal" due to basic faults in their structural design, said buses could only be made safer at passengers' expense.

Mr Azmi Tenkalp, a road traffic expert attached to the National Institute for Transport and Road Research, criticised accepted standards of design for South Africa's buses at the annual transport convention organised by the Council for Scientific and Industrial Research (CSIR).

He said the death rate in bus accidents was more than 13 times greater than the death rate in other vehicles.

Buses were involved in four times as many accidents as other vehicles, causing three times as many casualties as

car accidents.

Statistics obtained from the National Road Safety Council showed that a staggering 85% of all buses travelling on South Africa's roads were involved in traffic accidents last year, resulting in the deaths of 14 bus drivers and 139 passengers.

The publicity Mr Tenkalp's criticisms received had created the impression that buses were the most dangerous vehicles on the road, said Mr Shields.

"But the most basic fact which is not even touched upon is that buses are designed to carry a lot of people simultaneously in one vehicle.

"In any accident involving a bus, a larger number of people are exposed to danger than in any other vehicle," he said.

"Again, because of its relative size, a bus is more likely to cause extensive damage to whatever it collides with, than a motor car."

Mr Shields also pointed out that buses were predomi-

nantly used in peak periods when competition for the available road space was at a premium; that they operated for greater distances than cars in a given period; and that they ran more intensively in areas where road conditions were the least ideal.

Taking into account the total distances covered — about 25-million kilometres — it could be computed that the kilometre/accident ratio for Port Elizabeth's buses in 1982 was one accident per 40 694 kilometres.

Among Mr Tenkalp's specific criticisms were:

- The horizontal rail at the top of a seat, "likely to cause injuries to the head, face or throat of the passenger behind".
- Right-angled corners on bus exteriors.
- Excessive clearance above ground level, "which creates a serious under-ride hazard".
- Anti-fire rules governing materials used in buses.

Mr Shields agreed that the horizontal rail presented a potential danger, but said to cover it with a protective

material would lay it open to damage by vandals.

He said for the last three years, no buses added to PE Tramways' 440-strong fleet had featured right-angled corners on their exteriors.

There were also only a "handful" of cut-away buses.

To substitute the material used inside a bus for non inflammable material would also be very expensive, said Mr Shields.

He said that PE Tramways had embarked on a replacement programme for both double and single decker buses. Five of 48 new single-decker buses were received last month and the rest of the buses would be delivered within the next six weeks.

Asked to comment on Mr Tenkalp's criticisms, the managing director of PE Tramways, Mr Carl Coetzer, said that safety features were relevant to cost.

"With new buses currently costing about R85 000 each any feature added to a bus to make it safer would have to be paid for by the passenger," he said.



332

# Bus drivers injured in violence in Ciskei

EAST LONDON—Forty-two Ciskei Transport Corporation buses have been damaged and five drivers injured in stone-throwing incidents in Mdantsane during the past 48 hours. *Mercury*

A spokesman for the bus operators, Mr Wessel van Wyk, said none of the drivers was seriously hurt ... 'but damage to the vehicles will probably run into several thousand rand'.

The 30 buses damaged yesterday had about 90 windows smashed — units which cost close to R100 each to replace. 6/8/83

Mr van Wyk said it seemed the groups of stone-throwers were deliberately aiming at the driver's cab when they attacked vehicles.

'Just about every vehicle that has been damaged has had the windscreen and side windows of the driver's cab smashed,' he said.

All buses were to have the cabs fitted with protective steel gratings.

The transport officials said their vehicles were operating at 60 percent of capacity yesterday.

The situation is tense in Mdantsane following the death of five people in shooting incidents between Ciskeian police and commuters boycotting bus services on Thursday. More than 30 were injured.

In the latest development, members of the Ciskei armed forces and police have detained members of the South African Allied Workers' Union (SAAWU), including Mr Humphrey Maxhegwana, the local organiser, after visiting union officials' homes.

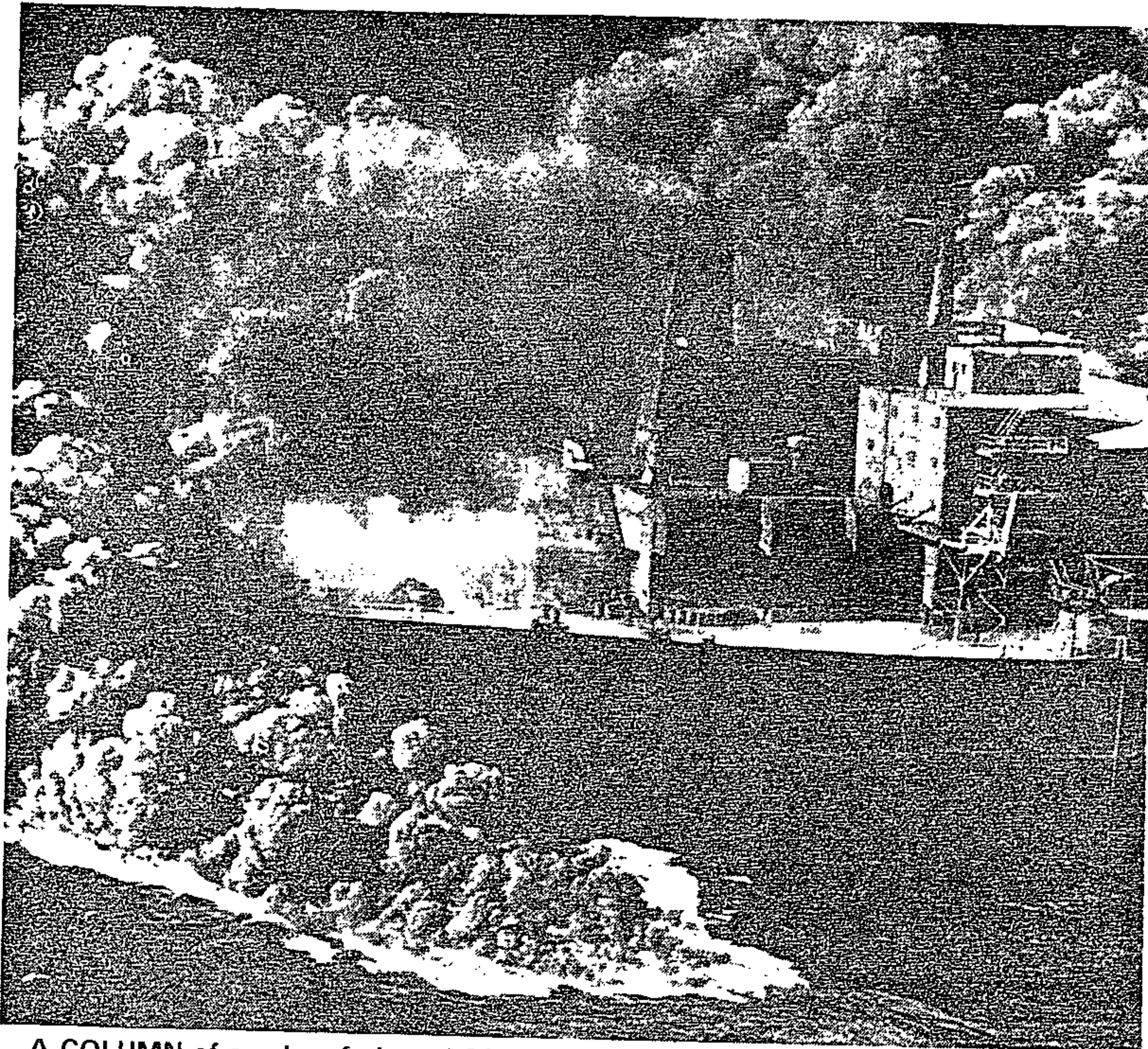
The Ciskei police liaison officer, Maj D Ngkai, yesterday confirmed the detention of union members for questioning, but declined to give further details.

Between 30 and 45 people are being treated in hospital after they were injured in the shooting incidents, following the declaration of a state of emergency by the Ciskei Government.

Mdantsane residents say Ciskei Police shot at riotous people who wanted to board trains and not buses in protest at a recent bus tariff increase. — (Sapa)



# Huge oil threat off



A COLUMN of smoke of about 1 000 metres high was billowing from the blazing wreck of the Castillo de Bellver shortly before she split in two.

Week

MORE than a quai been released into break-up of the 27 Bellver, which came day.

Thirty-three crew members have been rescued and three are missing.

In spite of one of the most extensive disaster-prevention operations mounted on the South African coast, the fully-laden 334m tanker, which caught fire and was abandoned by her crew at 1.30am, has presented the world with one of the biggest maritime disasters and has left South Africa with its gravest pollution threat.

## Gale abating

However, latest reports say the south-westerly gale is abating and lessening the threat of coastal pollution.

Late this afternoon Safmarine's John Ross, the two Saldanha Bay harbour tugs, Marcus and Jutten and two Kuswag anti-pollution vessels were spraying the bow of the tanker in a bid to cool it down after it

# Survivors' taste of hc

By DAVID BREIER,  
Weekend Argus  
Reporter

**SALDANHA BAY.** — Thirty-one survivors of the Spanish tanker, Castillo de Bellver, stepped ashore at 2.30 pm today looking as if they had just been in hell — and they had.

They were so shocked after coming ashore from the trawler Harvest Carina they that they could not give their names.

One seaman, who received burns and had ugly boils on his shirtless back and ointment smeared on his hands, was one of two crewmen accompanied by their wives.

But neither seemed able or willing to give

their names while they were treated at the SA Navy Gymnasium at Saldanha.

The burned man received a saline drip while his fellow crew members were given hot drinks and sandwiches before being taken by bus to Cape Town from where they are expected to fly to Spain tomorrow.

The master of the tanker, Captain Alfonso Civera, the only member of the crew prepared to give his name, said he had no idea how the fire started.

All he knew was that it began on deck at 1.30 am while he was on the bridge.

He said the crew tried to extinguish it but abandoned ship when they

saw it was impossible to keep the ship afloat — about 40 minutes after the fire broke out.

He said they abandoned ship in four lifeboats. He could not identify the three missing

seamen and could not say what had happened to them.

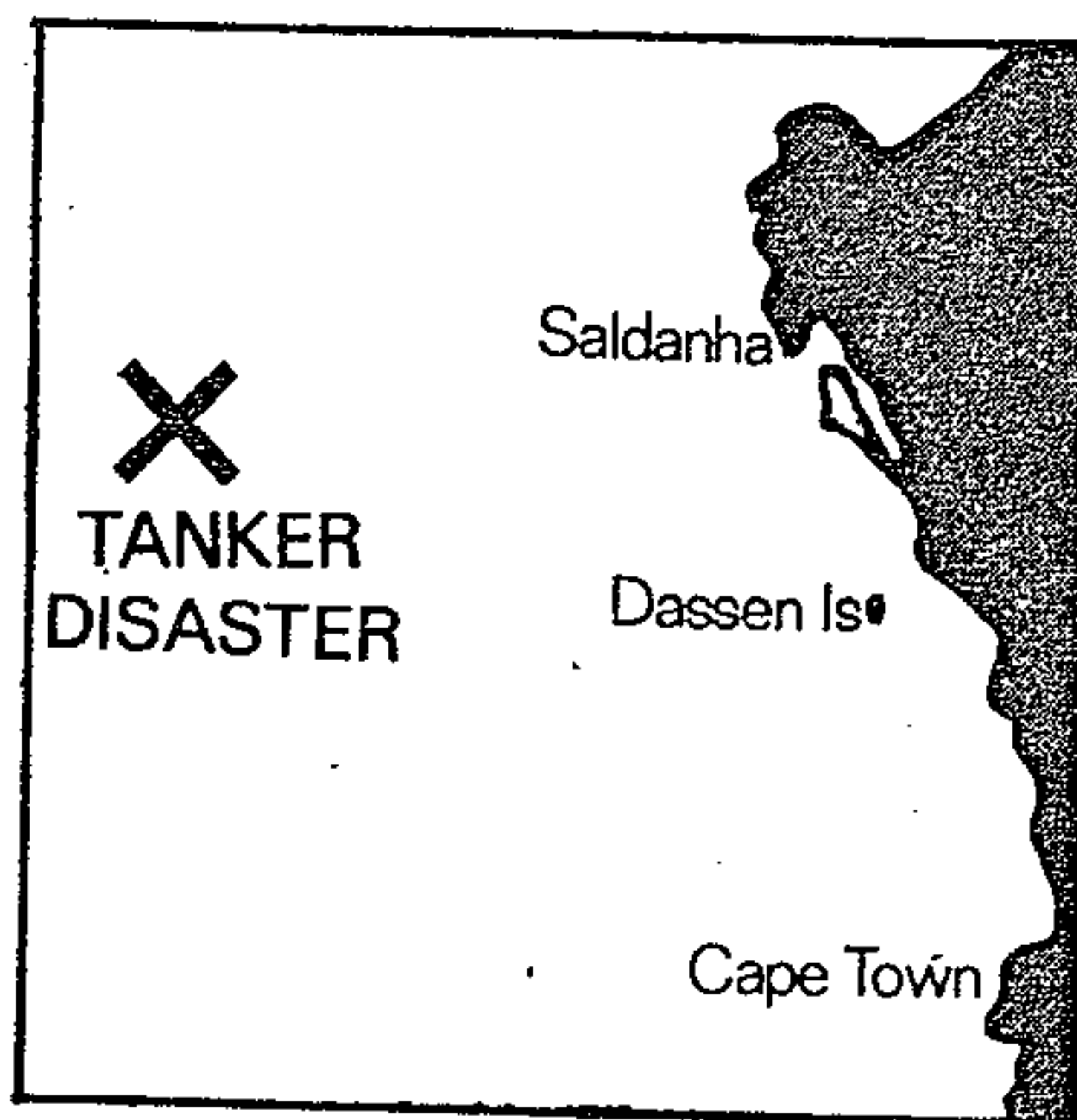
He said he had 24 years' experience in tankers and added that there had been no panic when the crew abandoned ship.

However, the shock that showed in the other crew members gave an idea of the danger they had survived.

"Thank God I am alive, but don't tell my family anything about this," said one seaman who added that he had six children at home.

"It all happened so quickly. I cannot believe it happened so quickly," said another who has four children at home.

"This is just one of those things that happen



w/k ARGUS 6/8/83 332



# f Saldanha

6/8/83

332

Weekend Argus Reporters

than a quarter million tons of heavy crude oil have leaked into the sea off Saldanha Bay following the sinking of the 271 540-ton Spanish supertanker Castillo de Saldanha, which caught fire 40km off Saldanha Bay early to-

-three crew members have been killed and three are missing.

One of the most massive disaster operations in the South African maritime history, the fully-laden tanker, which caught fire and was abandoned by her crew, has presented one of the most serious maritime disasters in South Africa with its gravest threat.

## Abating

The latest report from the south-west is that the threat of a major disaster is abating.

This afternoon the John Ross, a South African ship, and the two Kuswag vessels were in a bid to tow the bow of the tanker out to sea.

## 2 hell

and could not be salvaged.

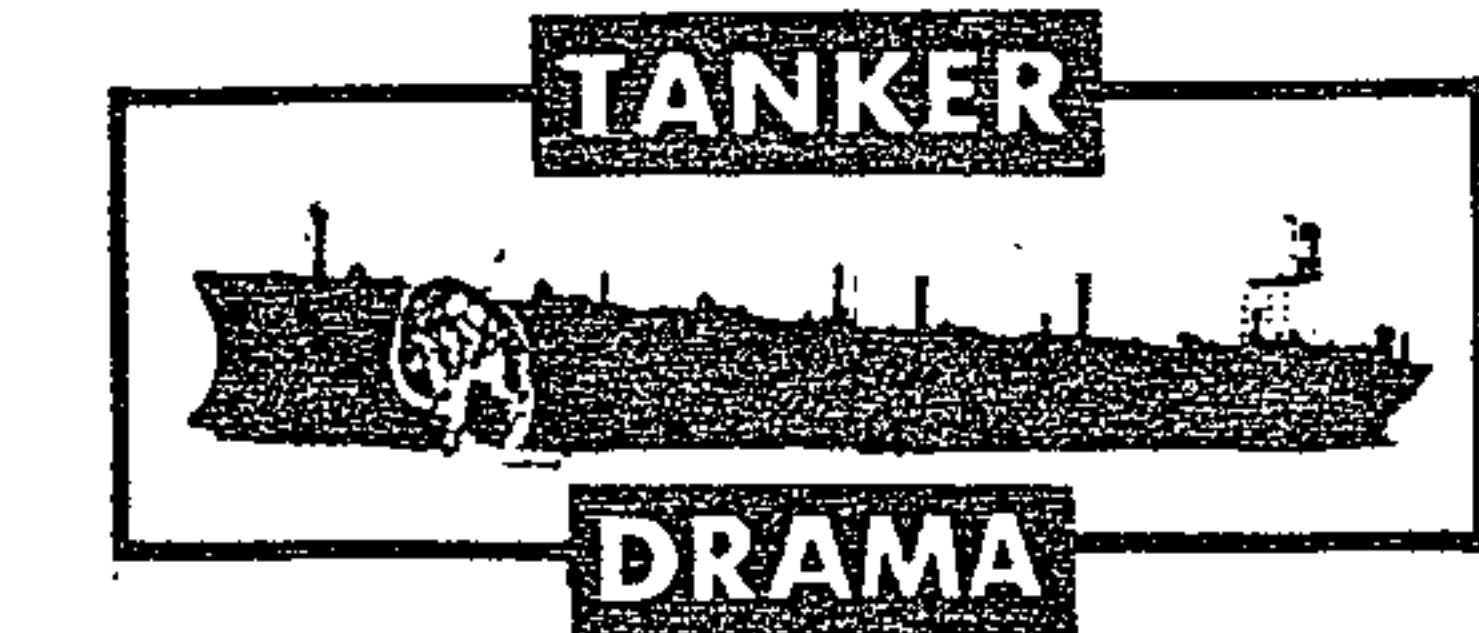
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More disaster reports and pictures on pages 2 and 3. Colour pictures page 11.

burnt out at about lunchtime.

Water and 120 tons of oil dispersant is being used.

According to a spokesman for Southern Air Command at Silvermine, a crew member of the John Ross went aboard the bow just before 4pm to investigate the possibility of fixing a line to tow the bow further out to sea.

The stern, which is still blazing fiercely, is lying

about a mile from the bow.

The intense heat has prevented any vessels going near it and salvage co-ordinators have warned that the stern could explode.

South Africa's Chief Pollution Officer, Mr Bill Bricknell, arrived from Natal this afternoon to lead the team of oil pollution experts who earlier flew over the disaster area in an Albatross reconnaissance aircraft from 27 Squadron.

Fears concerning the oil slick coming ashore have heightened because of a change in the wind direction.

A spokesman for the salvors said the wind had now changed to west-south-westerly which meant the slick would be pushed towards the coast.

The slick and the broken tanker are lying about 36 miles off Dassen Island.

Hundreds of tons of chemical oil dispersant is also being rushed to Cape Town in case the oil does come ashore.

A 20-mile long and three-mile wide oil slick is reported to be wallowing on the ocean surface.

Crew on board the Safmarine tug John Ross reported that the stern of the ship sank at about

Turn to Page 3, col 1

Picture: DANA LE ROUX, weekend

A BROWN OIL slick ringed with flames contrasts with the blue Atlantic as clouds of smoke billow from the dying supertanker Castillo de Saldanha, its back broken.

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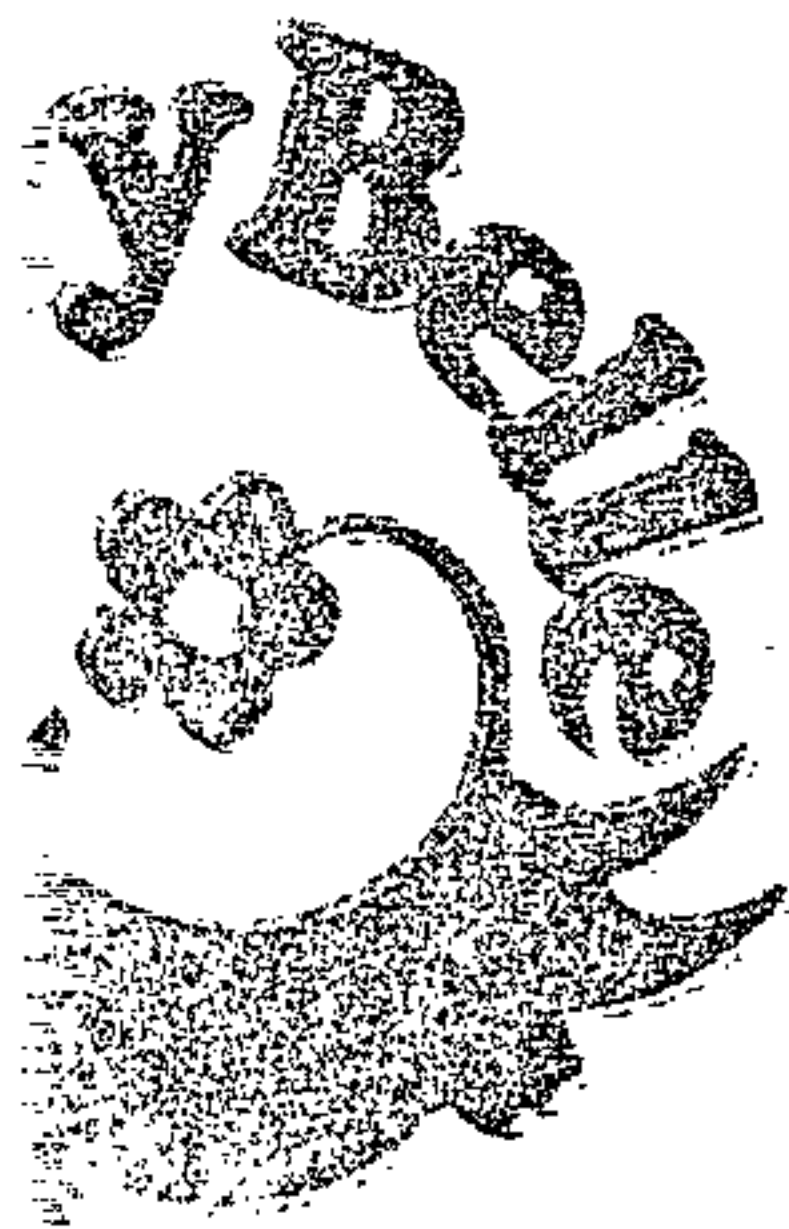
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ing its back, the stricken 334m Castillo de Bellver was surrounded by fire and hidden in a ball of flame hundreds of metres high.

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# Seabird rescue launched

ARGUS  
8/8/83  
332

By MELISSA LANGERMAN,  
Environment Reporter  
MR ROGER Hulley, PFP spokesman on the environment, called on the Government today to establish an "urgently needed" environmental impact committee to study the effects of the tanker disaster.

"Even if some of the danger of the oil slick has been averted because of the wind, there is no room for complacency as the oil trapped in the hull could pose a threat to marine life and birds for some time to come," he said.

He said the committee should include representatives of all the relevant authorities and should conduct studies along the coast for several months to come.

The committee could make recommendations about preventive measures and should include such organisations as the Defence Force to assess

the role they could play in safeguarding marine birds and animals.

Although conservationists are relieved about the south-easterly wind which has blown the slick away from the precious island breeding seabird colonies, their main worry now lies in the threat to marine life from the oil trapped in the hull.

Most of them say it is yet too early to be relieved about the minimal damage caused so far.

Mrs Althea Westphal, of the South African National Foundation for the Conservation of Coastal Birds (Sanccob), said three rescue stations were being set up along the coast.

She had received reports of three oil-covered birds being rescued and these would be brought to Cape Town later today.

Sanccob's move of headquarters to Rietvlei has been pushed forward by the disaster and Mrs Westphal said the move would probably take

place this week to cope with the emergency.

Mrs Westphal said she had received many offers from people wishing to assist Sanccob in caring for the birds.

She appealed to people who found injured or oil-covered birds to call Sanccob to deal with them and pleaded that they first contact Sanccob before they killed birds they thought were too ill to survive so that they could be humanely put down.

Mr Keith Goudie, secretary of the Society for the Prevention of Cruelty to Animals, said his organisation had offered assistance to Sanccob and they would be making a visit to the West Coast to assess damage today.

Mr Anton Moldan of the pollution division of the Department of Sea Fisheries said there was still a chance that the penguin colonies could be fenced off if the oil posed a threat to them.

## All hope lost for three missing men

ARGUS 8/8/83 332

Staff Reporter  
ALL hope for the three seamen missing from the wrecked Castillo de Bellver has been abandoned.

A spokesman for Maritime headquarters at Silvermine said on Saturday that the three men, who were presumed to be in the sea without protective clothing or floata-

tion, could not have survived for more than eight hours.

Water temperature was about 15 deg C.

A spokesman for the ship's agents confirmed today that three men, and not two as originally thought, were still missing. Thirty of the survivors flew back to Spain yesterday while the cap-

tain of the vessel, Captain Alfonso Civera, remained behind.

Also still in Cape Town is Mr German Garcia Juar, who is being treated for burns in the Tygerberg Hospital, and his wife, who was also aboard the burning tanker. All three are expected to return home later this week.

## State departments on salvage body

By TOS WENTZEL  
Political Correspondent  
SEVERAL State departments will serve on a committee to co-ordinate

steen, said today the committee will also have to consider claims resulting from damage caused by the oil slick.

well as local authorities is being put into operation.

According to Mr Eksteen, no more oil is





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## State departments on salvage body

By TOS WENTZEL  
Political Correspondent  
SEVERAL State departments will serve on a committee to co-ordinate salvage and anti-pollution efforts after the Castillo de Bellver oil disaster.

The departments are those of Transport, Agriculture and Environment Affairs and Sea Fisheries.

The Director General of Transport, Mr A B Ek-

steen, said today the committee will also have to consider claims resulting from damage caused by the oil slick.

He said it would be an impossible operation and too dangerous to try and pump oil from the bow section of the tanker which is being towed away by the salvage tug John Ross.

An anti-pollution contingency plan involving several departments as

well as local authorities is being put into operation.

According to Mr Eksteen, no more oil is flowing from the tanker's bow section.

The co-ordinating committee will also consider the question of compensation if damage is caused and ascertain who will have to pay for the cost of anti-pollution and salvage operations, he said.

Helicopter rescue saga

he took his helicopter to that side, within 30 metres of the flames.

"I dropped to about 10 metres from the deck and we winched the man aboard. We were never in any danger, and although we felt some warmth, there was no intense heat."

Captain Labuschagne, who received his wings at the same time and at the same school as Commandant Kriegler, has been flying helicopters for 21 years.

## Tanker disaster

(Contd from Page 1)

Captain Mike Garnett, technical manager of the International Tanker Owners Pollution Federation said late yesterday that if the weather holds "we'll get out of this virtually scot free".

But he warned that if the wind changed to a westerly, nothing could be done to stop the slick reaching the West Coast.

Already polluted penguins have been spotted off Saldanha, and there is fear that the slick could damage pelagic fish resources.

Captain Garnett flew to Cape Town yesterday with his deputy, Mr Mike Nichols, to advise the Department of Transport and local officials on techniques to disperse and control the slick. He and Mr Nichols represent the tanker owners and their insurers.

Captain Garnett thought most of the oil was dispersing with the action of the sea helped by dispersants.



# Forecast for south-easter to blow u

# Wind hold

ARGUS 8/8/83 (56) 332

Staff Reporters

A SOUTH-EASTERLY wind of between five and 15 knots will continue to blow off Saldanha Bay until tomorrow night, according to today's weather forecast.

This means that the oil slick, which is about 22 nautical miles (41 km) north-west of Saldanha Bay at its closest point to the coast, will be kept away from the shore.

A spokesman for the weather office said the wind pattern for Wednesday had not yet been analysed. A forecast for then would only be known tomorrow.

The bow of the broken 271 540 ton Spanish super-tanker, Castillo de Bellver, which got under tow late yesterday, is 40 miles (74 km) west of Cape Columbine.

## Bow towed by tug

The bow is being towed by the John Ross tug at an average of 1,2 knots in a west-north-west direction.

Agents for the tug, representatives of the Department of Transport's Marine Division, local and overseas pollution experts and salvors met this afternoon to plan what to do next.

It is understood the agents are trying to contact the owners of the tanker to get their permission to sink the bow in the Atlantic Ocean.

Even if permission is obtained today, however, the tow will continue until the authorities feel both tug and bow are a safe distance from the coast and coastal currents.

## Check shows leakage stopped

The stern of the tanker, which caught alight early on Saturday, sank about 25 miles (46 km) off the coast in about 400 metres of water at 8.20 pm on Saturday. But fires burnt on the ocean until 5 am on Sunday.

Oil continued to ooze yesterday from the stern but a check today showed that leakage had stopped.

Salvors believe this means the stern may be empty after fuelling the fire for so long.

Within the next day or two a diver will be sent down to check the position of the stern. The inspection cannot take place until the sea has settled after being churned up by numerous vessels operating in the area over the past 60 hours.

## Experts still anxious

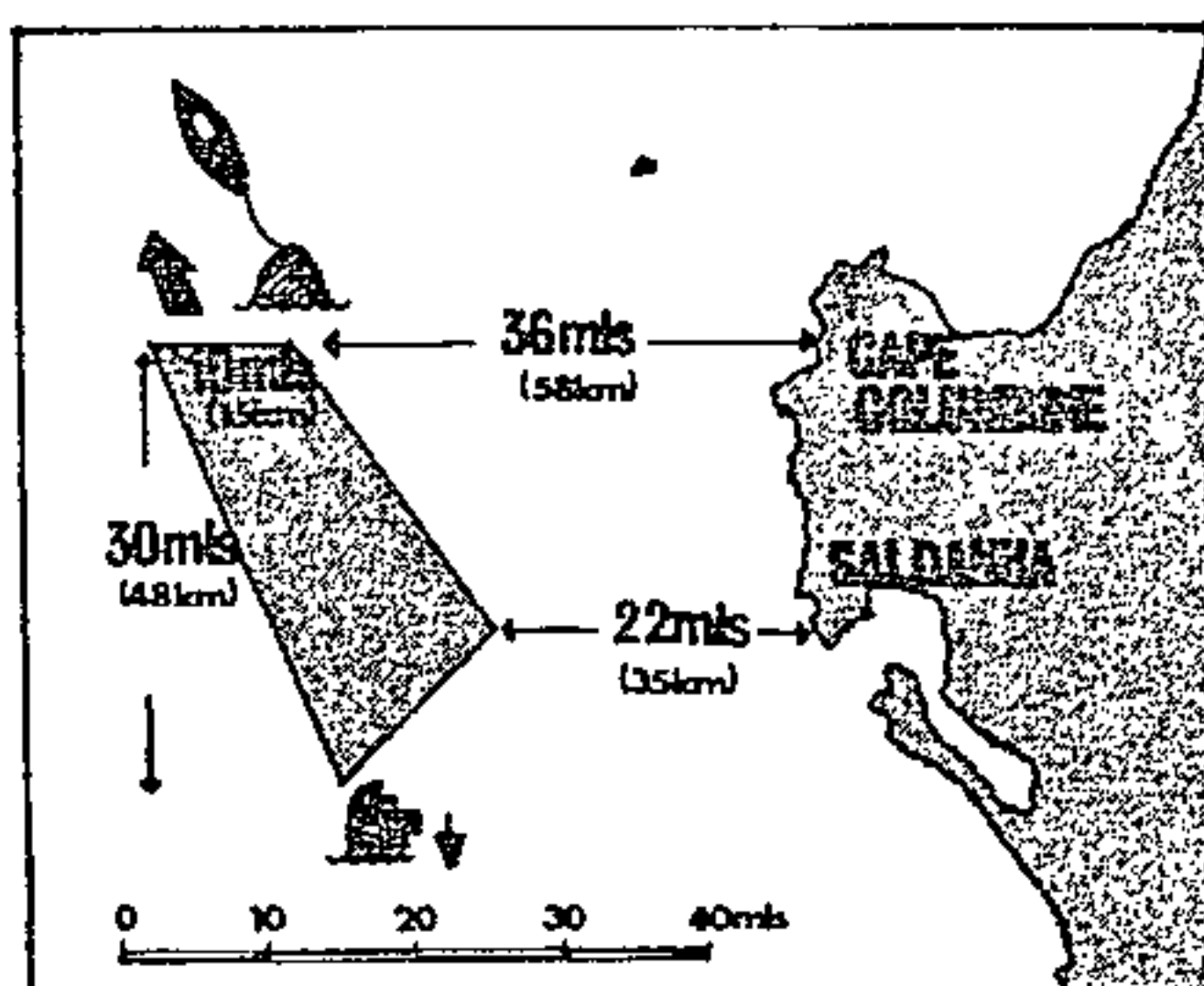
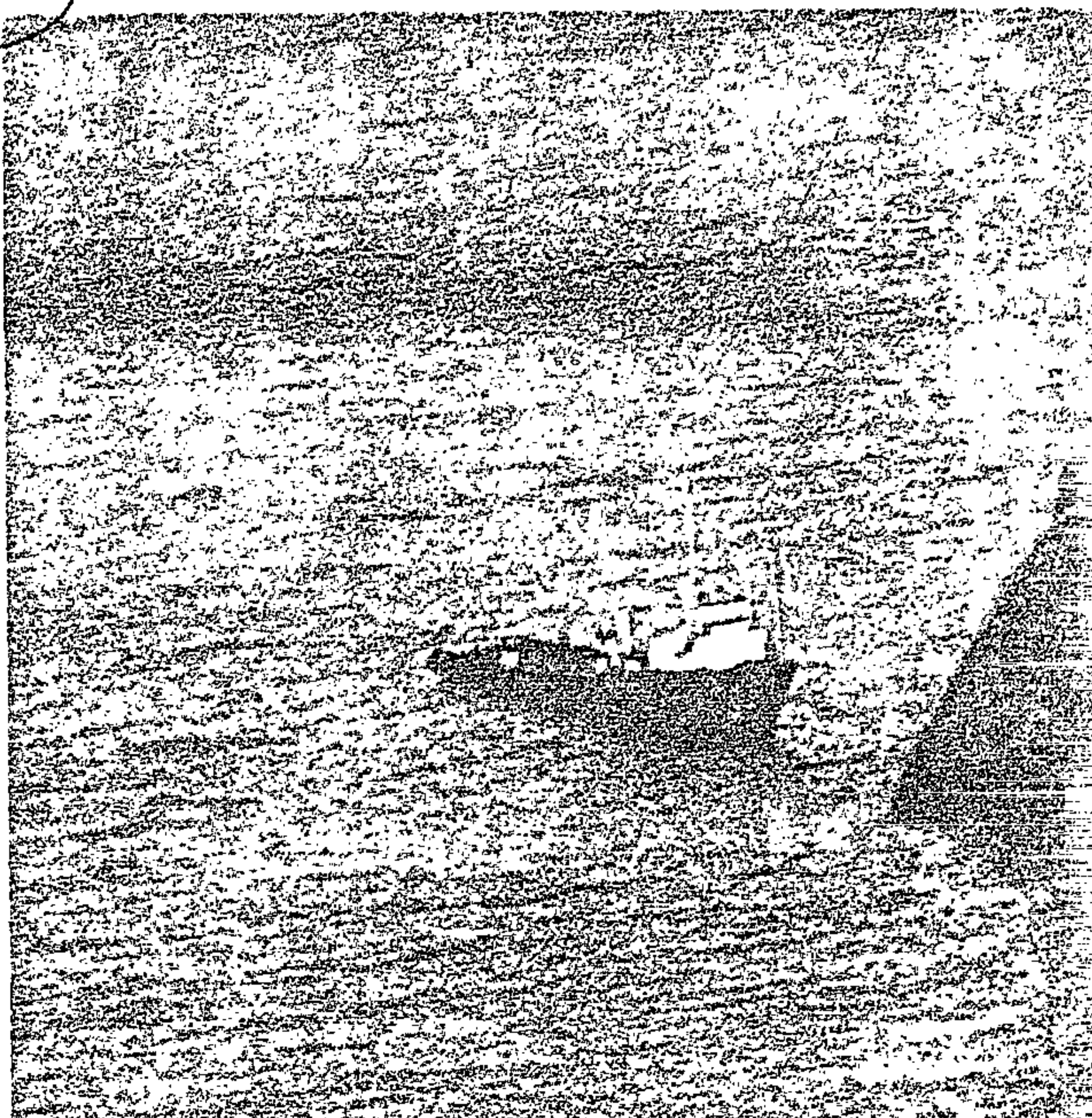
Although the threat of major pollution to the West Coast has lessened with the bow out of the way, oil pollution experts and salvage crews are still anxious about the giant oil slick left behind.

The slick has now thinned out over an area 30 miles (55 km) by 10 miles (18 km).

Kuswag anti-pollution vessels have sprayed a total of 41 000 litres of dispersant on the slick since Saturday.

At present Kuswags V and VI are dealing with the land side of the slick in the south and Kuswag II is in the north spraying oil which is being trailed by the bow section.

Look for safety



THE OIL left in the wake of the supertanker's forecastle, which is being towed further out to sea, is being kept clear of the shore by the south-easter. It is about 22 miles (41 km) off Saldanha Bay.

SALVAGE tug John Ross Spanish tanker Castillo de Bellver caught fire and sank, drifting about 22 miles off the coast. Standing by is

● More tanker on p. 1

## Probe on granting of casinos

Political Staff

THE National Intelligence Service is carrying out a country-wide investigation into the multi-million rand wheeling and dealing behind homeland casino concessions.

The NIS investigation is revealed in the report of a Parliamentary select committee which has been investigating allegations involving the participation of Deputy Min-

Copter rescue  
ARGUS 8/8/83 (56) 332  
'courageous, superb flying'

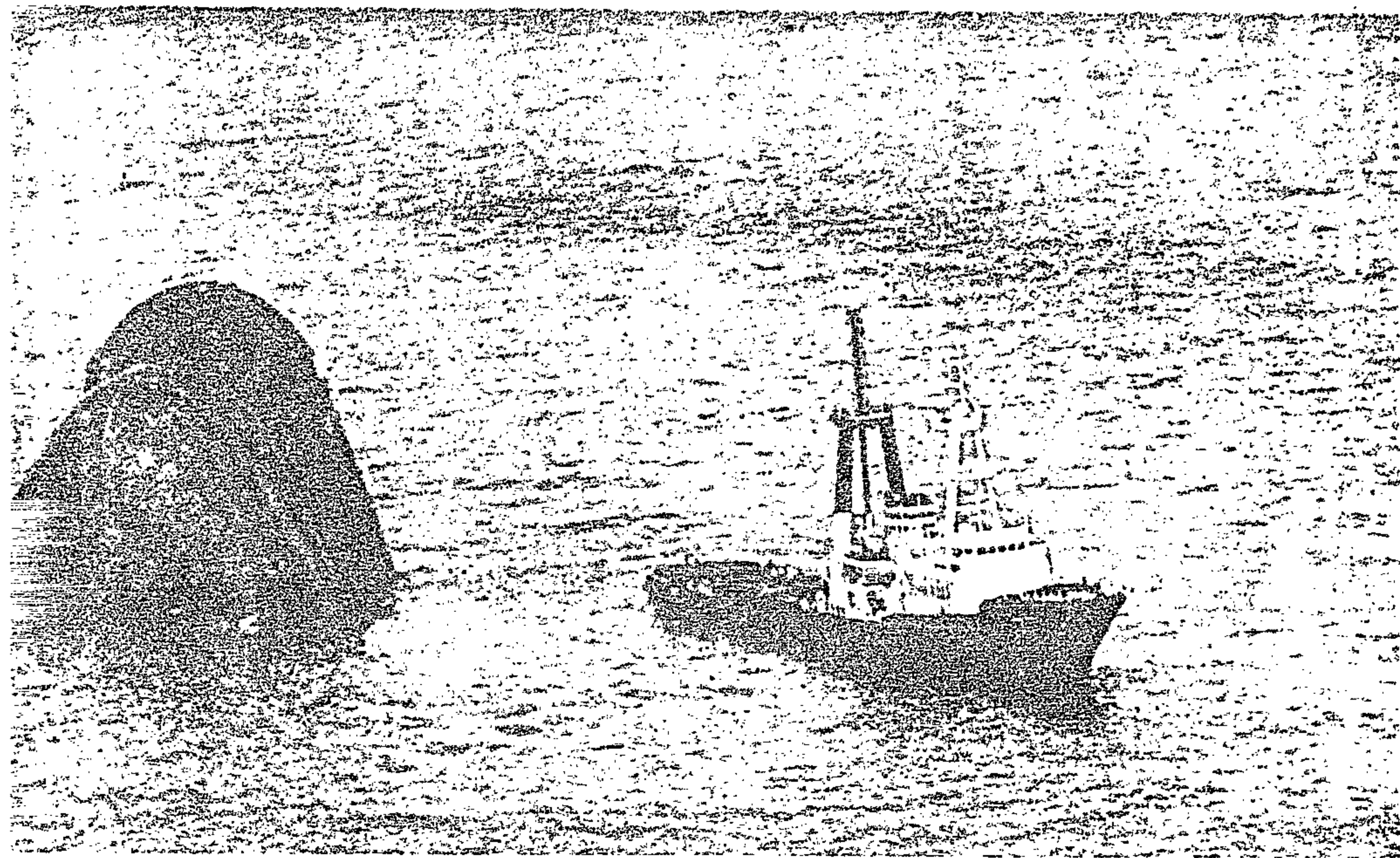
Staff Reporter

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W until at least tomorrow night

# Is off slick



John Ross begins towing the bow section of the Castillo de Bellver out into the Atlantic after the ship broke in half on Saturday. A giant oil slick is 22 miles (41 km) north-west of Saldanha Bay. Helping by is the salvage tug Causeway Salvor.

tanker disaster pictures and reports on pages 2, 3, 4, and 5.

## Changes to constitution — See Page 5

## SAAF men die in plane crash

Argus Correspondent

TWO South African Air Force men died today when their twin-seater Impala Mk1 jet crashed just south of Pretoria in dense mist.

### Juluka colour poster inside today



A double-page colour souvenir poster of Afro-rock group Juluka appears in the Tonight section today.

- ★ Community Calendar.....7
- ★ Shipping.....6
- ★ Talk at the Tavern.....13
- ★ Today's Woman..14
- ★ Finance.....15, 16
- ★ Share prices.....15
- ★ Births, Marriages and Deaths.....18
- ★ Racing.....17
- ★ Sport.....18, 19, 20

● TV on Page 3 of Tonight.





And  
date  
the

...which today showed that leakage had stopped.

Salvors believe this means the stern may be empty after fuelling the fire for so long.

Within the next day or two a diver will be sent down to check the position of the stern. The inspection cannot take place until the sea has settled after being churned up by numerous vessels operating in the area over the past 60 hours.

### Experts still anxious

Although the threat of major pollution to the West Coast has lessened with the bow out of the way, oil pollution experts and salvage crews are still anxious about the giant oil slick left behind.

The slick has now thinned out over an area 30 miles (55 km) by 10 miles (18 km).

Kuswag anti-pollution vessels have sprayed a total of 41 000 litres of dispersant on the slick since Saturday.

At present Kuswags V and VI are dealing with the land side of the slick in the south and Kuswag II is in the north spraying oil which is being trailed by the bow section.

### Dash for safety

On Saturday morning salvage crews were unable to get near the ship because of the raging fires and intense heat.

Just as John Ross was about to send a party aboard, the 334-metre vessel split in two and the tug had to make a dash to safety.

The stern continued to burn fiercely but by mid-afternoon the bow fire had burnt out and the long cooling process began.

While the three Kuswags continued yesterday to spray the oil sludge — known as chocolate mousse — with dispersant, the John Ross and Land and Marine's tug, Causeway Salvor, cooled the bow sufficiently to allow a Court helicopter to drop a crew on board.

By lunchtime the crew, balancing precariously on the bow anchor about 20 metres above the water, attached three tow lines from the anchor chain linking it with the John Ross. By 4 pm the tow was under way.

### Bow almost vertical

The bow, which is still lying in an almost vertical position, will be towed at a rate of 1.5 knots in a north-westerly direction as far into the Atlantic Ocean as possible.

Salvors are not certain what will be done when both tug and bow are a safe distance from the coastline.

According to the salvors the bow is sinking at a rate of two metres a day and if left alone would probably sink in 10 days.

It was noticed yesterday that a crack had appeared between the forecastle (forepeak) and starboard side of the bow and that oil is being pushed out by the pressure of the sea water.

A cable 56 mm in diameter, a heavy nylon rope and a third towing cable also 56 mm in diameter are being used for towing. The effective distance between the tug and the bow is expected to be about 350 metres.

(Turn to Page 2, col 9)

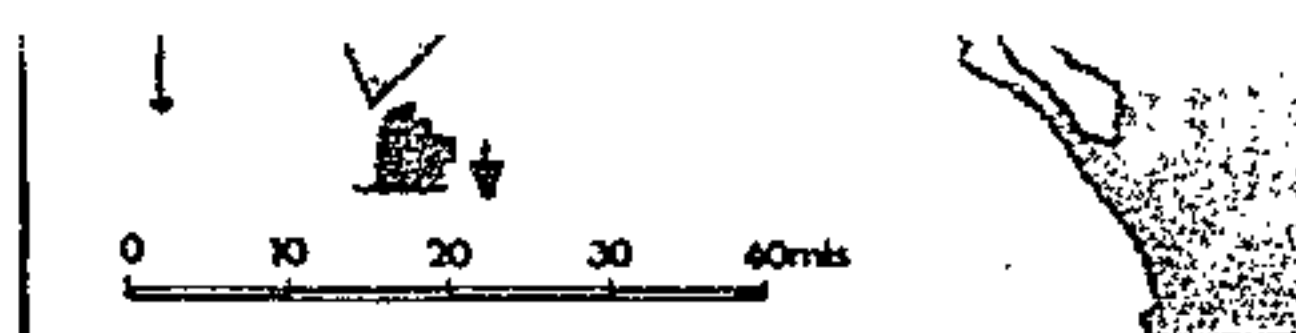
## Oil slick trails behind hulk under tow

By SYBRAND MOSTERT, Staff Reporter

FANNING out from the partially submerged fo'c'sle of the destroyed supertanker crude oil is seeping into the sea, blackening the surface for about 30 nautical miles (55km) in a rough triangle.

Flying in low over the sea in perfect weather at 8am, the oil slick left in the wake of the Castillo de Bellver was visible miles away — a black, shiny sheet on the sea's surface that seemed to smother even the waves themselves.

We followed the slick, flying for more than 15 minutes to its origin, where the deep-sea salvage tug John Ross was slowly towing the ponderously rolling forward section of the tanker away from the West Coast.



THE OIL left in the wake of the supertanker's forecastle, which is being towed further out to sea, is being kept clear of the shore by the south-easter. It is about 22 miles (41km) off Saldanha Bay.

## Copter rescue 'courageous, superb flying'

Staff Reporter

THE ACTION of a Court Line helicopter pilot, Captain Jeremy Labuschagne, in plucking a Spanish seaman from the deck of the burning Castillo de Bellver "went far beyond the call of duty", Commandant Ben Kriegler, OC Southern Air Command, said today.

He said: "There was a very real chance that the tanker could blow up."

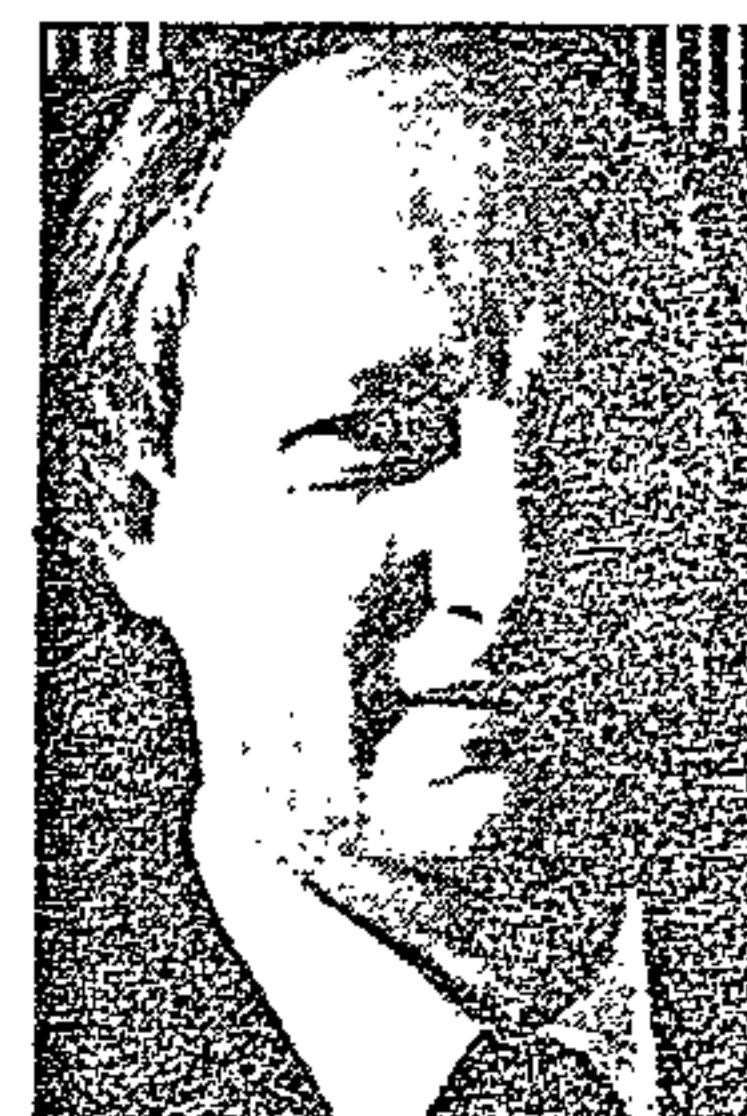
"Added to the problems which made this a superb piece of skilled and courageous flying was the high wind and the sea conditions, which were making the tanker rise and fall through a large distance."

### VERY BRAVE

"It was a very brave and very competent rescue."

Commandant Kriegler said Captain Labuschagne's action underlined the "excellent work" these men are doing to assist South Africa's air-sea rescue operations.

"Their work in rescuing 20 Taiwanese fishermen from the sunken Shin Huie south of Mossel Bay last month is a case in point. In 1979 they also did excellent work with another fishing vessel off Cape Point."



Captain Jeremy Labuschagne

"I cannot praise these men highly enough. I think they are doing great work."

Captain Labuschagne said his action was not "heroic".

"And this is not just modesty," he grinned. "The pilot who saw me 'go down into smoke and flame' was obviously viewing from an angle which didn't give him an accurate picture."

He said his crew spotted the seaman, Mr Jose Veia, standing towards the stern of the burning vessel.

The port side was aflame, but the high wind was blowing both flames and smoke away from the starboard side, and

(Turn to Page 2, col 8)

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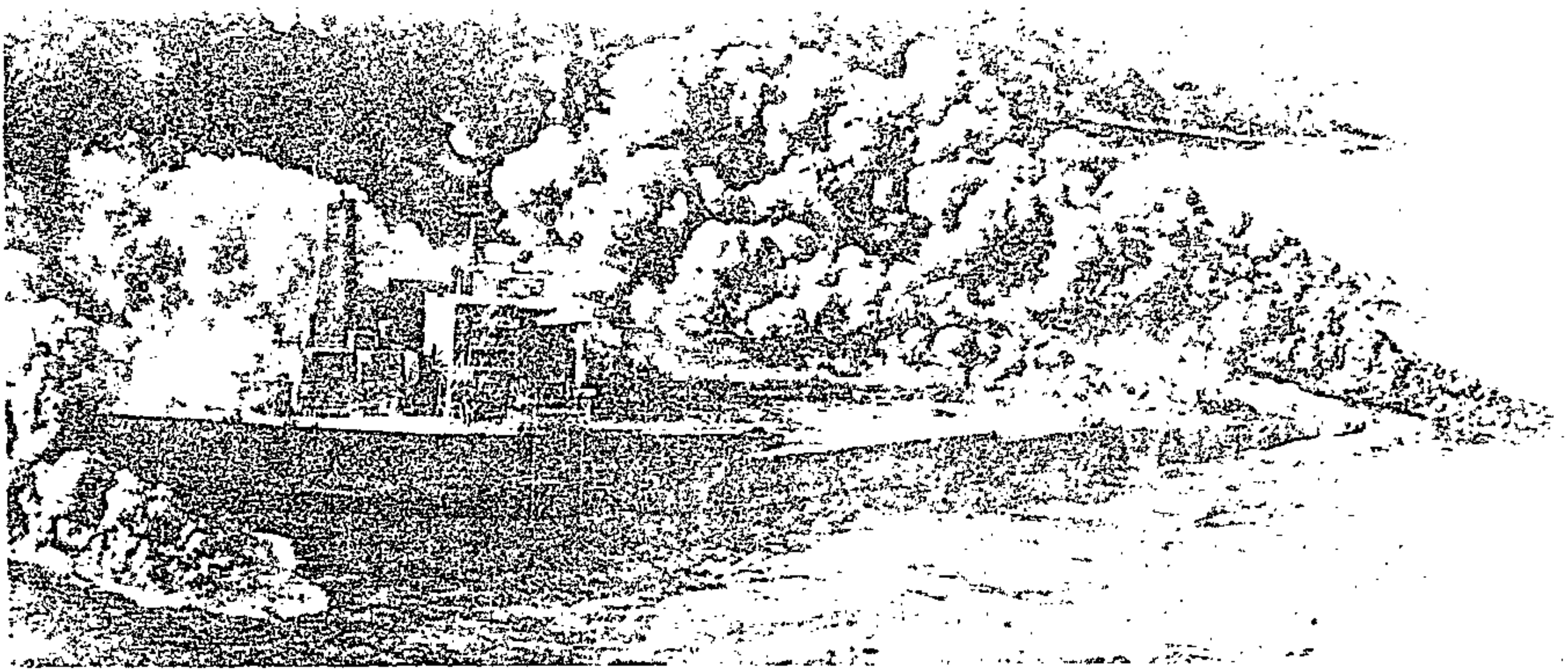
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Flaming oil boils the sea around the Castillo de Bellver early on Saturday morning.

Newscolour: Charl Pauw

# Rain stops farm fall-out disaster

CAPE TIMES 8/8/83

By JOHN VAN DER LINDEN

HEAVY rain over most parts of the Swartland at the weekend averted disaster when it washed away most traces of heavy soot deposits from a cloud of smoke caused by the burning Spanish supertanker Castillo de Bellver.

A brief downpour on Saturday brought oil-contaminated rain into the top end of the Langebaan lagoon, and the outgoing tide in the lagoon showed a thin spread of oil, according to a resident of the Postberg Nature Reserve who described it as a "fairly heavy" fall-out.

There were also reports of contaminated rain falling briefly at Saldanha.

A Langebaan resident, Captain R E Chalklin, said he had had no reports of any fall-out in the town.

The massive cloud of soot and suspended oil particles from the

271 000-ton tanker, driven by a strong north-westerly wind, left a trail of soot which was traced as far as Ceres in the Boland.

Farmers who noticed the fall-out early on Saturday morning feared the oily-looking substance would smother their seedlings and cause permanent damage to their crops.

Several farmers in the Malmesbury District also reported the black downpour had affected sheep in the veld and they were concerned the wool would be permanently stained.

Yesterday, Mr Eddie Pienaar, manager technical services of WP Co-operative (Pty) Ltd, Malmesbury, said he had received urgent calls from a number of farmers on whose farms the soot had fallen on Saturday.

He said all water surfaces and fields on the affected farms had been

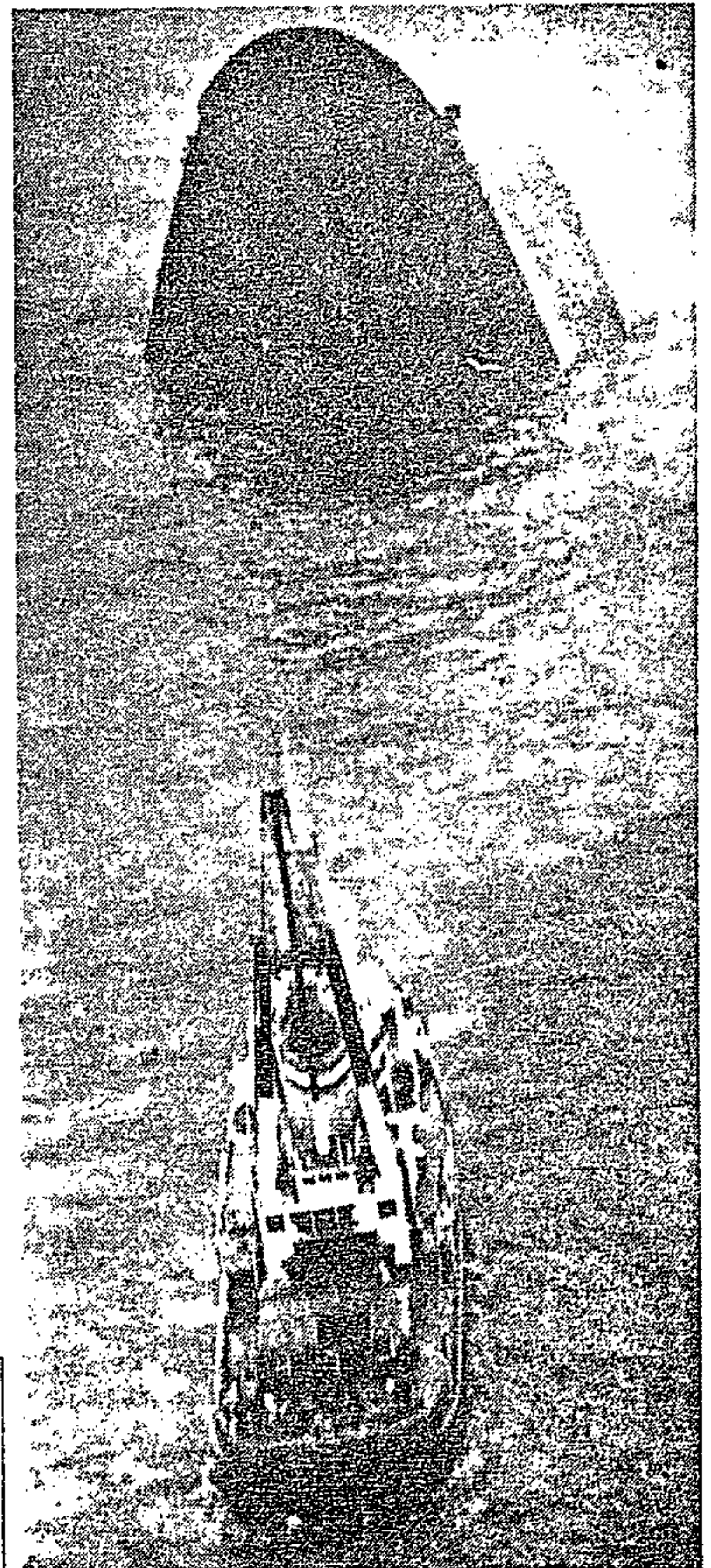
covered in soot, but heavy rains which followed — more than 23 mm has been recorded in the district — had washed almost all of it away by yesterday morning.

"We have taken samples of the black rain and find that when it dries it is mostly soot."

He said the samples would be analysed today to determine whether it was harmful to the young plants.

According to Mr Pienaar, the farms most affected were Mr Jan Louw's farm Tweekuil, Mr M L Truter's farm Papkuilsfontein, Mr Sakkie Smuts's farm Klawervlei, the farm Kloofenburg, Mr Koos van der Merwe's Waterbron and Mr Jannie Visser's farm Nuwerus, all in the Malmesbury district.

Mr Pienaar said it was only thanks to the rain that a major crop failure had been averted.



All that could be seen of the Spanish supertanker yesterday — the bows, protruding above the surface about 25 nautical miles west of Saldanha Bay. Trapped below the waterline are about 100 000 litres of oil. Close by is the Safmarine salvage tug John Ross, which last night was towing the oil-filled forward section of the tanker slowly seaward.

Picture: John Rubythorn

## 'Prof Ching' arrested

Crime Reporter

MR Phillip Nazeem Engel, alias "Professor Ching", the man sought by police for questioning in connection with the death of Mr Norman Goldsworthy, 62, who was found battered in his Loader Street home on July 29, gave himself up at the weekend.

A police liaison officer for the Western Cape, Captain Jan Calitz, said yesterday that Mr Engel had handed himself over to police in Cape Town early yesterday morning.

This brings to an end an intensive search by police in the Peninsula,

spearheaded by the murder and robbery unit.

Mr Goldsworthy was found slain in his blood-soaked bed with his hands tied behind his back with electrical cord. He had been beaten about the head.

A photograph of Mr Engel was released to the press early last week in an effort to ascertain his whereabouts, and police obtained a warrant for his arrest.

Captain Calitz said Mr Engel would appear in the Cape Town Magistrate's Court tomorrow.

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# Oil threat to Dassen Island

**Political Correspondent**  
DASSEN Island, major crayfish area, site of half the world's population of jackass penguins and breeding ground for other endangered bird species, is threatened by the north-moving oil slick from the sunken Spanish tanker.

Late yesterday, the slick was lying barely 40km off the island.

The Deputy Minister of Environment and Fisheries, Mr John Wiley, said yesterday that it was unlikely to endanger deep sea fish, but if the slick came inshore, it would be "disastrous" for birdlife, inshore fish and shellfish in areas such as Langebaan.

"The crayfish beds could be blotted out," Mr Wiley said. Inspectors were maintaining a watch along the coast as the oil slick spread.

Officials were investigating the possibility of enclosures to keep penguins on Dassen Island until the threat from the slick was over.

"It would be better to pen them in and feed them on the island rather

er than let them go to sea," he said.

The South African National Foundation for the Conservation of Coastal Birds (Sanccob) warned yesterday that thousands of penguins would die if they were penned on the island.

Reacting to Mr Wiley's statement, Mrs Althea Westphal, vice-chairman of Sanccob, said: "It can't be done. They won't eat dead fish, and anyway, who would feed them?"

Dassen, home of an estimated 100 000 penguins, and other islands in the area, support half the jackass penguin population in the world. They are also the major breeding grounds for a large percentage of endangered bird species.

Mrs Westphal also pointed out that there were no freezing facilities on the island.

The West Coast islands are being monitored for oiled birds twice daily by officials of the Division of Sea Fisheries. A vessel stationed off Saldanha will also be monitoring the seas.

## Three crew believed dead

**Staff Reporters**

THREE of the 36-member crew of the Castillo de Bellver — all of them engine-room staff — are missing believed dead after the fire that swept through the tanker early on Saturday more than 40 sea-miles south-west of Saldanha Bay.

Most of the survivors, who included two women, were picked up by the passing vessel Harvest Carina and taken to Saldanha. All but the master of the tanker, Captain Alfonso Cibera, and the third engineer, Mr German Gracia Juan, and his wife left Cape Town for Johannesburg by air yesterday on their return to Spain.

Captain Cibera is staying in Cape Town for a few days to give what assistance he can to the anti-pollution and other authorities.

# Sorry saga of

**Chief Reporter**

THE Castillo de Bellver disaster is the latest in the sorry saga of the supertanker, which began in 1967 with the grounding off the coast of Cornwall of the United States-owned Torrey Canyon, which spilled its 126 000-ton cargo of crude oil on the beaches of south-east England.

Five years later, seabirds were still dying from the effects of oil escaping from the sunken vessel.

Since then there has

been a succession of explosions, fires at sea, collisions and other mishaps involving these giants of the sea and their potentially lethal cargoes.

The Cape is a halfway point on one of the most important international oil routes, between producer and consumer, and although there has been a marked falling-off in the number of supertankers rounding the South African coast — because of the depressed state of the world economy — there are still

about five laden passing this way.

Most of these around 200 000 to they usually stay out to sea, at a distance of about 25 nautical miles, to get the of the currents.

Periodically, strikes and South Africa's anti-pollution machinery has to be action.

These are some major tanker disasters over the past 12

● 1971 — The Iranian-registered carrying 40 000

## SA may foot bill

**Political Correspondent**

UNLESS the giant oil slick from the Castillo de Bellver drifts into South Africa's territorial waters, the tanker's owners will not be liable under South African law to pay compensation for anti-pollution measures.

This could include a specific payment for action to clean oil off seabirds.

Partial compensation might be determined by arbitration by Lloyd's of London, but the owners' direct liability is specified in the 1981 Prevention and Combating of Pollution of the Sea by Oil Act.

This lays down heavy penalties for the discharge of oil within 50 nautical miles of the shore, but oil spills resulting from accidental leakage or damage to a ship are not an offence.

Owners are liable for compensation only for anti-pollution measures within South Africa's territorial waters, stretching 12 nautical miles from the coast. So far both the severed bow section of the tanker and the oil slick are outside this limit.



The master of the doomed oil tanker, the Castillo de Bellver, at the South African Naval College disaster. The man on the

1983 FOUR OUTSTANDING  
YOUNG SOUTH AFRICANS  
AWARDS

Fertilizer war  
heads for coal

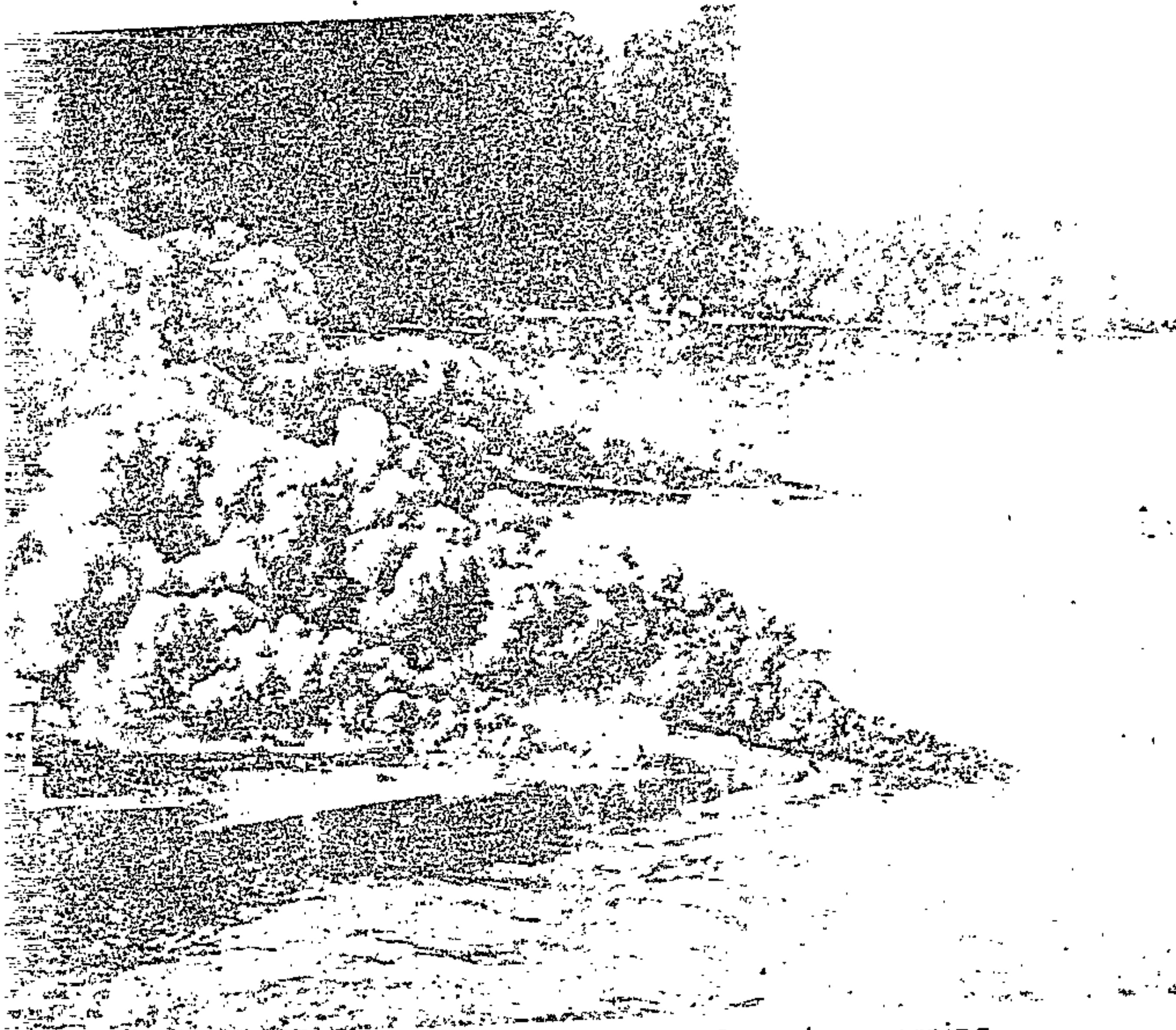


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# er wins round

332  
**One**

By our Chief Reporter,  
**ROGER WILLIAMS**



sea around the Castillo de Bellver early on Saturday morning.

Newscolour: Charl Pauw

## ps farm disaster

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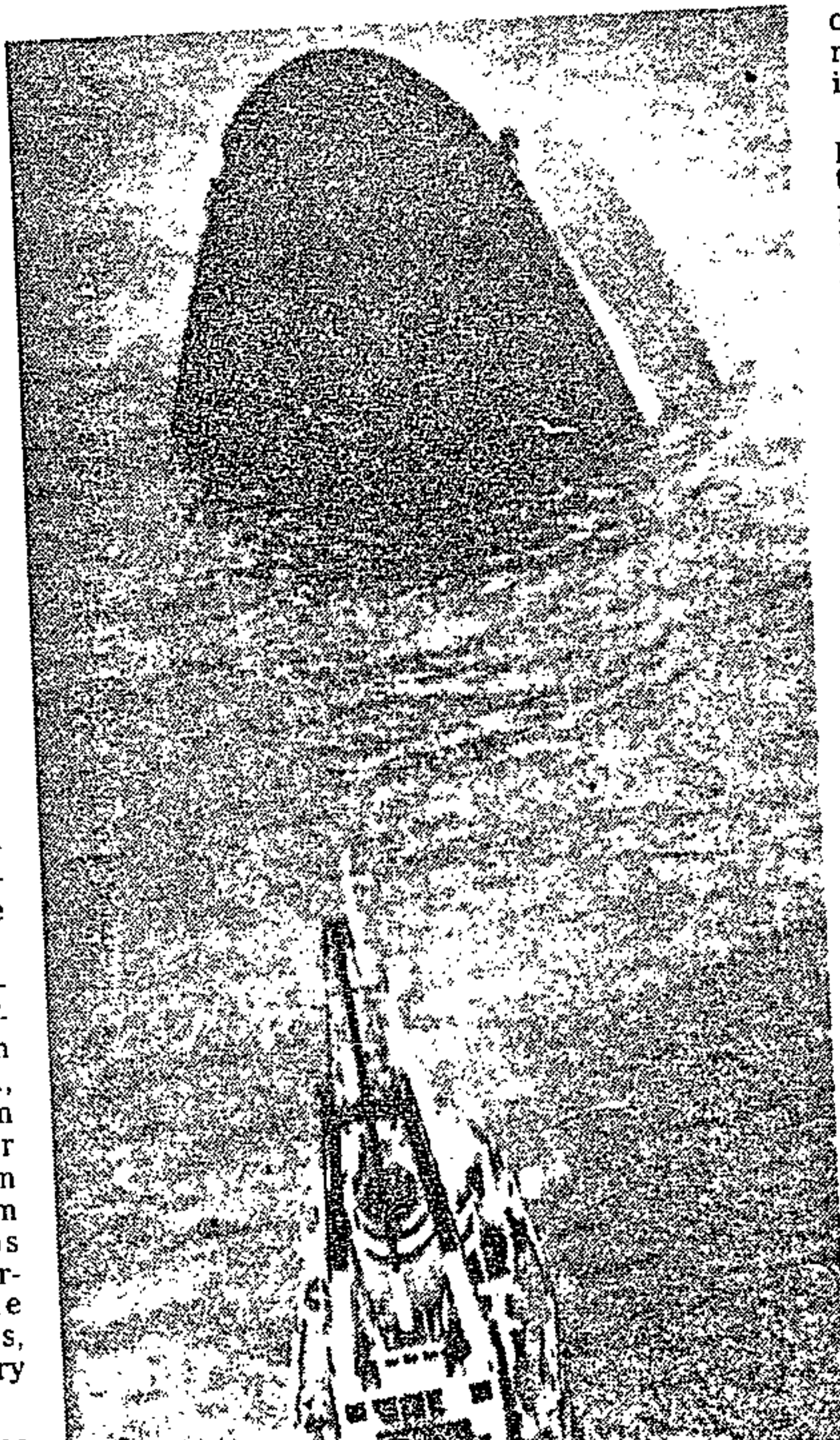
farmers in the Malmesbury District had the black soot had affected the veld and were concerned it would be persistent.

Mr Eddie van der Merwe, technical manager of WP Co. (Pty) Ltd, Malmesbury, said he received urgent calls from a number of farmers whose farms had fallen on

"We have taken samples of the black rain and find that when it dries it is mostly soot."

He said the samples would be analysed today to determine whether it was harmful to the young plants.

According to Mr Pieter van der Merwe, the farms most affected were Mr Jan Louw's farm Tweekuil, Mr M L Truter's farm Papkuilsfontein, Mr Sakkie Smuts's farm Klawervlei, the farm Kloofenurg, Mr Koos van der Merwe's Waterbron and Mr Jannie Visser's farm Nuwerus, all in the Malmesbury district.



**NATURAL** forces, in the form of the Benguela Current, overnight rain and a switch in wind direction from on-shore to an offshore south-easter have combined to avert immediate ecological disaster on the Cape's West Coast, after the fire that ripped through the laden Spanish supertanker Castillo de Bellver.

But experts are fearful of the "very grave danger" of long-term pollution along the coast, which includes Langebaan lagoon, one of the most important marine bird sanctuaries in Africa.

Concern was also expressed yesterday about the effects of the oil on rock-lobster resources between Saldanha and St Helena Bay, and on the spawning season of pelagic fish.

A massive oil-slick, estimated to be about 30 nautical miles across (east-west) and about 10 miles long, was moving at about one knot in a north-westerly direction, away from the coast, late yesterday.

### Wiley hopeful

The Deputy Minister of Environment and Fisheries, Mr John Wiley, said last night that his department would become heavily involved only if the weather changed and the slick were driven ashore.

"At the moment it looks as if the beaches are going to escape," he added.

The tanker, carrying 250 000 tons of crude oil from the Persian Gulf to Spain — valued at more than 43 million US dollars, broke in two in a sea of flames on Saturday.

The after-section sank yesterday about 25 nau-

### INSID

- Oil threat to Dassen Island, page 2
- SA may foot bill for slick, page 2
- Pictures, pages 2 and 9





# Sea disaster — Sorry saga of the supertanker

## Dassen

## and

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about five laden tankers passing this way daily.

Most of them are around 200 000 tons and they usually stand well out to sea, at a distance of about 25 nautical miles, to get the benefit of the currents.

Periodically, disaster strikes and South Africa's anti-pollution machinery has to be put in action.

These are some of the major tanker disasters over the past 12 years:

● 1971 — The Liberator-registered Wafra, carrying 40 000 tons of

oil, foundered near Cape Agulhas. The ruptured and abandoned vessel, spewing oil over the southern Cape coastline, was eventually bombed by South African Air Force strike aircraft and set on fire.

● 1972 — Two giant oil tankers, Texanita and Oswego Guardian, collided off Still Bay. The Texanita blew up and sank and the Oswego Guardian was brought to Cape Town for repairs to her crumpled bows.

● 1977 — Two Ameri-

can-owned supertankers, the fully-laden Venetia and the empty Venetia, collided off Storms River. Both caught fire, but did not explode. Heavy oil-pollution subsequently threatened to ruin the holidays of thousands of people along the Garden Route.

● 1979 — The Norwegian supertanker Berge Vanga disappeared in mysterious circumstances between Tristan da Cunha and the Cape, and although no resultant pollution was reported, Cape Town

became the base for one of the most extensive air-sea searches for survivors ever mounted.

Shortly before the Berge Vanga disaster, the supertanker Amoco Cadiz had made international headlines by breaking down in the English Channel and going aground on the French coast, leaving her mark by depositing 240 000 tons of crude oil on popular coastal resorts.

The cost is still being counted.

C. T. 8/8/83

From page 1  
terday, the route of which took the Boeing over the oil-disaster scene.

On arrival at D F Malan Airport, Captain Garnett and Mr Nichols were almost immediately taken out to the area again, in an Albatross coastal-reconnaissance aircraft of 27 Squadron, SAAF.

At a press conference at the airport after this "initial assessment" flight, Captain Garnett said: "Nature is on our side at the moment and the immediate threat is decreasing with the breaking up of the oil

### 'Happy surprise'

"We are happily surprised with what we saw. We were expecting something much worse, with a much larger and more dense spread of

One of the first things we are going to look at now, after liaising with the port office controlling the port, is the

Mr Nichols said it appeared that "tens of tons of oil an hour" were coming up from the stern section. Burnt oil had left a heavy residue on the surface of the sea

the sunken after section and the forward half of the tanker were about two miles apart in the early afternoon, he added, and "oil leakage was steadier and more significant" from the after than the forward half.







around the Castillo de Bellver early on Saturday morning.

Newscolour: Charl Pauw

# 183 s farm isaster

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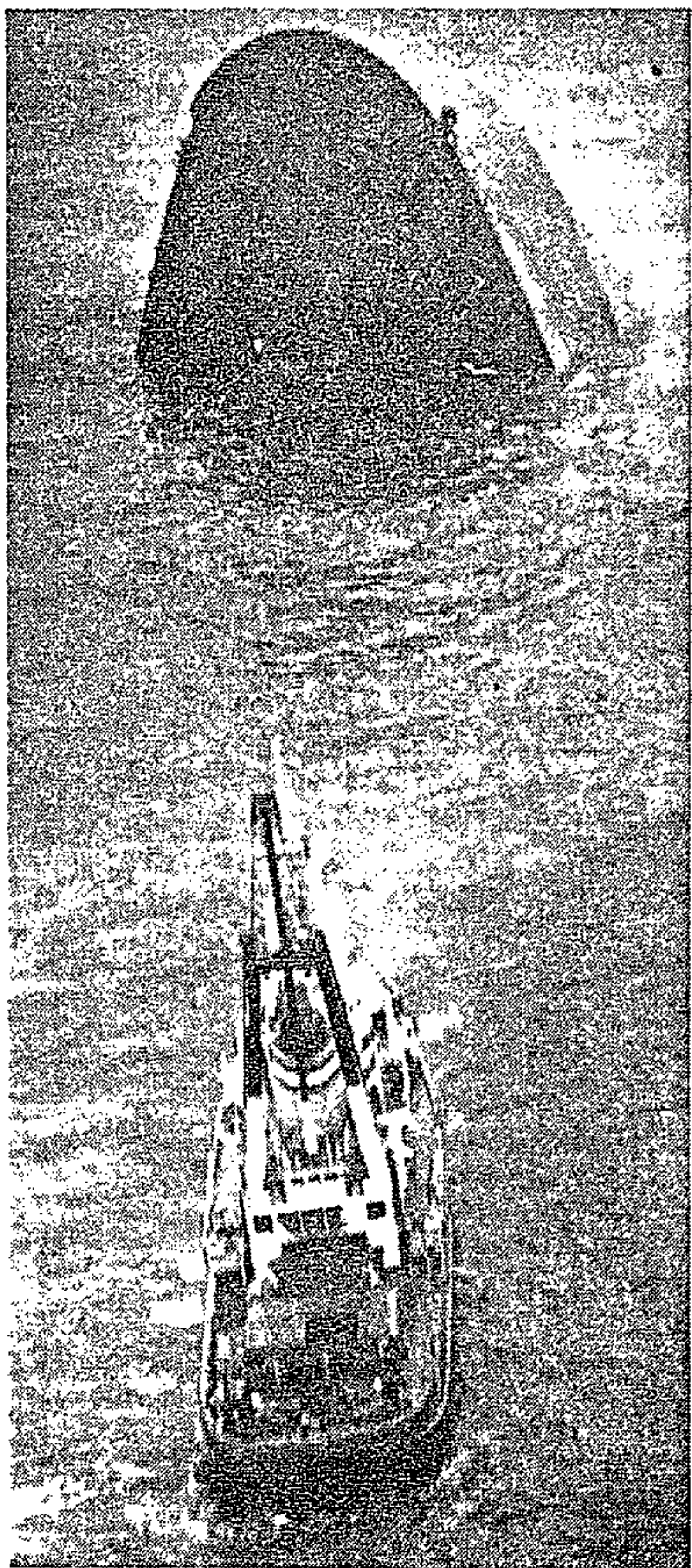
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Picture: John Rubython

immediate ecological disaster on the Cape's West Coast, after the fire that ripped through the laden Spanish supertanker Castillo de Bellver.

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"At the moment it looks as if the beaches are going to escape," he added.

The tanker, carrying 250 000 tons of crude oil from the Persian Gulf to Spain — valued at more than 43 million US dollars, broke in two in a sea of flames on Saturday.

The after-section sank yesterday about 25 nautical miles due west of Saldanha Bay, and the forward section, with only the bows protruding above the surface, was taken in tow late in the afternoon by the Safmarine salvage tug John Ross.

### Heavy tow-line

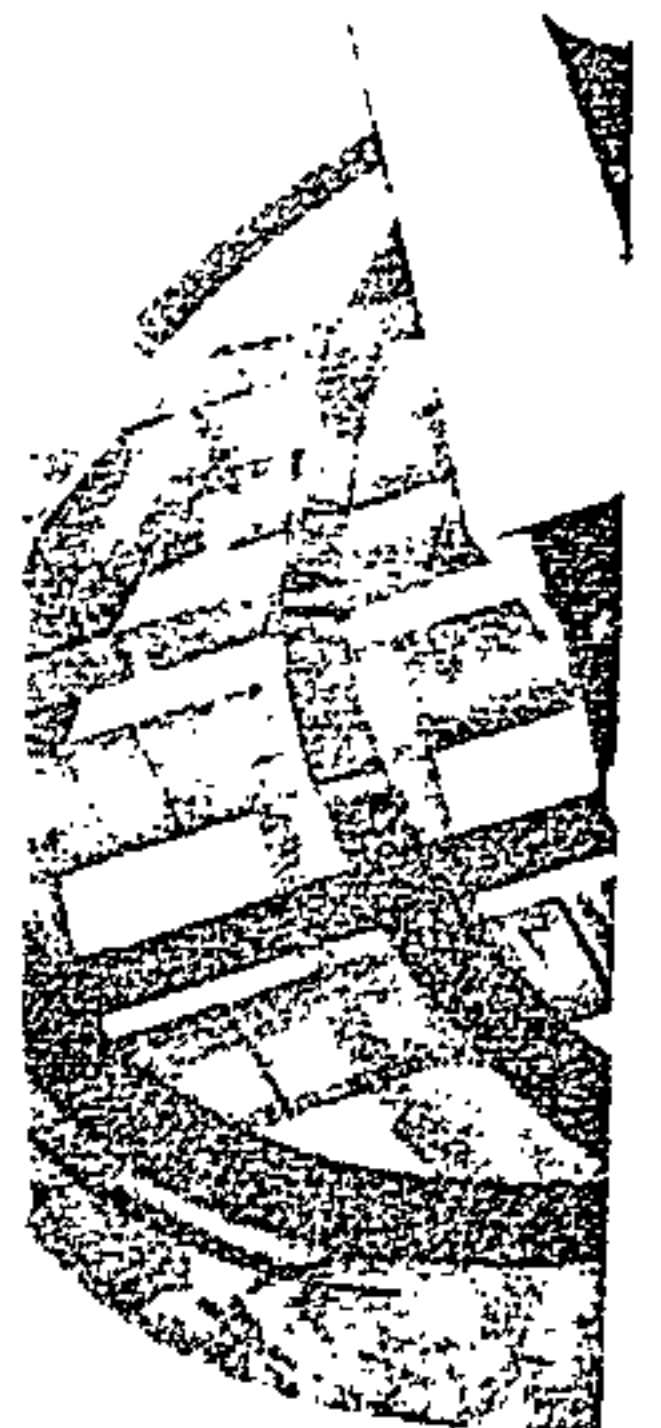
The idea was to tow this section as far seaward as possible.

A helicopter lowered a salvage party on to the tanker's bows to secure a 56-mm tow-line, one of the heaviest carried by the tug.

Two representatives of the International Tanker Owners' Pollution Federation Limited, Captain Mike Garnett, technical manager, and Mr Joe Nichols, his deputy, flew in to Cape Town on the direct flight from London yes-

● SA may foot bill for slick, page 2

● Pictures, pages 2 and 9



19	Aircraft	6	Editorials	10	Smalls	14-18
18	Business	12, 13	Horoscope	6	Sport	19-22
6	Cinema	6, 7	Marketplace	13	Transport	13
	Comics	15	Radio	6	Women's	4
	Crossword	10	Science	5	World Report	4

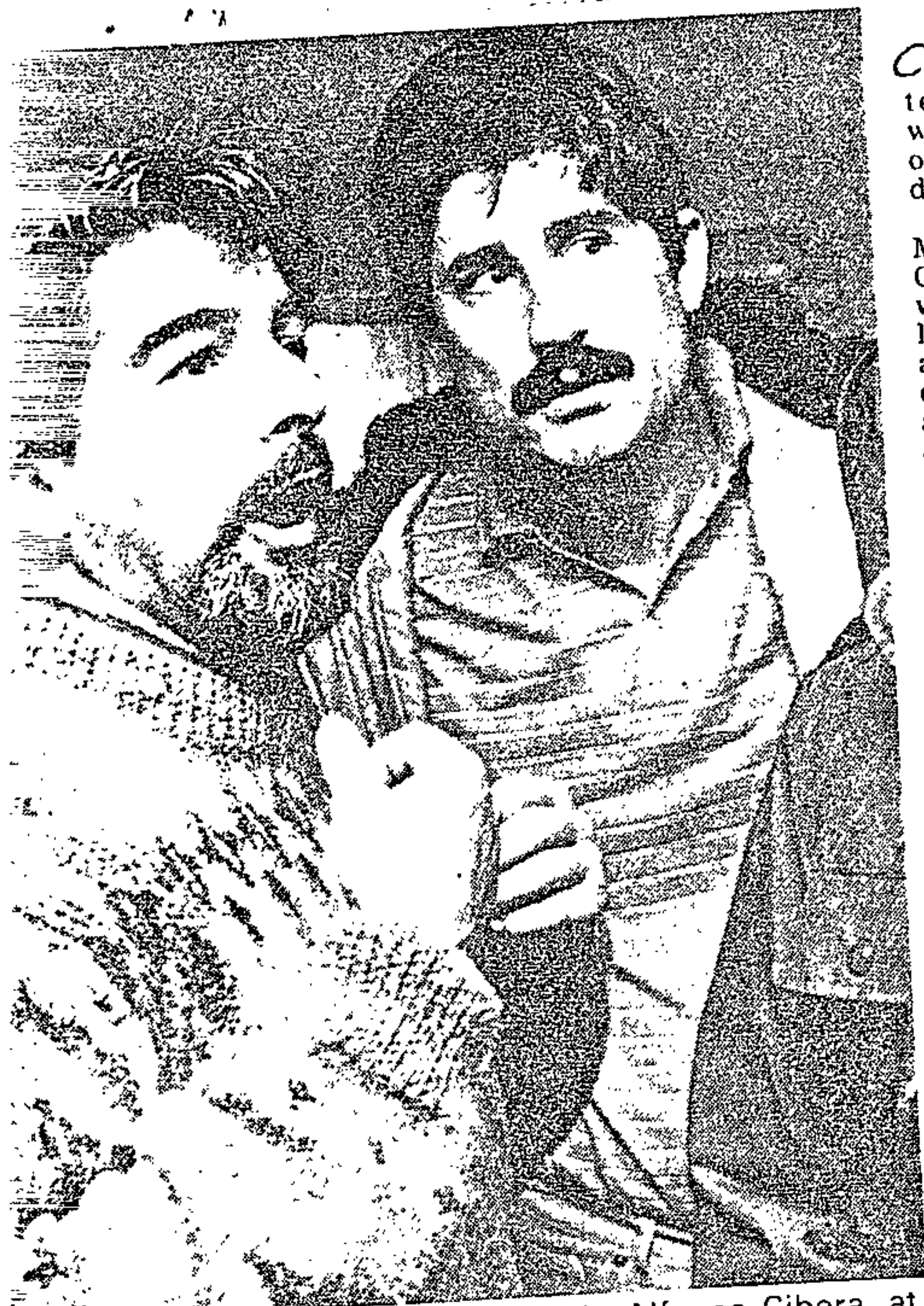
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(Registered at the GPO  
as a newspaper.)

♦♦♦♦♦  
To page 2



Manufactured in  
Netherlands





ter of the doomed oil tanker, Captain Alfonso Cibera, at  
th African Naval College at Saldanha shortly after the  
disaster. The man on the right is unidentified.  
Picture: John Rubythorn

C.T. 8/8/83 A From page 1  
terday, the route of  
which took the Boeing  
over the oil-  
disaster scene.

On arrival at D F  
Malan Airport, Captain  
Garnett and Mr Nichols  
were almost immedi-  
ately taken out to the area  
again, in an Albatross  
coastal-reconnaissance  
aircraft of 27 Squadron,  
SAAF.

At a press conference  
at the airport after this  
"initial assessment"  
flight, Captain Garnett  
said: "Nature is on our  
side at the moment and  
the immediate threat is  
decreasing with the  
breaking up of the oil."

### 'Happy surprise'

"We are happily sur-  
prised with what we  
saw. We were expecting  
something much worse,  
with a much larger and  
more dense spread of  
oil."

Captain Garnett said  
it had become "very ap-  
parent" that the oil  
spewed up by the sub-  
merged sections of the  
tanker had spread and  
dispersed rapidly.

Although the 30- by 10-  
mile slick seemed large,  
this was "patchy, not co-  
herent", and it con-  
tained many different  
fractions of oil, from  
areas of still-thick crude  
to large sections of oil

so thin that it was no  
more than an "irrides-  
cent sheen" on the sea-  
surface.

The sunken after sec-  
tion and the forward  
half of the tanker were  
about two miles apart in  
the early afternoon, he  
added, and oil leakage  
was steadier and "more  
significant" from the  
after than the forward  
half.

Mr Nichols said it ap-  
peared that "tens of  
tons of oil an hour"  
were coming up from  
the stern section.

Burnt oil had left a  
heavy residue on the  
surface of the sea.

"One of the first  
things we are going to  
look at now, after liais-  
ing with the authorities  
controlling the situa-  
tion," said Captain Gar-  
nett, "is the weather-  
pattern of the immed-  
iate future. So much is  
going to depend on what  
the weather does, in the  
next 48 hours and in the  
coming week."

● Late last night, a  
spokesman for the Port  
Captain's office in Sal-  
danha Bay reported that  
the wind there was  
blowing from the south  
at 40km/h (away from  
the coast), with no ap-  
parent likelihood of  
change.

## War or court

ess report ap-  
detailing al-  
irty tricks" by  
s fighting for a  
f the nation's  
nishing fertiliz-

r seeing the re-  
blished in the  
newspaper Rap-  
iomf chairman  
uis Luyt an-  
i that he had or-  
s legal advisers  
ertain people for  
ion.

hill managing  
Mr Oliver Hill  
Luyt's response  
press report had

defamed him (Mr Hill)  
and was itself action-  
able.

After reading the Sun-  
day newspaper's press  
report, Mr Luyt yester-  
day called top Triomf  
aides to his Saxonwold,  
Johannesburg, home  
about mid-day for a cri-  
sis meeting to plan the  
company's response.

Mr Luyt's decision to  
resort to legal action  
was announced in a  
statement last night at  
the end of the marathon,  
eight-hour session of  
talks with his advisers.

However, having  
heard the text of the  
statement, Mr Hill hint-  
ed at legal action of his  
own against Triomf.

He added that evi-  
dence of fraud and theft  
had been discovered in  
a Hanhill subsidiary  
company, Swaziland  
Chemical Industries. in

## Ciskei: Fourth week of boycott

Own Correspondent

PORT ELIZABETH. —  
Mdantsane commuters  
faced continued harass-  
ment at the weekend as  
they were attacked by  
vigilantes who enjoy  
Ciskeian Government  
support, while uni-  
formed police kept a  
low profile as the bus  
boycott entered its  
fourth week.

Taxi drivers and their  
passengers were report-  
ed to have been assault-  
ed by vigilante groups at  
the main bus terminal  
and along the Qumza  
highway.

Nevertheless, more  
than 1 000 Mdantsane  
residents yesterday  
pledged at a National  
Women's Association  
meeting in Duncan Vil-

## Milnerton island: 500 sign petition

Staff Reporter

FIVE HUNDRED  
people in Milnerton  
signed a petition on  
Saturday morning call-  
ing for a municipal vot-  
ers' referendum on the  
proposed future devel-  
opment of the Milnerton  
lagoon island, Progres-  
sive Federal Party orga-  
nizer Mr Roy Ainslie  
said last night.

He said the signed pe-  
titions would be pre-  
sented to the Milnerton  
Town Council early this  
week, and that more sig-  
natures would be col-  
lected throughout the  
week.

Early last month, the  
Town Council an-  
nounced plans to have  
high-priced town houses

and beach houses built  
on the island.

A storm erupted over  
remarks made at a rate-  
payers' meeting on the  
issue by Milnerton's  
Deputy Mayor, Mr B  
Reich, who said women  
"did not count as rate-  
payers" and that they  
were "just appendages".

Mr Ainslie said "cer-  
tain people" had urged  
others not to sign the  
petition, but the public  
response to the petition  
had been "overwhelm-  
ingly in favour of calling  
a municipal referen-  
dum".

He said anyone wish-  
ing to help distribute  
the petition could tele-  
phone him at 45-1431  
during office hours.

## Woman leaps to death, kills tourist

PARIS. — A young wom- old Canadian woman  
an committed suicide tourist who was standing  
near the doors of the

'OU  
S!



# 'War' waged on pirate taxis

(332) E. Post 8/8/83

Crime Reporter

POLICE have waged war on pirate taxis operating in Port Elizabeth's black townships since last week.

Major Gerrie van Rooyen, police liaison officer for the Eastern Cape, said police had arrested 42 people in connection with pirate taxi offences under the Road Transportation Act and taken possession of 27 pirate taxis.

A commuter telephoned the Evening Post today to complain that pirate taxis no longer appeared to be operating in the townships and particularly on the Johnson Road route to Soweto, a popular pirate taxi route in the past.

She also complained that there was a shortage of buses on the Veeplaas route now that the pirate taxis were no longer operating.

Mr Graham Shields, general manager of PE Tramways, said buses had not operated in Johnson Road for at least two years and turned at Koyana Street.

But he said there had been no supply problems today on the Veeplaas route, which had been over-scheduled today. More buses than usual ran on a Monday to meet the demand, he said.

So far 37 people have appeared in court on charges under the Road Transportation Act. A further five were expected to appear in court today.

# Surprise over mini-bus views

Financial Editor

SANI PASS—Mini-buses were being used for prostitution, terrorism, drug-running and theft, Mr A L Nyschens of the OFS Goldfields Chamber of Commerce alleged here at the weekend.

For these reasons his chamber would back the proposals of the Welgemoed Commission.

These were that vehicles carrying from five to nine passengers should be classified as buses with routes, starting points and fares.

'They are definitely a problem for us and other mining areas,' he said.

He said his chamber had evidence that black taxi-drivers were being financed by 'white money'.

Mr Nyschens was speaking at the annual congress of Natal Chambers of Commerce.

Mr Alec Rogoff, a member of the Assocom board of management, said he was a 'little amazed' at Mr Nyschens's comments.

He said mini-buses should be encouraged.

## Funds for road link

Financial Editor

SANI PASS—The Department of Transport expected to get an additional 0,7 c from every litre of petrol sold from October, which would make it possible to start the Umhlathuzana River-Key Ridge road link.

Mr M R Gunthorp, regional roads engineer in Pietermaritzburg, disclosed this at the annual congress of the Chambers of Commerce in Natal held here at the weekend.

He said that all the plans had been drawn for the N2 road from Empangeni to Umdloti — the suicide strip — but money would be available only in the 1990-91 budget for the portion from Empangeni southwards and in 1996 for the Mtunzini part.

They met the social problems of workers placed by the Government 10 km to 30 km from their work and with inadequate transport facilities.

'We live in a powder-keg society and we have

to make certain that we do not set off a spark by agreeing with the Welgemoed Commission on this issue,' Mr Rogoff said.

A resolution opposing the Welgemoed proposal was passed.



# Taxi operator obtains interim order

ZWELITSHA — Another interim court order prohibiting members of the Ciskei Police and the Ciskei Army from assaulting, molesting, harassing, intimidating or unlawfully interfering with an Mdantsane resident has been granted.

A taxi operator, Mr Khabalinjani Mabulu, yesterday brought an urgent application for an order against the police, army and a police reservist, Mr Vernon "Mama" Ngani.

The order also orders the police to restrain members of the public from unlawfully assaulting, molesting, harassing, intimidating or wrongfully interfering with others while in the presence of the police.

The case was postponed to August 26 for the parties to file opposing and replying affidavits.

The respondents are the Minister of Justice, the Deputy Minister of Defence, the Commissioner of Police and Mr Ngani.

The application and accompanying papers were lodged by Mr M. T. K. Moerane, instructed by Magqabi, Siwisa and Partners of Mdantsane.

Mr Mabulu of Zone 9,

Mdantsane, claimed in papers before court that he was a licensed taxi operator driving a taxi between Mdantsane and East London.

He said that on Saturday he was confronted by a group of five men who alighted from a kombi wearing long coats, brown military boots and armed with sticks, one with a sword and sjambok.

He said the men confronted him about loading passengers. He protested and said he was operating a licensed taxi, but his protest went unheeded and the men assaulted him.

He sustained open wounds on the head and swelling on his right arm. Onlookers screamed and the attackers turned on them. He believed his alleged assailants were vigilantes working hand in hand with the police.

Before this incident he had been warned by Mr Ngani not to load passengers.

When Mr Ngani saw him with passengers he ordered a policeman to take him to the Mdantsane police station.

At the police station his taxi was confiscated and his keys taken. He was told by Mr Ngani at

the police station that his taxi would be kept by the police until his trial unless he paid R100 admission of guilt. He paid it.

Later the same day while parking his taxi at the Highway bus terminus he and other operators were ordered by Mr Ngani to leave the area.

Last Thursday he was also confronted by the police and army but was allowed to carry the passengers.

Mr Mabulu said that unless he received protection from the court he feared for his safety and the security of his livelihood.

"If the court grants me the protection I seek, I feel that my physical safety and that of other lawful taxi operators and our livelihood will be much greater since the public in general and the authorities in particular will realise the need to respect the intervention of this honourable court," he said.

Last week Chief Justice De Wet granted a similar order brought by six commuters against the Minister of Justice, Deputy Minister of Defence, Warrant Officer Litha Mbi, and a Mr Maduna. — DDR

## Woman shooting victim identified

MDANTSANE — One of the people shot dead near Egerton last week has been identified by relatives as Miss Julia Nozici Ndaliso, 30, of Zone 8.

Her brother, Mr Mishak Ndaliso, said they last saw her alive when she left for Egerton Station to catch a train to work in East London.

He said after they

heard that some people had been shot near the station, they searched for her at the hospital and police station. They subsequently found her body at the Cambridge Mortuary on Saturday.

Miss Ndaliso is survived by her three children. She will be buried on August 21.

Police are investigating. — DDR

# Tanker traffic: A perennial problem

News  
10/8/83

332  
333

THE tanker disaster off Saldanha Bay at the weekend provides ample evidence of the suddenness with which serious mishaps can happen at sea, and to which tankers with their lethal cargoes are particularly vulnerable.

Crews of tankers are well aware of the risks they run. Many undergo a change of personality known among seamen as "tankeritis". True, they have always received a special tanker allowance, but it scarcely compensates for the constant knowledge that one's floating home can, within seconds and often without warning, become a funeral pyre.

About 20 years ago a tanker belonging to a company in which I was serving blew up on a quiet Sunday afternoon while tank-cleaning after discharging at Bombay.

The second officer was on watch in the chartroom when he heard a rumble like distant thunder. Glancing out of the window he was appalled and shocked to realise that he and the entire chartroom had become airborne. He was lucky, for everyone else in the bridge accommodation perished.

In spite of the grimness of the event, a touch of humour was added by the Indian crew, some of whom lost no time in launching a lifeboat without first removing the cover — and bobbed around looking like ducks flapping their wings on a rock.

The ship was split open for her entire length — for all the world as if she had been sliced open by a huge can-opener. She survived and was towed to Bombay and then on to Norway, where she was repaired and converted into a bulk-carrier and aptly renamed Es-cape.

Another ship in the same company broke in half off Singapore, but both halves were salvaged with most of the cargo intact.

At the subsequent inquiry the chief officer, who first saw the crack in the deck plating, was asked why he had not called the captain. Rather foolishly he replied that he was averse to waking the captain's

By  
Captain  
C J  
Harris



**'It could happen to any ship, and at any time — and it usually happens without warning'**

wife who was sleeping!

About 10 years ago my ship was employed on oil dispersal patrol around the burnt-out hulk of the Chinese tanker Silver Castle. There were 16 charred bodies in that ill-fated ship and our little fox terrier — which challenged every passing ship — covered away in a quiet corner whenever we passed close to the gutted hull.

In bygone years exhaust gases from the tanks were led up the masts and dispersed clear of the ship. Mostly they did just that, but I recall one short passage in a following wind when the ship moved in an envelope of nauseous petrol fumes which permeated everything. Smokers signed the pledge for those few days.

Today, inert gas is fed into the tanks above the cargo where it absorbs any oxygen and thus mini-

mises the risk of fire or explosion. The full tale of the Castillo de Bellver is still to be told, but general opinion has it that the hull or deck plates fractured because of the ship "working" in the heavy seas and swells and the crack caused the inert gas to escape.

It is further assumed that the subsequent holocaust was caused by friction and sparking at the site of the fracture.

The captain wisely refused to comment. He has a gruelling inquiry to face and must marshal his thoughts. Perhaps he too has seen the picture of the gaunt, drawn features of the captain of the Torrey Canyon hiding under a bed from his persecutors.

Judging from the impressive pictures appearing on TV and in the media, the crew were extremely fortunate that only three of their number were lost. It is surprising that any escaped at all.

The shocked survivors were accommodated in a local hotel and the story is that a shop was specially opened on the Sabbath to fit them out with the necessities of life.

Tanker disasters are all too commonplace, yet with the constant procession of this type of traffic around the Cape it is remarkable that there have been so few.

These disasters are mainly the result of collision or explosion when washing and gas-freeing empty tanks. If the presumed cause of Saturday's tragedy was as supposed, it could well be classified as a freak accident attributable to bad weather and possibly a structural weakness in the seven-year-old ship.

Freakish or not, it is as well to remember that every tanker is a potential bomb. For that reason many seamen are reluctant to sign articles — in spite of extra financial inducement.

The sympathy of all those who go down to the sea in ships goes out to the unfortunate master and his crew. It could happen to any of them, any time — and usually without warning.



# Top men leaving Tollgate

CAPE TIMES

16/8/83

332

Staff Reporter

THE LATEST in a string of resignations and retirements from Tollgate Holdings, the holding company for City Tramways, was confirmed yesterday.

The managing director of Cape Tramways, Mr Johann Barnard, confirmed that Mr Derek King, managing director of City Tramways, had retired and Mr Peter de Meyer, general manager of City Tramways technical and operational services, had resigned. Both men left the company last Friday.

Mr Barnard, who is managing director-elect for Tollgate Holdings, would not comment on why the two men had left and referred the Cape Times to the two executives.

Other executives who have left Tollgate Holdings recently are Mr L R Dixon, managing director of Tollgate Transport Management Services, and Mr Barry Gie, managing director of the former Tours and Services, now named Multi Suppliers and Multi Mech.

Mr Eric Grubb, managing director of Tollgate Holdings, is due to retire at the end of the month.

Mr Barnard said Mr N Cronje had taken over from Mr King. No appointment had yet been made for the vacancy created by Mr De Meyer.

## 'Heard of' rumours

Contacted at his home yesterday, Mr King said he had "been thinking for some time of moving out".

He and Mr Rollo Dixon would devote their full energies to running a property and transport consultancy.

"We have been in this joint venture for some time and we want to do it full-time now," Mr King said.

Asked to comment on rumours that he had been asked to leave the company, Mr King said he had "heard of" such of rumours.

"If I had been fired, Mr Barnard would have told you — there are always people who create rumours," he said.

He was one of the top executives who had left the company recently and named others as Mr Dixon and Mr Gie.

Mr De Meyer was not available for comment yesterday.

# Tanker traffic: A perennial problem

Macus  
10/6/83

332

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By ALINAH DUBE

THE Pretoria taxi rank will definitely be moved

# TP RANK MOVING TO MARABASTAD

start operating next year and will accommodate 214 taxis.

to Marabastad, a meeting between the Pretoria United Taxi Association (Putu) and the local City Council's officials resolved yesterday.

After a meeting held yesterday at the Belle Ombre railway station — the venue for the proposed rank — the chairman for Putu, Mr. Paradiase Mahlangu, said the existing rank would only

operate until next year. He said the reason for the removal was to make way for a new road intended for the city.

The Council's decision was last week met with anger by taxi owners who said thousands of commuters and their businesses would be affected.

The Pretoria and District Non-European Taxi Owners Association (Padneto) held a meeting in a bid to resolve the problems. The association was against the nine points which

have been established in the City to serve as ranks. Mr. Mahlangu, however, said the new Belle Ombre rank would only

operate from the station next Monday (August 15) to analyse the situation. We want to verify how our business will be affected," said Mr. Mahlangu.







*South African*

# Putco to up fares in north

*11/8/83 (332)*

By MONK NKOMO

PUTCO'S application for a 12½ percent fare increase in Pretoria has been approved and will come into effect as from August 29.

The increases which range between 5c and R1,10 for return trips and weekly tickets respectively, were announced by Mr Charl Byleveld, Putco's northern area executive in Pretoria yesterday.

The increases, Mr Byleveld said, were imperative due to the continuing rise in operating costs over the past twelve months and the R1,3-million estimated losses incurred during the first six months of the financial year.

However, scholars' fares in the Pretoria area remain unchanged. Presently Putco subsidise tariffs paid by students travelling between Mabopane, Mamelodi, Soshanguve and KwaNdebele.

"The company is mindful of hardship in many black communities and has made representation to the Department of Transport for subsidies to be granted," said Mr Byleveld. The Government had however refused to grant the subsidies because a parallel rail service had been provided.

The bus fare increases will also affect workers and students in the Valschfontein, Bronkhorstspuit, Dennilton and Marble Hall areas. The increases there range between 5c and R1,10 on return trips and between 30c and R1 on the five- and six-day weekly tickets.

# Sats still losing to private carriers

By SIMON WILLSON  
Industrial Editor

THE private sector's average share of national passenger transport by road and rail is rising again at the expense of South African Transport Services.

Figures published by the Central Statistical Services in Pretoria show that from January to May this year the private sector's share of road and rail passengers averaged 53% against 35% for Sats.

The balance was accounted for by passengers carried by municipalities.

In May, the latest month for which seasonally adjusted figures are available, the private sector carried 89 329 000 passengers compared with Sats bus and railway passenger total of 57 003 000.

The private sector's market share in May of 53,8% is private hauliers' second-highest proportion of passenger traffic since the end of 1981.

The private sector's highest market share over the past two years was the 55% of passengers it carried in January this year.

This year's January-May average for the private sector was more than a percentage point better than the average for the same period last year when it was 51,9%.

Sats average market share in January-May this year was nearly a percentage

point worse than its 35,9% average share over the first five months of last year.

Statistical confirmation of the continuing slippage in Sats share of national passenger movements in favour of private-sector operators comes at a particularly sensitive time for the State-controlled transport service.

In the past three weeks Sats has been widely criticised by economists, academics and private-sector hauliers for having monopolistic control over large areas of transport.

Speakers at national and international transport conferences have also criticised the Government for what is seen as use of tighter transport legislation to restrict private-sector operations and defend Sats shrinking customer base in both passenger and freight transport.

Sats share of annual passenger movements by road and rail has declined steadily over the past three years, and the private sector has benefited proportionately from the State-owned service's reduced popularity with passengers.

In 1980 the private sector moved 939 257 000 road and rail passengers (48,9% of the total) against Sats 737 459 000 (38,4%).

In 1981 the private sector's share rose to 49,9% as its passenger total topped a thousand-million for the first time at 1 022-million. The number of road and rail passengers using Sats in 1981 rose to 767 721 000, but its share of the market fell to 37,5%.

Last year the private sector accounted for 51,7% of passengers with a total of 1 084-million against Sats 755 000 000 passengers — 36% of the market.

ROM

267  
332

11/8/83



SAW 12/1/83

## Putco has decided to lower its bus fares

Putco has announced that it will be lowering its bus fares following the decrease in fuel prices.

A spokesman for the company yesterday welcomed the Government's announcement of a drop in the price of diesel and said it would approach the Department of Transport with a view to lowering fares accordingly.

The net reduction in the price of diesel fuel to the Putco is 3,1c a litre — a total saving of R2,6 million a year. This would, in theory, enable the company to reduce the price of a weekly season ticket by five cents.

"However, it should be remembered that the company's 12,5 percent increase application was heard on a basis of implementation on September 1 this year," the spokesman said.

"The date is being met in Pretoria but will be late in the case of Johannesburg.

"These delays, which cost money, can be anticipated also in implementing a decrease."

A third of Putco's revenue is in the form of a subsidy and it was possible that the Department of Transport would deduct a subsidy amount from any decrease, he said.

Putco's operations this year, he added, had been adversely affected by a number of factors.

## Putco may reduce prices after fuel cuts

# LOWER FARES

332  
Sweeten  
12/8/83

**PUTCO will be approaching the Department of Transport with a view of lowering its fares.**

The news follows an announcement on Wednesday night by Prime Minister Mr P W Botha that the price of petrol will be slashed by at least 4 cents a litre, diesel by 4,4 cents, and paraffin by more than five cents.

This is South Africa's biggest yet fuel price cut and has been welcomed enthusiastically by economists, commerce and road users.

Immediately after the announcement Putco released a statement.

The transport company yesterday said it saw it as its duty to respond positively to "cost factors and pass benefits where possible to its commuters." It would, however not like to overstate the position.

"The fact is that the net reduction in the price of diesel fuel to

**By ELLIOT  
TSHINGWALA**

the company — allowing for General Sales Tax — is 3,1 cent per litre. This means a total saving to the company of R2,6-million over a year, and would enable it to reduce the price of its weekly season tickets by five cents across the board."

Mr Jimmy Sojane, chairman of the South African Black Taxi Association (Sabta) said his organisation would not reduce fares in the wake of price cuts.

He claimed Sabta had not raised fares since June 1981 but welcomed the announcement as it "came in time to avert a possible fare hike which was to be announced soon."

Next month's fuel price drop could reduce food prices but the South African Transport Services were yesterday still calculating the effect on air and rail operating costs. Sapa reports.

Mr John Barry, general-manager of Pick 'n Pay in the Western

Cape said there was much room for price reductions in the light of the fuel price reduction.

Mr Bill Chamber, general manager, finance and control of OK Bazaars said fuel was a major component of the cost of goods supplied to the supermarket. Any price cuts would be passed on to the consumer.

Mr Denzyl Vermooten, Automobile Association's (AA) Director of Economic Affairs said the petrol would be able to save motorists a total of R300-million a year which comes to about R80 a year for the individual. It will also help half car sale prices, he said and motor spares will also be affected.

Meanwhile in East London the on-going bus boycott has put paid to a possible immediate fare reduction according to our correspondent.

The Ciskei Transport Corporation may have been able to consider an immediate reduction of bus fares had it not suffered substantial financial losses as a result of the 25-day boycott.

**Racing  
tips**

**— PAGE 18**

**INSIDE TODAY**

**R2000 Soccerpot**

**— PAGE 19**

**League  
battle**

**— PAGE 20**



# British shipping company to bring back Cape mail run

332

LONDON. — A British shipping company is reviving a passenger liner service to Cape Town.

Curnow Shipping announced today it would begin sailing in November on a route from Plymouth to Cape Town, stopping at Tenerife and St Helena.

The service will re-introduce the Cape mail run last operated by Union Castle.

Its 12,000-ton liner, World Re-

naissance, will sail every five weeks on the 17-day voyage with a fare range of between R1 671 and R3 024.

The shipping firm will operate the service with TFC Tours in South Africa.

World Renaissance, formerly Renaissance and Homeric Renaissance, is listed as a general cargo vessel which can carry 550 passengers. The vessel was built by a French company in St Nazaire.

The move has been welcomed in the city.

Mr Brian MacLeod, director of the Cape Town Chamber of Commerce said: "Any service which provides for sea travel between South Africa and Europe is welcome."

"It will bring the travel market closer to Cape Town. It can only be beneficial to tourism in this part of South Africa."

Mr John Robert, managing director of Captour, said: "Fantastic! It reinstates the old status of Cape Town as a sea gateway into South Africa."

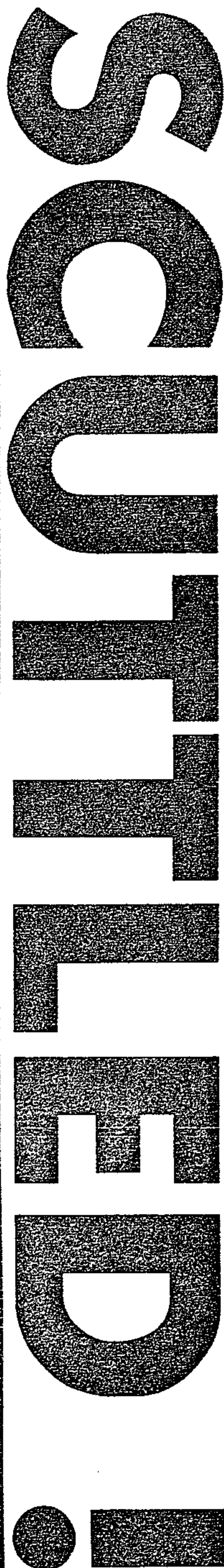
"It gives us a direct link with the outside world, which was taken away when the jet age took over."

"Psychologically, it will be a good boost to the ego of the Capetonians and it will bring back a lot of business." — Staff Reporter Sapa.



# Explosive charges blast holes in bow of Castillo de Bellver

332 13/8/83



THE stricken tanker's bow with an attendant tug.



250 more birds saved

Weekend Argus Reporter

By KEVIN JACOBS  
Weekend Argus Reporter

THE oil-laden bow section of the supertanker Castillo de Bellver was sinking steadily late today after carefully-placed explosive charges blasted two holes in its side.

Foreign demolition experts were called in to assist salvage crews and Department of Transport officials in the scuttling attempt 120 sea miles (222.2 km) west of Cape Columbine.

But by early evening the bow had not disappeared — a week after the midnight drama at sea that spilled thousands of tons of crude oil from the burning and broken vessel.

Safmarine and the Department of Transport jointly issued a statement today after charges were detonated aboard the bow, which has been floating almost upright during its tow into deep water by the Safmarine salvage tug John Ross. The stern section sank closer to the coast earlier in the week.

## Six-man crew

The statement said the smallest possible explosive charges were used to limit the amount of oil released into the sea. It has been estimated that about 60 000 tons of oil remained in the bow section.

It is believed about 90 000 tons of the Castillo

de Bellver's 250,000-ton load spilled into the sea after the disaster last Saturday. About 60 000 tons probably went down with the stern section.

Explosive charges were placed in the bow today by a six-man crew of salvage experts and divers. The charges were detonated shortly before 2 pm.

According to today's statement, the tugs John Ross and Causeway Salvor — owned by Land and Marine Salvage — "went to inspect the result of the explosions and found two holes in the hull in preplanned positions".

## Sinking steadily

The bow immediately sank about 1½ m, and seemed to be sinking steadily.

The John Ross was standing by, and more charges would be used to blast another hole in the hull if the floating wreck had not sunk by tomorrow morning, according to a Safmarine spokesman.

The statement said that "there was some release of oil from the bow after the explosion" but the pollution-control vessel Kuswag Five was at the scene to clean up any further spillage. "The release of oil is not as big as expected," according to the statement.

VOLUNTEER workers saving seabirds from the effects of the Castillo de Bellver disaster were preparing today to receive 250 more oil-soaked gannets rescued from the West Coast islands.

Favourable wind has kept the vast oil spill from the coastline, but seabirds, which range far for feeding, have been caught by the surface pollution.

Workers at the Wetton depot of the SA National Foundation for the Conservation of Coastal Birds (Sancob) were warned today to expect 250 gannets being brought from Saldanha Bay by officials of the Department of Sea Fisheries.

## Space

"It couldn't have come at a worse time," Sancob official Mrs Heather Paterson said today, as the organisation prepared to move the clean-up operation and the 550 birds already being cleaned to new premises at Rietvel. "The problem is whether we will have enough space even at Rietvel."

The birds already treated are mostly gannets from the islands off the West Coast, but include a large number of penguins.

## Time

"The penguins are beginning to come in now," said Mrs Paterson. Penguins affected by the oil spill may have taken some time returning to their island nesting area from feeding grounds at sea.

About 70 volunteers were working at the Wetton facility today, cleaning oiled birds with special detergents.

See pages 3 and 5.



# Private sector war on transport legislation

By SIMON WILLSON

Industrial Editor

THE private sector would have to continue its fight against repressive transport legislation, said Mr Donald Masson, chairman of the Transport Consultative Committee (TCC), in his annual review.

Mr Masson was re-elected TCC chairman at the committee's annual meeting this week. The TCC represents 17 private-sector transport employer bodies.

He said a crucial time had been reached in the transport sector when private firms had to sit around a table with the authorities and find acceptable solutions to national problems.

Mr Masson was critical of three areas of Government transport policy:

- Legislation giving protection to South African Transport Services by restricting private services.
- Proposals by the Welgemoed Commission which sought to protect public transport at the expense of the private operators.
- Amendments and proposed amendments to the Road Transportation Act which hampered the private operator and added to his costs, and giving the Government unnecessarily wide powers.

"SA Transport Services is facing severe and increasing financial difficulties and, in an effort to restrain these, is moving at an alarming rate to offer in competition, or even take over, services which have been considered the private sector's domain.

"We are also seeing more stringent legislation and proposed regulations, most of which are regarded as giving Sats more protection."

It was surely not the answer to Sats financial straits to grant it more protection.

The recommendations of the Welgemoed inquiry into bus passenger transport sought to prevent market forces from playing their role and to impose stringent controls to protect public transport. This would reduce freedom of choice by the user and would act against private enterprise.

The moves to phase out minibus taxi services and to control taxis in the same way as buses spelt disaster for private sector innovation and for its challenge to meet the demand of the market place.

"There are also warnings that enactment of this particular series of recommendations could be a potential flashpoint in the already sensitive labour relations and political fields."

The new Section 2 of the Road Transportation Act

gave the Minister of Transport unnecessarily wide powers. The TCC and many of its member organisations opposed it vigorously to no avail.

An amendment to the regulations had been proposed which would hamper the private operator and add to his costs.

"Other proposed amendments to the regulations also encroached on private-sector activity and could well lead to the objective of the container system as a door-to-door operation being defeated."

The amendments already implemented had increased penalties and prevented optimal use of vehicles. It was a matter of concern that the level of penalties had been taken out of the hands of the judiciary, and that they now included mandatory confis-

cation of vehicles and goods.

Mr Masson said that although the National Transport Policy Study was making progress, it was feared that the pace was too slow and that there was less willingness to change the direction of policy away from centralisation and back towards market forces.

"It is essential that the recommendations which emanate from this study should set policy based on free-enterprise principles.

"The policy should also ensure that major national investments, while being harnessed, are not jeopardised.

"To develop a market-related transport sector is in line with Government policy, and we must pursue this to ensure that the transport sector supports South Africa's economic recovery from the lengthy recession."



# EMPTY BERTHS, IDLE CRANES — AND NO SHIPS

## QUOTE

EACH of today's container ships can do the work of up to seven average bulk-loading freighters of an earlier era. And their faster turnaround time clears harbour space far more quickly.

— Captain Bill Damerell, Port Captain.

by KEVIN JACOBS  
Weekend Argus Reporter

AT times it looks as if someone has called "last round" at the Tavern of the Seas.

Empty wharves, idle cranes, no ships at anchor in the roadstead, queuing for a berth.

Try listening for the haunting trumpet of a ship's hooter that signals another maritime farewell to one of the world's most beautiful and legendary port cities. You have to strain your hearing against the southeaster now.

Even as a commercial cargo harbour, Cape Town docks are slower and less romantic than they have been in many decades. It's certainly not a people's port any more.

Ten years ago it was hard to think of harbour cranes as idle machinery. They never stopped, it seemed.

## Relay

Out in the bay, 10, 15, and more ships rolled at anchor, waiting for a space in the relay for berths when economies were strong and Middle East war sent much of the world's shipping round the Cape.

Even five years ago Table Bay harbour was a busier place.

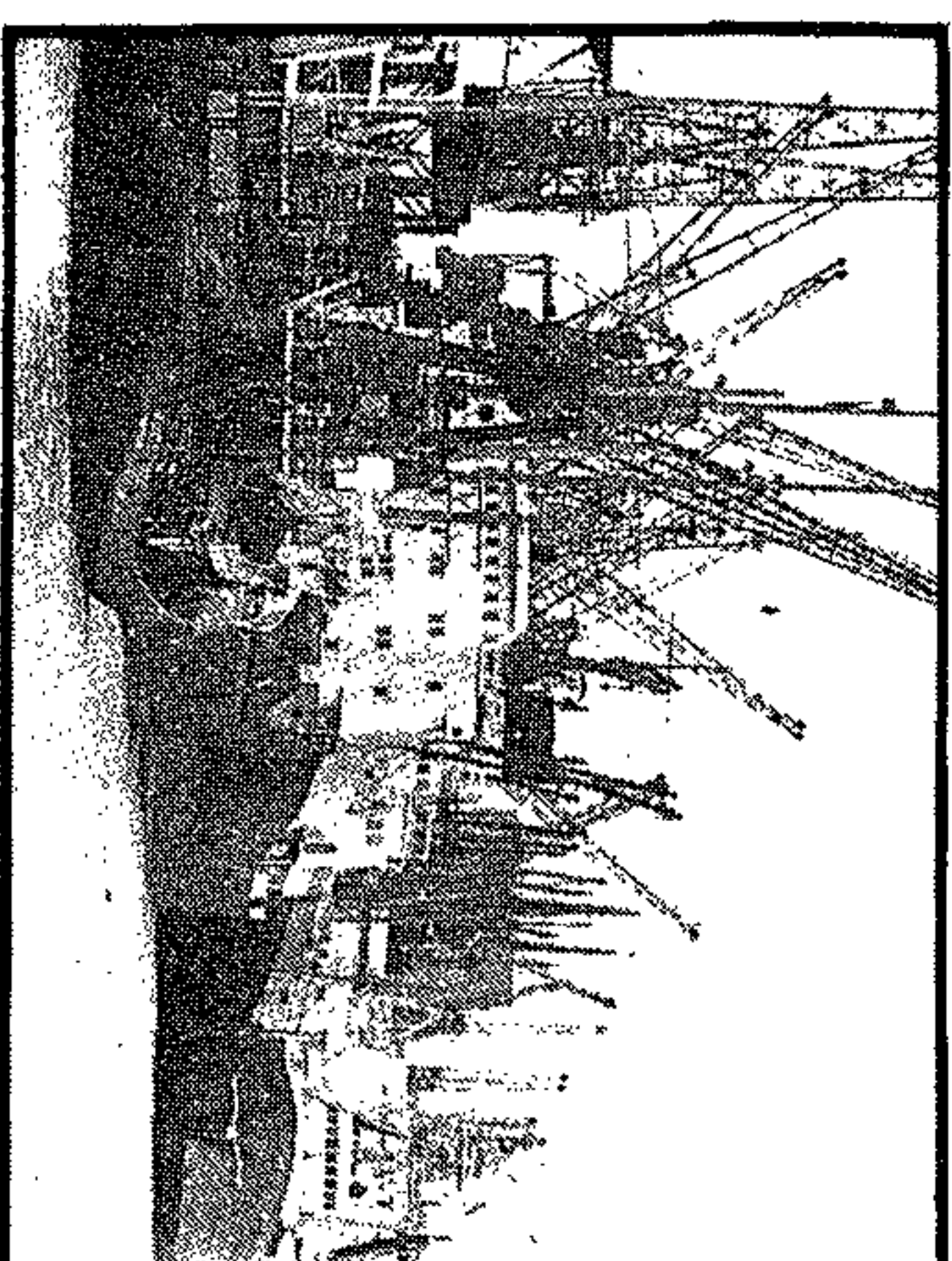
# Last round at the Tavern of the Seas?

WEEKEND  
ARGUS  
SPECIAL  
REPORT

## QUOTE

IF we discharged and loaded 600 tons a day on a ship, then to do 3 000 tons you had to be here for five days. Today we handle that amount in 12 hours by operating container ships.

— Captain Bill Damerell, Port Captain.



## REMEMBER WHEN ...

THIS picture was taken on February 10, 1968, in Table Bay Harbour, at the height of the Suez Crisis. Ships are double-banked, and in the background is a Norwegian cruise liner.

cial hinterland in the Western Cape.

Some ships, even in the reduced traffic, bypass the port to avoid port charges. "South African ports have, for many years, been comparatively cheap by world standards," says Mr Hannes. "But in the past few years it has become considerably, and very quickly, very much more expensive."

"We are very quickly reaching a point of being on a par with other countries. And this increase in charges, coming at the same time as a low ebb in trade, is most unwelcome."

— Jeremy Labus-



April 5, 1971, when 34 ships, including 22 which were waiting to be docked to work day. That day's congestion was the worst since the closure of the Suez Canal in 1967.

is not the need that there was for the large tankers'.

Recession and changing demands on the nature of cargo-carrying have shut down the boilers in many ships — tankers, freighters and container carriers. In Greece, 1 500 vessels are reported to be laid up, out of work.

### No secret

"It is no secret," says Captain Damerell, "that for the European trade we have sufficient container ships for the

next 20 years. So there is no increase in shipping.

"Even now, the container ships are not running at capacity. I think they over-catered."

Mr L A Hannes, manager in Cape Town for a huge Rotterdam-based shipping conglomerate, believes the harbour's container facility in the relatively new Ben Schoeman docks could handle a great deal more traffic than it does.

"But I cannot foresee that the port of Cape Town will ever again be what it was before," he said this week.

"In the past, all the European lines operated five or six times the number of ships than the number of container ships they have now. They all competed for dock space, and so congestion built up.

"A container vessel today carries six times the amount of cargo that conventional vessels did then. Turn-

around is six times as fast.

"If we discharged and loaded 600 tons a day on a ship, then in order to do 3 000 tons, you had to be here for five days. Today we handle that amount in 12 hours by operating container cranes and container ships."

Cape Town Harbour still serves the export side of the deciduous fruit industry and the wine industry. But there is not much of an industrial or commercial

chagne, operations manager for a company servicing vessels by helicopter off port limits, has seen shipping activity slacken significantly in the past five years.

"I think it would be fair to say it has dropped by up to 50 percent," he said this week. "My own view is that we could see a 10 percent increase in business and then the market will more or less stabilise.

"I must add that any turmoil in the Middle East could change that. Likewise, any change in the oil-flow pattern and we will get a change here."

## REMEMBER WHEN . . .

☐ THIS picture was taken on April 5, 1971, when 34 ships, including 22 which were waiting to be docked to work day. That day's congestion was the worst since the closure of the Suez Canal in 1967.

It will probably never be the same again, say port officials and executives in the world of shipping commerce.

Without another upheaval in the Middle East and possible shutdown of the Suez Canal, and short of a radical change in the world's current oil-flow pattern, Cape Town's dockland is going to remain a quieter place.

Today, fishing trawlers seem to provide the most frequent activity, and the most foreign crew seen around Cape Town.

"Cape Town harbour is a quieter place now,"

says Port Captain Bill Damerell.

"Five years ago when a ship asked for a berth you would say 'come back in a few months time'. Now you show them a harbour plan and say 'take your pick'."

The Rev Bernie Wrangmore, director of the Seamen's Institute, says: "I have seen a tremendous difference here. I find the whole thing completely changed.

"With the old passenger liners there was

plenty of life — every week we would have 700 British seamen here."

Now, he says, ships are in and out. The ships are bigger, and crews are small. "Also, they are stuck much further out. And they are like three-star hotels aboard, so many crew don't even bother coming ashore."

Shipping agents see two major causes of the fall-off in shipping traffic through Table Bay harbour: worldwide recession, and the switch

to containerisation. And port officials agree.

Each of today's container ships, which carry their cargoes in easily loaded steel boxes, can do the work of up to seven average bulk-loading freighters of an earlier era, says Captain Damerell. And their faster turnaround time clears harbour space far more quickly.

"The whole concept of containerisation is that the vessels do not spend much time in port.

"A ship might arrive

at 8 pm and leave again at 4 am. So you drive over De Waal Drive in the morning and you see very few ships here. Tomorrow morning you see the same. But they have been here."

A decade ago, the Persian Gulf was the major source of the world's oil supply. Now, says Captain Damerell, "there is oil in Libya, in the North Sea, there is oil in the Mexican Gulf, in Nigeria, Cabinda, Venezuela . . . the sources are dotted all over the world. So there

# Fare hike objections deadline this week

OBJECTIONS to the latest City Tramways application for bus fares increases have to be in by Friday this week.

The application for an average 8.5 percent increase appeared in the Government Gazette on Friday July 22. In terms of the law, all objections have to be lodged within 21 days.

The application will then be heard in Cape Town by members of the National Transport Commission (NTC).

A spokesman for the NTC in Pretoria said he did not have any information on the application while a spokesman for the Local Road Transportation Board said she could not disclose if they had received any objections.

However, it is believed that a number of major organisations have decided to object to the application.

These include civic organisations like the Cape Areas Housing Action Committee (Cahac) with 20 affiliates, and the 10 000-strong Cape Town Municipal Workers' Association.

The Ravensmead management committee has also objected.

The City Tramways application comes about two months after they had received an overall increase of 15 percent.

Community-based or-

ganisations did not object officially to the last application. They said the NTC was a Government-created body which could not take a decision to benefit the commuters.

Representatives of community-based organ-

sations walked out of a previous hearing of a City Tramways application.

Community groups have not yet decided if they will attend the latest hearing.



# Transport board, city police join forces Durban to clamp down on pirate taxis

Mercury Reporter

DURBAN City Police and the Local Transportation Board will soon launch a clampdown on pirate taxi operators following complaints from legal taxi owners and bus operators.

Sub-Inspector Doug Unger, information officer for the City Police, yesterday confirmed that the City Police and the transportation board would jointly move against pirate taxis.

The use of illegal taxis — particularly mini-bus taxis — has become a popular mode of transport for black commuters in Durban.

According to legal operators, at least 200 such illegal taxis operated from the city to the black townships and to outside areas — Zululand, Newcastle and Transkei.

Sub-Inspector Unger said the City Police had approached the Local Transportation Board in connec-



Commuters board a pirate taxi.

tion with the rise in the number of pirate taxis in Durban and complaints from legal taxi and bus operators.

'As soon as we hear from the board we will embark on a campaign to severely curb pirate taxis,' he said.

The move also follows a warning from the Director-General of Transport Services, Mr Adrian Eksteen, that his department intended to crush pirate taxi operations.

A survey yesterday showed that there were a number

of areas in the city — Carlisle Street, Centenary Road, Queen Street and Victoria Street — from where illegal taxis operated.

One man said it was a service to the community, and most of the 200 illegal taxis in Durban were operating on a break-even basis.

'It will be a major blow if the police clamped down on the operators, because the commuters would be hardest hit,' he said.




(332) Hansard Q. 61,1894  
Mitchell's Plain/Atlantis bus services  
17/9/83  
\*44. Mr. S. S. VAN DER MERWE asked  
the Minister of Transport Affairs:

Whether, with reference to his reply to Question No. 9 on 20 April 1983, he was considered the recommendations of the National Transport Commission concerning increased subsidies for Mitchell's Plain and Atlantis bus services; if not, why not; if so, what was his decision?

†The MINISTER OF TRANSPORT AFFAIRS (Reply laid upon the Table with leave of House):

Yes. I have approved the recommendations submitted to me by the National Transport Commission, that is, that the subsidies be adjusted as follows—

Mitchell's Plain Bus Service

- (a) Nyanga Station/Manenberg—Mitchell's Plain: Increased from R1,75 to R2,00;
  - (b) Hanover Park—Mitchell's Plain: Increased from R1,75 to R2,00;
- 



# New Putco fares due early next year 332

By LEN MASEKO  
PUTCO will submit an application to the Department of Transport for a fare reduction next month, immediately after the 12,5 percent fare hikes have been implemented on the Reef.

Putco's public relations manager Mr Pat Rogers said yesterday because of procedures involved in such an application, the reduced fares could come into ef-

fect early next year. The bus company intends to reduce the price of weekly season tickets by five cents across the board.

The planned cut in Putco fares follows last week's surprise announcement by the Government that the price of petrol would from next month be slashed by four cents a litre, diesel by four cents

*Sowetan* 17/8/83  
and paraffin by five cents. The fuel price cut will reportedly save Putco a lofty sum of R2,6-million a year.

However, Mr Rogers said, a 12,5 percent fare increase recently approved by the Department of Transport would come into effect on August 29. "We are still waiting for the department to set a date for the fare hikes in

Johannesburg and other areas," he added.

"According to procedure, the Government will only consider our application for the reduction after the implementation of the fare hikes. The whole thing is a long drawn out process, hence the possibility that the reduced fares could come into effect early next year," Mr Rogers said.

80P = Y - A

# Buses are stoned in township violence

By HELENE ZAMPETAKIS

THOUSANDS of angry commuters stoned buses in three black townships outside Nelspruit yesterday in the third day of violence which erupted early this week.

One man was injured when police arrived to quell the unrest yesterday morning.

A commuter claimed yesterday that police threw teargas cannisters at the crowd and police dogs were used.

Colonel T Olivier, the police district commander, denied that teargas had been used against "the thousands of commuters".

Mr Joseph Mathebula, of the Mathebula Bus Service, said 25 buses had been damaged, causing damage estimated at R20 000.

He said the unrest had been sparked off by the inadequate bus service, saying that buses had been late.

"But the people must be patient. Next week it will be under control," he said.

Mounting frustration against the inadequate bus service came to a head on Monday when schoolchildren

who had waited several hours for buses were pushed aside by adult commuters, a source said yesterday.

The stonings started and later adult workers, who had also been kept waiting, joined in the stoning.

The bus stonings were concentrated at Pienaar, the trust area outside Nelspruit, but incidents also occurred at KwaNyamazane, the largest township, and at Msongwaba.

The source said yesterday anger over the service had escalated in recent months.

"The buses don't always operate according to schedule. They are always overcrowded. When they do eventually arrive there is a terrible pushing and the weaker ones are left behind."

Col Olivier said yesterday that "everything was quiet" in the townships and the bus service was operating as usual.

A contingent of police were patrolling the area and others were escorting buses into town.

Police would be present at main bus stops at 6am this morning when the mass of workers caught the buses.



# Bus company lays on 2 days' free transport

By MONK NKOMO

TRANSPORT will be free for passengers travelling by bus and trains between the new Mabopane Station and the city on August 20 and 21.

Mr J A Stegman, liaison manager of Bophuthatswana Transport Holdings (BTH), yesterday announced that his company would render a free service to commuters from all zones in Mabopane to the local station where they can also board trains to the new Belle Ombre station where they can also board trains to the new Belle Ombre station in Marabastad free of charge. Putco buses will then transport all passengers for free from the Belle Ombre station to the centre of town.

He also announced the BTH would only start its feeder service at the new Mabopane station on August 22. A

shuttle service between Boekenhout transfer station will be available as from Monday to Friday next week.

The present service to Soshanguve station and Boekenhout transfer station, he added, would continue next week and all BTH services would remain unchanged until August 22.

19/8/83  
Sowetan  
332



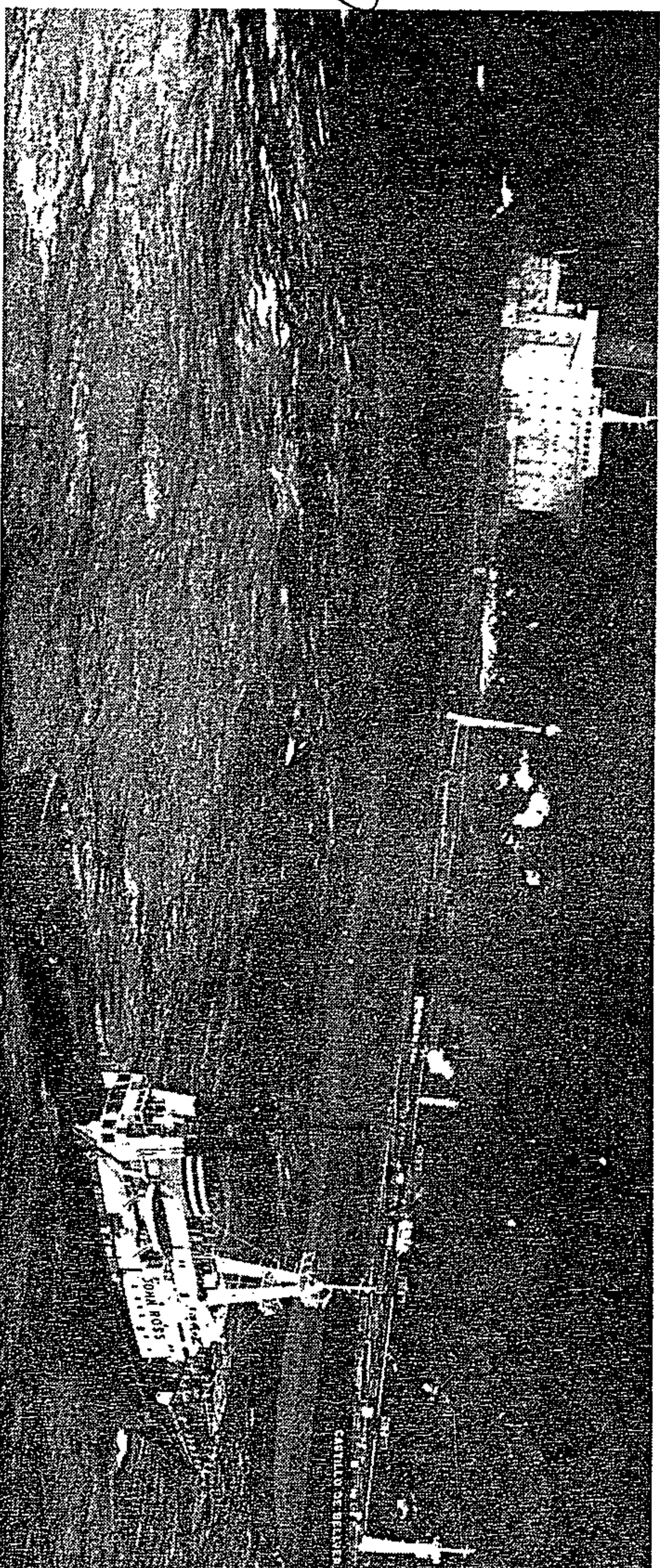
# CASTILLO DE BELLVER DISASTER

# Who

# Will

W/E Areas  
20/8/83  
(232)

# pay?



● SAFMARINE'S huge salvage tug, the John Ross, stands by the burning Spanish supertanker Castillo de Bellver.

THE loss off the West Coast of the Spanish supertanker Castillo de Bellver could have cost South Africa millions of rands in wasted expenditure, ruined beaches, tourist industry losses, environmental damage and litigation.

The Amoco Cadiz disaster off the coast of France happened in 1978. More than five years later claims are still coming in. Other major oil spills have resulted in protracted battles for compensation.

And, in the early hours of August 6, there was every reason for South Africans to fear that the funeral pyre of the Castillo de Bellver signified an environmental and financial catastrophe of unparalleled proportions which would take years to sort out.

But early indications are that instead of facing a huge bill and a protracted fight to get any of it back, the South African taxpayer is likely to get off scot-free.

A senior official of the Directorate of Transport in Pretoria who serves on the committee co-ordinating the mopping up operation in terms of the Government's pollu-

tion disaster prevention master plan, said this week the owners of the 271 000-ton supertanker were fully insured against pollution damage.

The committee had been in contact with the insurers and their impressions were that they would be paid out in full.

He said the department had a good relationship with the insurers concerned and he had every reason to believe all claims would be paid — right down to the cost of cleaning oiled seabirds.

He said SA Transport Services expenditure so far was limited mainly to the cost of

operating the Kuswag anti-pollution and oil dispersant.

The contract for the tug John Ross, which costs about R35 000 a day — to tow the bow section of the ship away from the coast was negotiated by Safmarine and the owners and was not for the Government's account applied to the private aircraft operation.

All other parties who incur expenditure through the Castillo de Bellver including the coastal bird conserva-

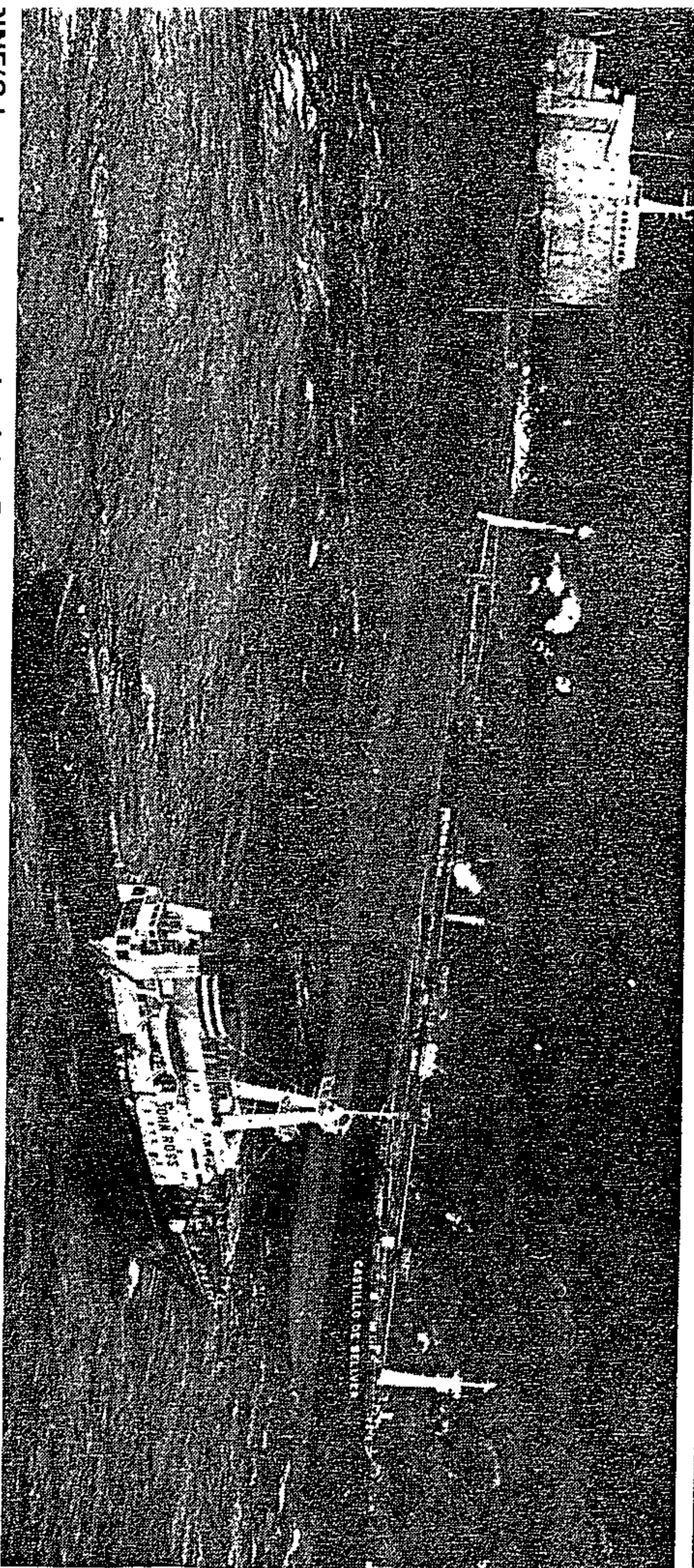
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# VER DISASTER



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operating the Kuswag anti-pollution vessels and oil dispersant.

The contract for the tug John Ross — which costs about R35 000 a day to operate — to tow the bow section of the supertanker away from the coast was negotiated between Saffmarine and the owners and was therefore not for the Government's account. The same applied to the private aircraft used in the operation.

All other parties who incurred expense through the Castillo de Bellver incident, in- cluding the coastal bird conservation organi-

## SPECIAL REPORT By DIANA POWELL, Weekend Argus Reporter

sation, Saneob, had been told to submit their claims to the insurers, he said.

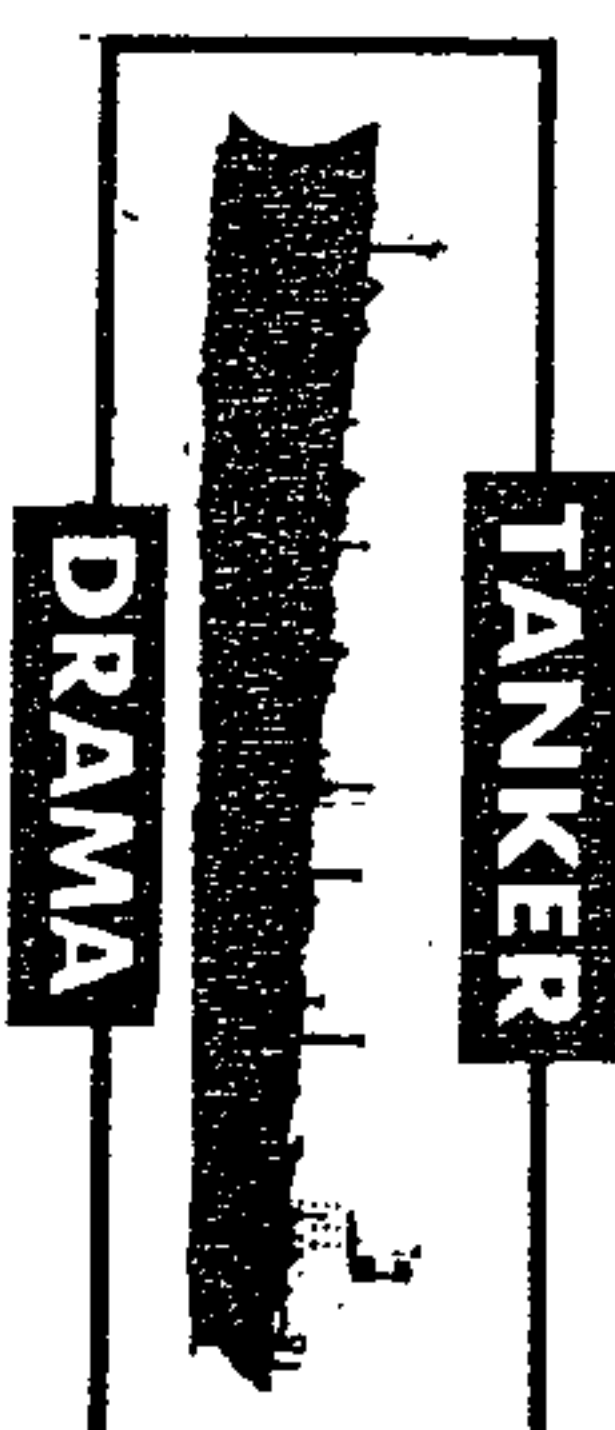
It was too early to estimate the final cost of the Castillo de Bellver oil spill, but he did not believe the Government's claim would run even into six figures.

He said South Africa had been lucky in certain respects.

● The favourable weather had helped keep the oil slick off the coast, eliminating beach damage;

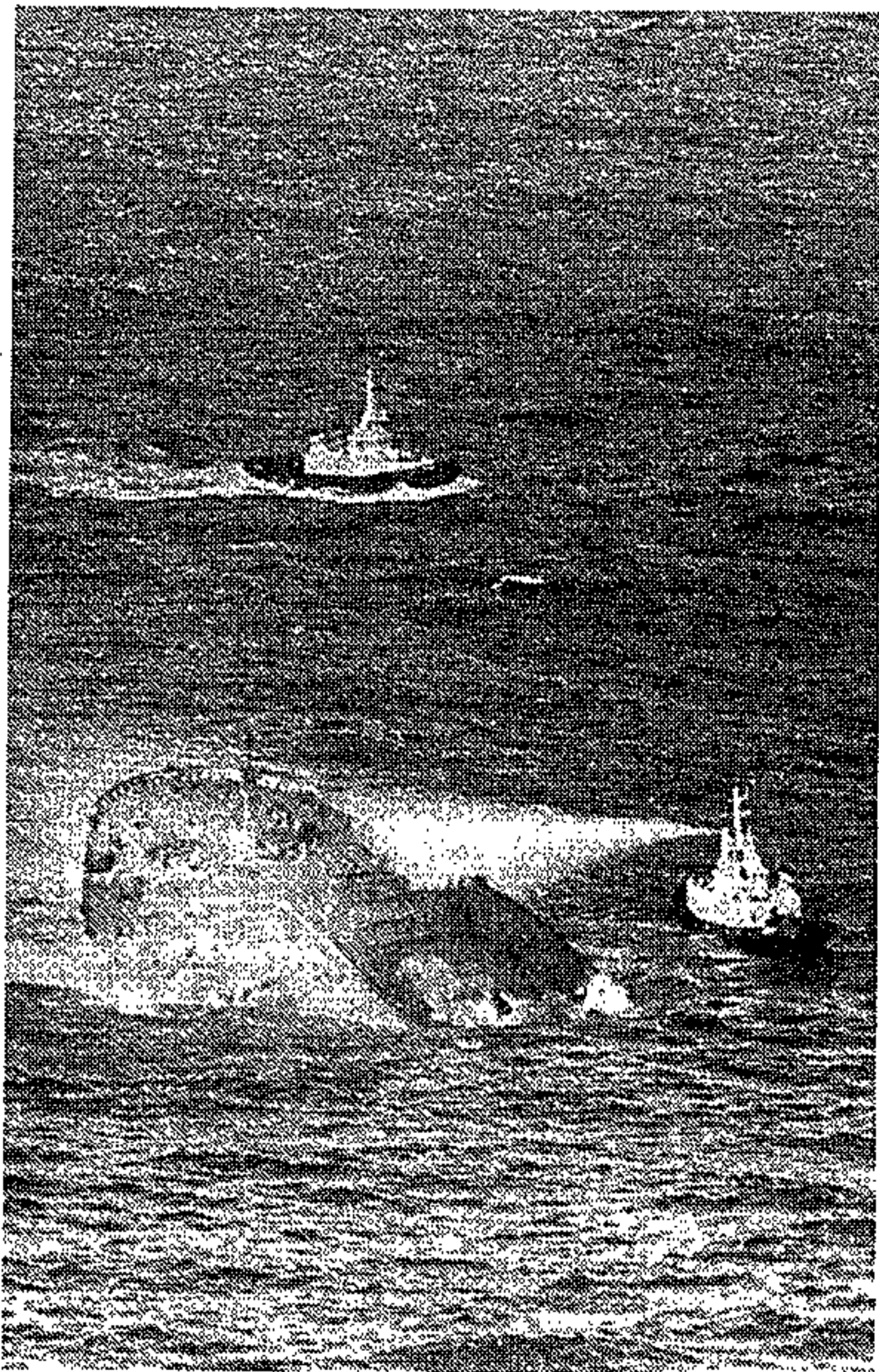
● South Africa's agreement with the inter- national tanker owners' body that laden tankers remain 25 miles off the coast had ensured that the disaster had not occurred too close in; and

● The position of the tanker 70 nautical miles north-west of Cape Town meant there was more likelihood of the authorities being able to deal with the situation than would have been the case if the accident had taken place off the southern coast, which prevail- ing winds and currents made more vulner- able to pollution damage.





# Why operation clean up was a winner



● THE bow of the Castillo de Bellver — and tugs.

INSTEAD of being the marine catastrophe of all time, the Castillo de Bellver affair, and the subsequent handling of the oil pollution menace, will probably be recorded in maritime history as a copybook exercise.

The committee set up to co-ordinate salvage and pollution control, consisting of representatives of several State departments, the salvage operators, rescue services and, in

particular, SA Transport Services (SATS), has been complimented internationally for the way it coped with disaster.

And today, just a fortnight after the 271 000-ton tanker caught fire and broke her back 45 miles off Saldhana, threatening to wipe out the ecology of the West Coast, the situation is fully under control. The thinned oil slick is drifting harmlessly in the South Atlantic and, as far as is

known, not even a gannet or a penguin has been lost.

When the Torrey Canyon discharged its lethal cargo into the sea off Cornwall in 1967 the world woke up to the horror of crude oil spills; the grounding of the Liberian tanker Wafra, laden with 40 000 tons of oil, off Cape Agulhas in 1971 dumped the problem on South African shores.

But bulk crude carriers grew bigger. So did the pollution danger and in 1977 off Mossel Bay and in 1978 in the English channel, the superproblem associated with the supertanker changed from threat to reality.

## Sea route

It was obvious after the Wafra that South Africa, in its vulnerable position on the sea route from the Persian Gulf to the markets of Europe, with thousands of kilometres of ecologically sensitive coast, had to have a contingency plan to deal with the worst possible tanker disaster. There is not a moment of any day when there is not a laden tanker off the coast. It could have happened at any time. It did on August 6.

## Kuswag tugs

Plan Pollution involved the Government in massive expenditure but, with the experience of the past, nothing would be too much to save the coast from the black death of oil pollution.

the pollution control committee have no need for modesty.

He said South Africa's infrastructure and back-up plan were as good as any anywhere in the world.

"It was a long-term insurance policy which paid off."

spill since the Torrey Canyon, was less guarded in his praise of the plan.

What the technical manager of the International Tanker Owners Pollution Federation told the nation on television before flying home this week leaves no doubt that SATS and

understatement this week: "We are pleased with our plan. We have been complimented on what we have done."

## High praise

Internationally renowned oil pollution troubleshooter Captain Mike Garnett, who has seen every major oil

The biggest expense was the acquisition of two specially-built tugs each able to handle the biggest laden tanker afloat. And at that time the world was talking about the dawn of the million-ton leviathan.

The multi-million-rand Wolraad Woltemade and the John

Ross — to this day the biggest tugs in the world — were built for South Africa. They cost a small fortune to operate — R35 000 a day at sea and R6 000 a day when idle in port.

Then five Kuswag anti-pollution vessels were built. They have no function other than

pollution control and are constantly ready for any emergency.

## Dispersant

A line of supply was set up for dispersant specially developed for South African conditions and local authorities were briefed on what would be expected

of them should oil come ashore.

Within hours of the stricken Castillo de Bellver's Mayday call, the plan was in action. And it worked.

A spokesman for Mr A B Eksteen, the Director-General of Transport, said with cautious

W/6 AR443

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332



# 'Safmarine interests should be sold'

AK645  
22/8/83

332

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## Political Staff

THE Government should sell its interest in Safmarine, not so much because of the company's controversial casino investment, but because of the policy of "privatisation," says Mr Harry Schwarz, Progressive Federal Party finance spokesman.

Mr Schwarz said the Government should give effect to its policy of reducing its investment in shares that should be held by the private sector and sell the Industrial Development Corporation shares in Safmarine.

Meanwhile, Minister of Industries and Commerce, Dr Dawie de Villiers, today declined to comment on speculation that the Government could sell off its shares in the virtual casino monopoly in South Africa.

## Embarrassing

Having announced Government concern about the investment on Friday, Dr de Villiers said today: "I have nothing further to say at this stage."

The Government has been placed in an embarrassing position by the highlighting of the Safmarine interest in the casino trade particularly against the background of its fight with the Conservative Party over commitment to Christian principles.



Mr Harry Schwarz... give effect to its policy.



Dr Dawie de Villiers... voiced concern.

Mr Schwarz pointed out that even the Government sold its interest in Safmarine, South African taxpayers were still benefitting from the gambling tables in the independent states in and around South Africa.

## Linked

Financial aid from the South African Government to the former homelands was directly linked to the income of the now independent states.

"The more they make the less the Government and therefore the South African taxpayer has to pay out."

Mr Schwarz said he found the Government reaction to the highlighting of the Safmarine investment "remarkable."

## New move could ruin Soweto taxi-owners

By Jon Qwelane

Mr. Pat Dlalisa is a Soweto taxi-driver. Six mornings a week he starts early and finishes late.

He sees his job as an essential service to his community as well as the means of earning a living.

Mr. Dlalisa could easily be any one of a 100 other black taxi-drivers.

He owns a minibus whose future as a vehicle for public transport is uncertain after moves by the Road Transportation Board to stop licensing such vehicles as taxis.

Mr. Dlalisa is the deputy secretary of the Dube/West Street Taxi Owners' Association and has been involved in negotiations to have the decision to stop licensing minibuses rescinded.

"We have been told that, once the minibuses are

phased out, taxis serving the black community will have to be sedans carrying only four passengers. Such a car, with a meter fitted to charge the customers according to the kilometres travelled, would kill business.

"First, if the meter records, say R20, and there are only four passengers travelling in the car, will they be prepared to pay R5 each (the present fare is about R1) for a single trip between Johannesburg and Soweto? Of course not.

"That is why the move to stop licensing minibuses is seen as a way of attracting passengers back to Putco's bus network," Mr. Dlalisa said.

Another aspect which was upsetting taxi owners was the cost of running a sedan, he said.

"Once people resort to buses and trains because of increased taxi fares, how will we be expected to maintain the cars?"

He said the move to stop licensing minibuses was unsound because "even with our large vehicles it is difficult to cope at rush-hour — and the minibus can carry 10 passengers".

Mr. Dlalisa said most of the minibuses operating as taxis had been bought with bank loans which owners were still repaying.

He makes an average of eight trips a day between the city and Soweto, carrying 10 passengers on each trip.

At R1 for a single trip he makes R80 a day.

"But I have to see to it that my petrol tank is always full and that costs about R35 every day."

A single bus trip from Eldorado Park to the city costs 80c as opposed to R1 for a taxi.

Cont



Cont



Minibuses filling the taxi ranks and posing a traffic problem. However, they also fill a big gap in black urban and rural transport. Picture: David Sandison.



# 82 000 minibuses give unique national service

By Sheryl Raine,  
Pretoria Bureau

South Africa is in the midst of a minibus explosion.

More than 82 000 minibuses are now on the roads — that conservative figure excludes thousands registered in the various homelands.

A breakdown of the latest figures released in Pretoria shows that there are more than 46 000 minibuses in the Transvaal, including 12 873 registered in the Greater PWV area alone.

More than 18 600 minibuses are operating in the Cape, another 11 300 in Natal and more than 6 000 in the Orange Free State.

Pretoria and Johannesburg traffic officials say the minibus is posing new problems for traffic control by operating from designated taxi ranks or bus stops. Unofficial minibus terminuses have sprung up where convenience has dictated.

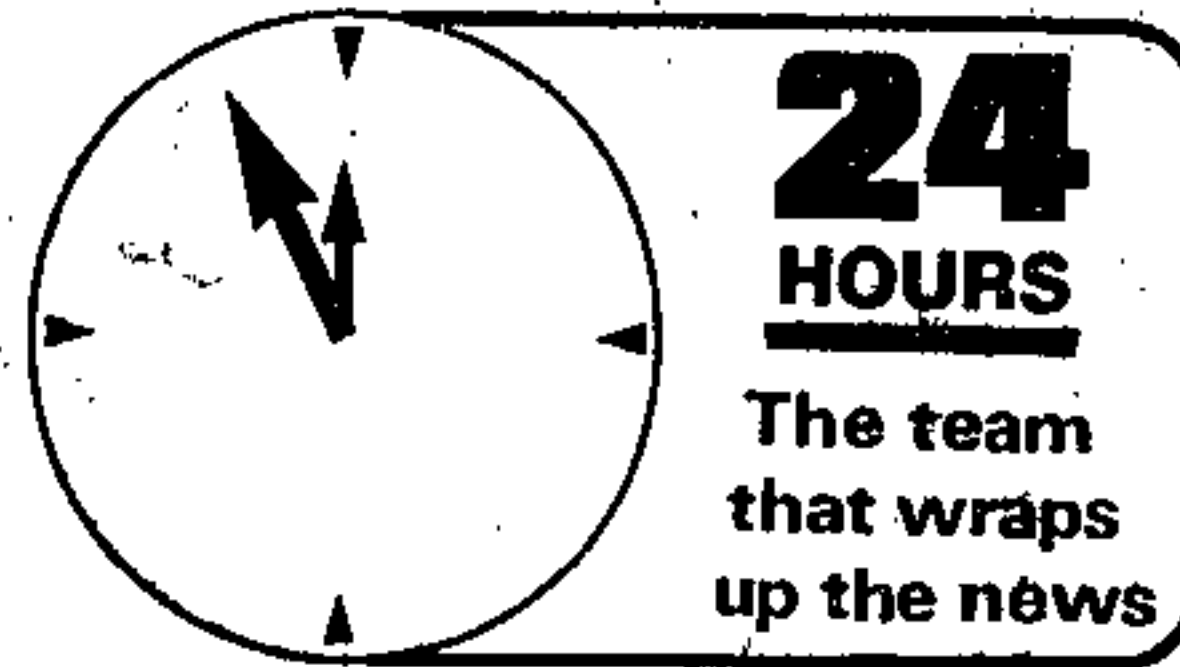
Defined by officialdom as a vehicle which carries nine to 15 passengers, the minibus has come to mean far more than that to thousands of black commuters.

It has filled a gap which public transport has left unfilled for decades.

A highly flexible service with substantial penetration into remote black areas as well as black urban areas, the minibus business has become a thriving one for black entrepreneurs.

It also means a comfortable commute for black employees who can afford to board a minibus rather than take their chances on overcrowded buses and trains.

Between 1980 and 1981 the number of minibuses on the roads rose by nearly 6 000.



If the Welgemoed Commission of Inquiry into public transport gets its way, the minibus operator will be bumped out of business.

The commission has made a series of recommendations to stop minibuses operating as taxis.

It suggested a new law defining a taxi as a vehicle which carries no more than four passengers and another law to cater for vehicles carrying up to 25 passengers.

Vehicles carrying between four and 25 passengers would be denied permits to operate as taxis. They would be required to stick to specific routes and to define their services with a timetable subject to official approval.

The commission's recommendations have met with anger from Pretoria minibus operators.

Mr Reuben Matjene, who has operated a minibus taxi service from Soshanguve to Pretoria for 25 years, said that if they were accepted the Welgemoed recommendations would force him to abandon his minibus for a sedan-type car.

"Where will I get the money to buy a car?" he asked.

Mr Joshua Phoshoko of Mamelodi believed that black commuters and minibus operators would be the losers if minibuses were forced out.

## Bus association objects to taxi 'parasites'

By Jon Qwelane

The South African Bus Operators' Association (Saboa), of which Putco was a member, had objected to "parasitic" taxi operations where minibus owners piled along bus routes and touted for passengers, Mr Pat Rogers, Putco's chief PRO, said last week.

The concept of a taxi was to deal with only one hirer at a

time and charge him the fare for the trip, but township taxi operators took as many passengers as they could and charged them individually.

This amounted to operating like a bus service, though the taxi owners did not meet the obligations required of a bus operator, Mr Rogers said.

"Saboa made recommendations to the Welgemoed Commission inquiring into bus pas-

senger transportation. The organisation recommended that stricter controls be applied on taxi operations," he said.

"We still believe there is room for a taxi service, because it operates in the interests of the community. But that goes only for legitimate taxis — and how many legitimate taxis there are we do not know because it seems that for every licensed taxi there are two unlicensed," Mr Rogers said.



# Fresh bid to halt transport squabbles

By Michael Chester

Business leaders today urged the Government to agree to round-table talks on a national master plan to avoid growing confusion in all transport — from taxis and minibuses to heavy freight.

The objective would be to set guidelines for a national policy that would iron out friction between private and public operators.

The initiative has been taken by the powerful Transport Consultative Committee, which draws its members from key private employer bodies including Assocom, the Federated Chamber of Industries and the Afrikaanse Handelsinstituut.

The chairman, Mr Donald Masson, said the Government should lay down fixed boundaries for the operations of the State-run South African Transport Services.

SATS, struggling to cope with severe financial problems, was encroaching on the private sector's domain "at an alarming rate."

A first step would be to relieve SATS of the burden of carrying on its own the R500 million a year subsidy of black commuter services.

"We must find an alternative way of subsidising passengers, even if it means spreading the load by funding from income tax or special levies," said Mr Masson, who is also chairman of the Afrikaanse Handelsinstituut and managing director of Trek Petroleum.

"SATS argues that it is the R500 million drain on its revenue that forces it to spread into more and more road services and to load its freight tariffs to try to balance its books.

"In turn, we are also seeing more stringent legislation and proposed regulations giving SATS increasing protection. It all leads to worsening antagonism between State and private services.

"Also, moves to phase out minibus taxi services, by laying down impossible controls and making them run on set routes and set timetables as the big bus operators do, spell disaster for private innovation."

Fears were growing that a clamp on the minibus taxis, used by thousands of black commuters, could create "a potential flashpoint in the already sensitive labour relations and political arenas".

Mr Masson argued: "If there is a bus boycott or a major bus or rail strike in the townships, industry and commerce in the cities will be forced to a virtual standstill unless there are minibus taxis — even illegal taxis — to save the day.

## 'Licensing should be easier'

"We should be making it easier, not harder, for black taxi operators to secure licences and permits. Even the so-called pirate taxis would disappear if they found it easier to make themselves legal.

"The whole transport network is riddled with problems caused by bureaucracy and suspicions of favouritism to vested interests such as SATS — and it has become urgent to find solutions.

"The authorities will make matters even worse if they carry on fumbling with transport affairs in piecemeal fashion without a fixed set of realistic objectives.

"Nobody knows all the answers yet, but it is vital that the Government agrees to round-table talks to change direction away from centralisation towards open markets and to fix overall guidelines while an ultimate national policy is being hammered out."

● See Page 7 of the World section



ARGUS 22/8/83

332

## More than 100 attend homeland bus inquiry

Staff Reporter

THE National Transport Commission's inquiry into road transport between the Western Cape and Ciskei and Transkei which reconvened in the City today was attended by more than 100 people.

After the chairman, Road Transport Commissioner Mr H C van Zyl, had outlined inspections of transport facilities

carried out by the commission in Cape Town, the Eastern Cape, Ciskei and Transkei, the hearing adjourned to find larger premises.

The commission was set up by the Minister of Transport, Mr H S J Schoeman, in May this year to inquire into the position regarding bus transport permits between the Western Cape

and the former homelands.

In his notice at the time the Minister said it might be "expedient" for some of the permits to be withdrawn and re-issued to effect improvements in the transport services.

The other commissioners are Dr R Knobel and Mr J A S Louw, both members of the National Transport Commission.



# Ciskei buses still shunned

Argus 23/8/83 332

Argus Bureau

EAST LONDON — There has been no change in the number of people using Ciskei Transport Corporation buses, in spite of a fare reduction which came into effect yesterday.

Mdantsane commuters have been boycotting buses for five weeks in protest against a fare increase introduced on July 13.

## REDUCTION

Last week Ciskei's President Lennox Sebe announced a fare reduction of 25c a week on weekly tickets. The reduction amounts to 50 percent of the recent increase.

Other commuters are using trains, which are carrying about 40 percent more passengers, to get to work.

Police are investigating the shooting of a man on Saturday night who was admitted to Frere Hospital, Major Ngaki said.

CITY

1965 23/8/83

# Schoeman 'conspiracy'

Staff Reporter

THE Minister of Transport, Mr. Hendrik Schoeman, was party to an "unholy conspiracy" between the SA Transport Services and the white-controlled Transkei Blue Line Bus Services to exclude other bus operators from the route between the Western Cape, Ciskei and Transkei.

This was said today by Mr Harry Snitcher, QC, for Mr B S Ndamase, at the resumed hearing of the National Transport Commission's inquiry into the bus transport service along the route ordered by the Minister in May.

## Application

An application by Mr Snitcher and several other legal representatives of private operators for the commission to adjourn so that the Minister could be asked to supply his reasons for believing that the service could be improved was refused by the commission chairman, Mr H C van Zyl.

He said he had already indicated that the commission was investigating only the problems caused by "over-competition" by too many operators on the route and the desirability of placing the service under unified control.

But Mr van Zyl granted an adjournment until tomorrow morning to enable legal representatives of the parties to make urgent application to the Supreme Court for a review of the Minister's decision to set up the commission without giving reasons.

Referring to the contract between SATS and Blue Line, which the commission had yesterday ordered be disclosed to the other parties at the hearing, Mr Snitcher said its terms suggested that SATS and Blue Line wanted to "grab" all public permits for the route.

"This is a disgraceful agreement for a public body such as SATS to have entered into," he told the commission.



(332)  
Fare increases hit commuters hard

# Black transport row on the boil

By Michael Tisong

Black transport was on the way to becoming an explosive issue, the South African Institute of Race Relations' Southern Transvaal chairman said yesterday.

Mr Mohammed Dangor said black people, allocated to group areas well away from work, were being forced to "pay the price of apartheid" in the consistent increases in bus fares.

He said the whole issue of black transport and fare increases could become an explosive one.

Mr Dangor's claims about black transport were backed up today by the Soweto Civic Association's Mr Isaac Mogasi.

Mr Mogasi said commuters were extremely disappointed at the 12,5 percent increase in fares.

Protest action, like that which has plagued Natal

and Ciskei, could not be ruled out.

"Putco is taking advantage of commuters and it is high time they stood up and refused to pay the high increases," he said.

The 12,5 percent increase comes into effect in the Pretoria area on September 1 but a date has yet to be set for the Reef.

Mr Dangor said all promises of substantial subsidies had failed to come about.

"Instead, the proposed scrapping of the subsidy system already in the pipeline will hurt people more," he said.

"Putco has a double bonus. On the same day it was granted a fare increase, the Government announced a reduction in fuel costs. Putco claims it will now implement a fares cut, but in effect it will not be a decrease.

"The 12,5 percent increase amounts to about 50 cents on weekly tickets for some commuters.

The decrease Putco is talking about is five cents. So, in effect, some commuters will pay about 45 cents more than they are paying now.

"When Putco applied for the increase I said everyone knew what the outcome would be. Whatever increase Putco has applied for they have got," Mr Dangor said.

Putco, which welcomed the Government's announcement of fuel price cuts, said it would approach the Department of Transport with a view to lowering fares accordingly.

# Court acts on bus inquiry

352 24/8/83  
CAPE TOWN

Supreme Court Reporter

AN INQUIRY by the National Transport Commission into the allocation of bus services to carry passengers between the Western Cape and Transkei was postponed, yesterday pending the outcome of an urgent application in the Supreme Court on or before October 3.

In an urgent application before Mr Acting Justice Berman in the Supreme Court late yesterday afternoon, seven operators of bus services to Transkei asked the judge to restrain the NTC from proceeding with the inquiry.

## 'Prejudiced'

One of the bus operators, Mr B S Ndamase, who trades as Elite Bus Service, said in an affidavit: "At the commencement of the proceedings on August 23, it was pointed out to members of the Commission that the Minister of Transport had at no stage informed any of the interested parties of the reason for his belief that the existing transportation facilities required improvement. The operators were gravely prejudiced in the presentation of their representations to the Commission."

## 'Agreement'

The affidavit said the operators asked the Commission to allow the proceedings to be adjourned till the minister had given reasons for the convening of the Commission.

In the absence of a full disclosure by the minister, the bus operators would not know what evidence to call.

The affidavit said one reason why the minister directed the inquiry was to implement an agreement between South African Transport Services and Transkei Blue Line Bus Services (Pty) Ltd, in particular the proposal that Sats and Blue Line be granted the exclusive right to transport black passengers over the route.

This was clearly not in the public interest.

## Leave to file

Mr Acting Justice Berman granted the chairman of the Commission, the Minister of Transport, Sats, Blue Line and the Ciskei Transport Corporation leave to file opposing affidavits before the launching of the application on October 3.

The matter of costs was to stand down.

Mr H Snitcher QC assisted by Mr A J Nelson, instructed by Olivier, De Nobrega and Fourie and Olivier, appeared for Mr B S Ndamase, trading as Elite Bus Service, Koncoshe Eagle Transport (Pty) Ltd, P N Bam trading as Broadway Transport and Services, Mr P P Motale, Mr Sedick Chikwan and Trans-Ciskei Transport (Pty) Ltd.

The NTC and the Minister of Transport were represented by Mr W J Burger SC, assisted by Mr J R Guitschi. Mr C B Prest represented Sats. They were instructed by the Deputy State Attorney. The other two respondents, Transkei Blue Line and Ciskei TC, were not represented.



D. Disputel

25/8/83

# SATS relies on economic up-turn to cover losses

332

EAST LONDON — South African Transport Services is banking on sufficient upswing in world economics over the next three years to recover most of the R1 000 million loss it expects to show at the end of the current financial year.

This was spelt out by the System Manager of the Border area, Mr Louis du Toit, when he opened the annual meeting of the executive council of the SATS Black Workers' Staff Association here yesterday.

SATS was going through

its most difficult period in history and had reconciled itself to open the 1984 financial year "more than R1 000 million in the red".

"World economy is, however, expected to show an upward swing during the 1984-86 period and we will have this time in which to recover our losses and move well away from the red line", he said.

Mr du Toit also said that the transport structure in South Africa was moving to a "freer competitive situation . . . a

market where we will be subjected to the same forces which ensure that private hauliers are efficient."

"Maximum productivity, which is the cornerstone of sound business principles, must therefore be the joint aim of both management and personnel", he added.

Mr du Toit warned that the outlook of the future should not be taken as an indication that economic problems were soon to be something of the past.

"Income is still well

under budgeted level and some of the seasonally less profitable months lie ahead.

"I would be unrealistic if I painted you a rosy picture for the immediate future . . . but the time for improvements and financial relief for personnel is not too far in the future", he said.

The president of the association, Mr N.M. Mbewu, said that matters to be discussed at the meeting were "of a domestic nature . . . but we will be drawing up a list of items to be discussed with the general manager and Minister of Transport later this year".

Mr Mbewu said his association was affiliated to the SATS Federal Consultative Council earlier this year.

"This makes the FCC a fully multi-racial body which is accepted at both managerial and ministerial level", he said.

Mr Mbewu was re-elected president of the association, while other office bearers include Mr S. Seleka (vice president) Mr S. Z. Bebelele, Mr D. Phiri and Mr J. Pemba (all trustees).

The association, which represents 60 000 employees, will wind up its two-day meeting today.

— DDR.



South African Transport Services' system manager for the Border area, Mr Louis du Toit, opened the annual meeting of the executive committee of the Cape Eastern division of the SATS Black Employees Staff Association in East London yesterday. Seen shortly before the start of the two-day gathering were (from left) Mr M. Matloha (secretary), Mr Du Toit, Mr S. Bebelele (system secretary) and Mr N. Mbewu (president). New office-bearers were elected last night.

# Putco fares going up 12,5 pc in spite of fuel price cut

332 244  
25/8/83 Municipal Reporter

BLACK commuters expecting Putco fares to drop in line with the lower fuel price are in for a shock — they're going up 12,5 percent.

The increase is on the cards in Johannesburg and Pretoria from September 26 and a little later in Durban.

Putco spokesman Pat Rogers said the procedure for fares decreases was the same as for increases.

Operators had to process these through the Local Road Transportation Board. There was an added complication in that there could be only one application in the pipeline at a time and the fares increase applications had been submitted some time ago.

The date for the LRTB hearing in Durban had not yet been set, so perhaps the fuel saving could be built into the application.

Mr Rogers emphasised that although Putco anticipated being able to pass back its fuel savings with a 5c across-the-board reduction on weekly tickets, this would be dependent on other factors.

'We will save R2 600 000 in diesel costs this year, but we could be hit by an increase in other costs such as oil lubricants,' he said.

## Duty-bound

The Putco announcement of a 5c drop in weekly coupons, the day after the Minister of Transport announced the drop in the fuel price, was widely publicised.

Mr Rogers did not think the company had acted prematurely. The statement had been comprehensive and careful not to overstate the case and, as a major operator running an essential service, Putco was duty-bound to react — even if it did not make good business sense.

Last December's 13 percent increase in Durban fares was met angrily by commuters. More than 200 buses were damaged and at least one driver was badly beaten up. It also resulted in a widespread boycott.

Yesterday the Durban Transport Management Board decided not to pass on the fuel saving to commuters using municipal services.

Deputy general manager Alan Bray said the saving to the board 'is so small we would be able to reduce fares by only a fraction of a cent'.

On the white service the saving in fuel costs would be R57 000 annually and on the black service R260 000 a year.

These would offset the deficits in both services.





# Putco fares up 12,5 percent in September?

Own Correspondent

DURBAN. — Black commuters here who are expecting Putco fares to drop in sympathy with the lower fuel price are in for a shock — fares are likely first to go up 12,5 percent.

The increase is on the cards in Johannesburg and Pretoria from September 26 and a little later in Durban.

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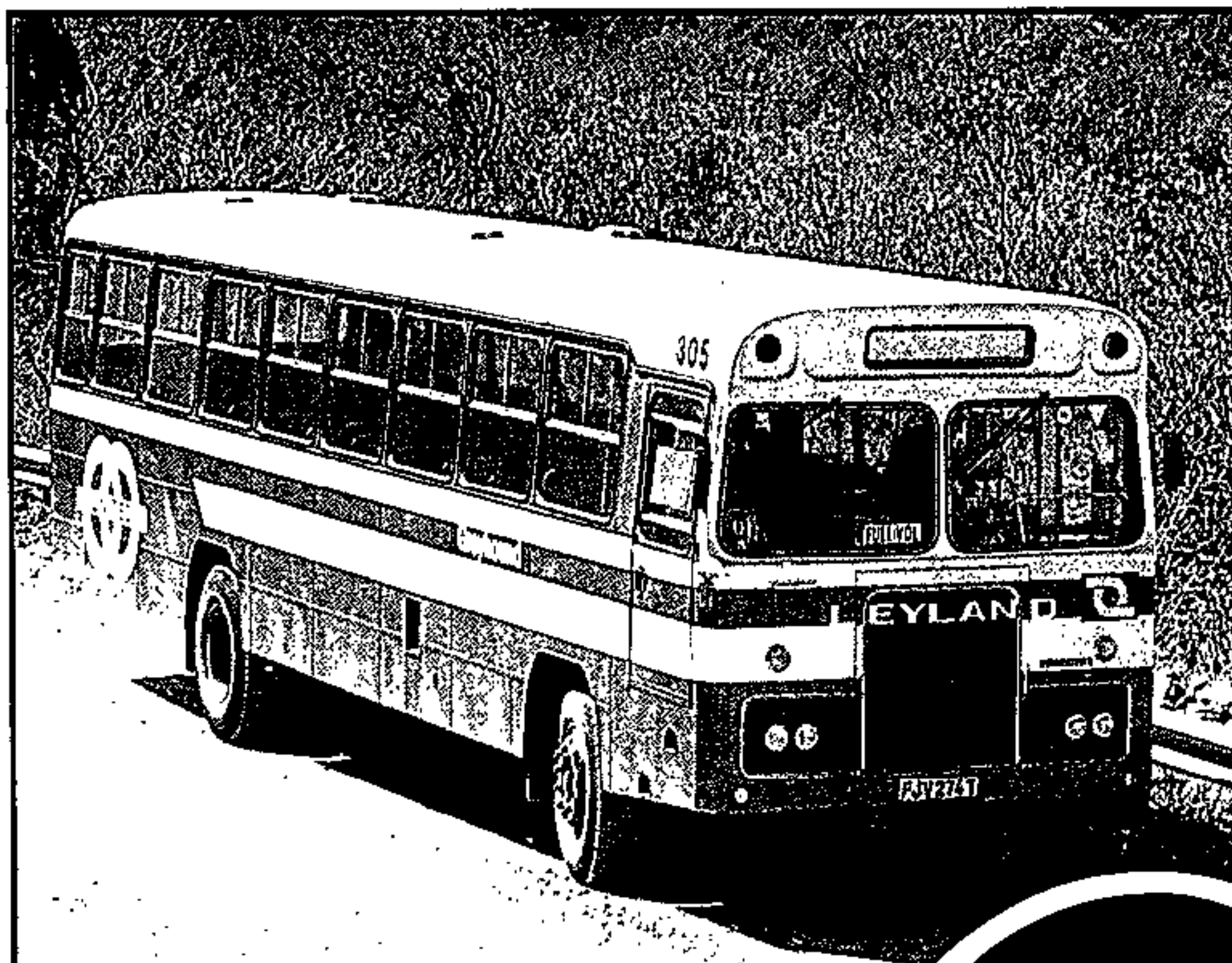
On the white service the saving would be R57 000 and on the black service the DTMB would save R260 000 in fuel costs in a year. These would offset the deficits in both services.



# UNITED TRANSPORT







## relied on throughout Southern Africa

**United Transport** is relied on to move millions every year, throughout southern Africa. Millions of passengers – safely, quickly, and comfortably. Millions of tons of freight – safely, quickly, and economically. These millions are moved by the 22 000 United wheels on the road.

**U**nited's passenger transport companies provide a wide variety of services essential to the economic, social, and cultural development of a large proportion of South Africa's workers and their families. Extensive commuter services are a key element in ensuring the provision of a stable workforce for commerce and industry. In some rural areas United provides the only form of public transport.



**T**he Freight Division of United Transport, through its various operating subsidiaries, offers a wide range of road transportation services and is one of the largest road-transport operators in South Africa. United's freight haulage fleet carries everything from beer to bricks, timber to tobacco, chocolate to chains. It is one of South Africa's biggest carriers of freight containers between Johannesburg and Durban, and is the only private haulage company with a permit allowing it to carry freight anywhere within a 240-km radius of Johannesburg.

**United's** enviable reputation in the world of transport is attributable to its high standards and the reliability of its services. This reputation for reliability is firmly based on the quality of United's human resources, including the most experienced transport management team in South Africa and highly motivated personnel throughout the country operating with a considerable degree of autonomy and direct responsibility for satisfying the transport needs of their communities.





## Freight Services

United Freight Transport Holdings, through its eight operating subsidiaries and many more transport depots, scattered throughout Southern Africa, offers a very comprehensive range of transport services, including warehousing, distribution, container services, and contract hire.

The group is the largest carrier in Southern Africa of sugar cane (approximately 6 000 000 tons per annum), refined sugar, timber, wood pulp, and paper. It serves the complete spectrum of South African industry in the transportation of products and materials of all kinds.

Its policy of decentralised control enables its various subsidiaries to identify themselves with the needs of the communities which they serve, and to provide a personalised service to its customers. This policy of decentralisation has also enabled United to develop strong, self-sufficient management teams, whose professionalism is acknowledged in the transport industry, whose standards it constantly strives to improve.

Most of the road transport services provided by United are undertaken on the basis of long-term transport agreements which give the operating companies long-term stability, while protecting the interests of customers.





# United Passenger and Freight Services



## United freight companies

	Headquarters
Natal United (Pty) Ltd	Durban
Sugar Transport (Pty) Ltd	Durban
United Transport (Pty) Ltd	Empangeni
Reef Distribution Services (Pty) Ltd	Johannesburg
Thornions Transportation (Pty) Ltd	Johannesburg
Wardes Transport (Pty) Ltd	Paulpietersburg
Swaziland United Transport Ltd	Manzini

## Freight conveyance statistics, annual averages

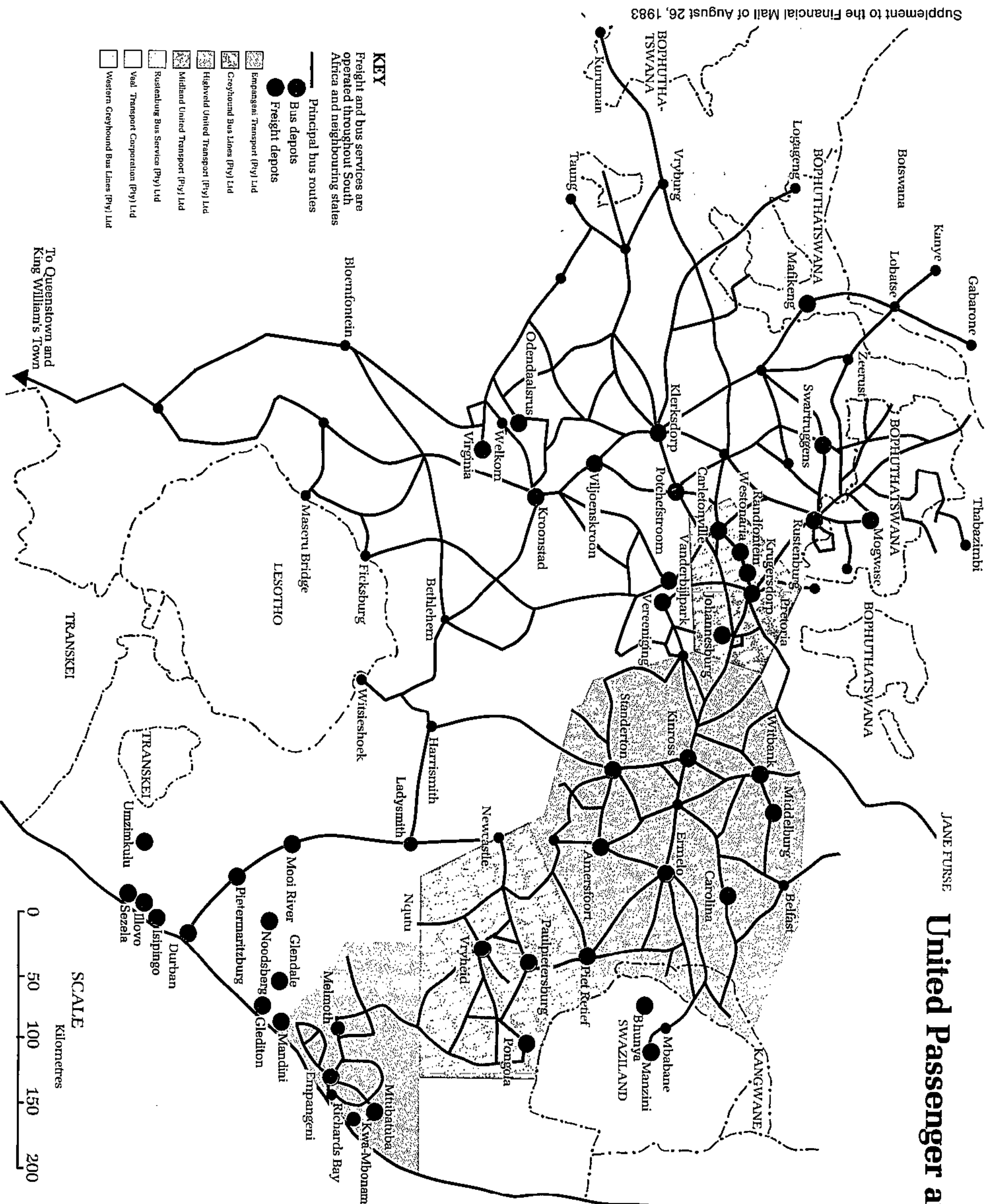
	Millions of tons	Millions of kilometres
Natal United	0.8	6.4
Sugar Transport Services	4.2	12.5
United Zululand	1.1	8.4
Reef Distribution	1.0	5.5
Thornions	0.6	5.0
Wardes	0.8	2.0
Swaziland United	0.5	2.5
Totals	9.0	42.3

## United passenger companies

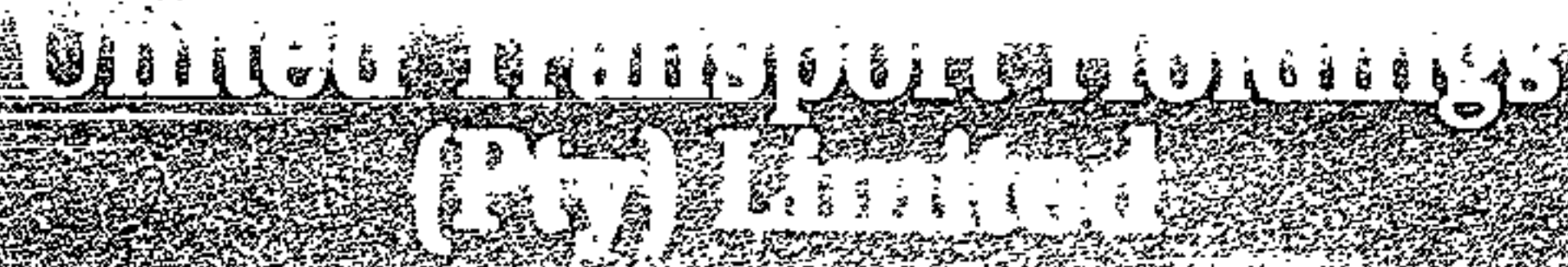
	Headquarters
Empangeni Transport (Pty) Ltd	Richards Bay
Greyhound Bus Lines (Pty) Ltd	Krugersdorp
Highveld United Transport (Pty) Ltd	Witbank
Midland United Transport (Pty) Ltd	Vryheid
Rustenburg Bus Service (Pty) Ltd	Tlhabane
Vaal Transport Corporation (Pty) Ltd	Vereeniging
Western Greyhound Bus Lines (Pty) Ltd	Klerksdorp

## Passenger conveyance statistics, annual averages

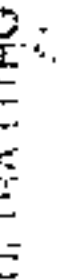
	Millions of passengers	Millions of kilometres
Empangeni	20.8	12.6
Greyhound	28.7	18.5
Highveld United	26.2	17.4
Midland United	4.8	4.4
Rustenburg	20.0	17.3
Vaal Transport	56.1	32.2
Western Greyhound	33.6	22.4
Totals	190.2	124.8



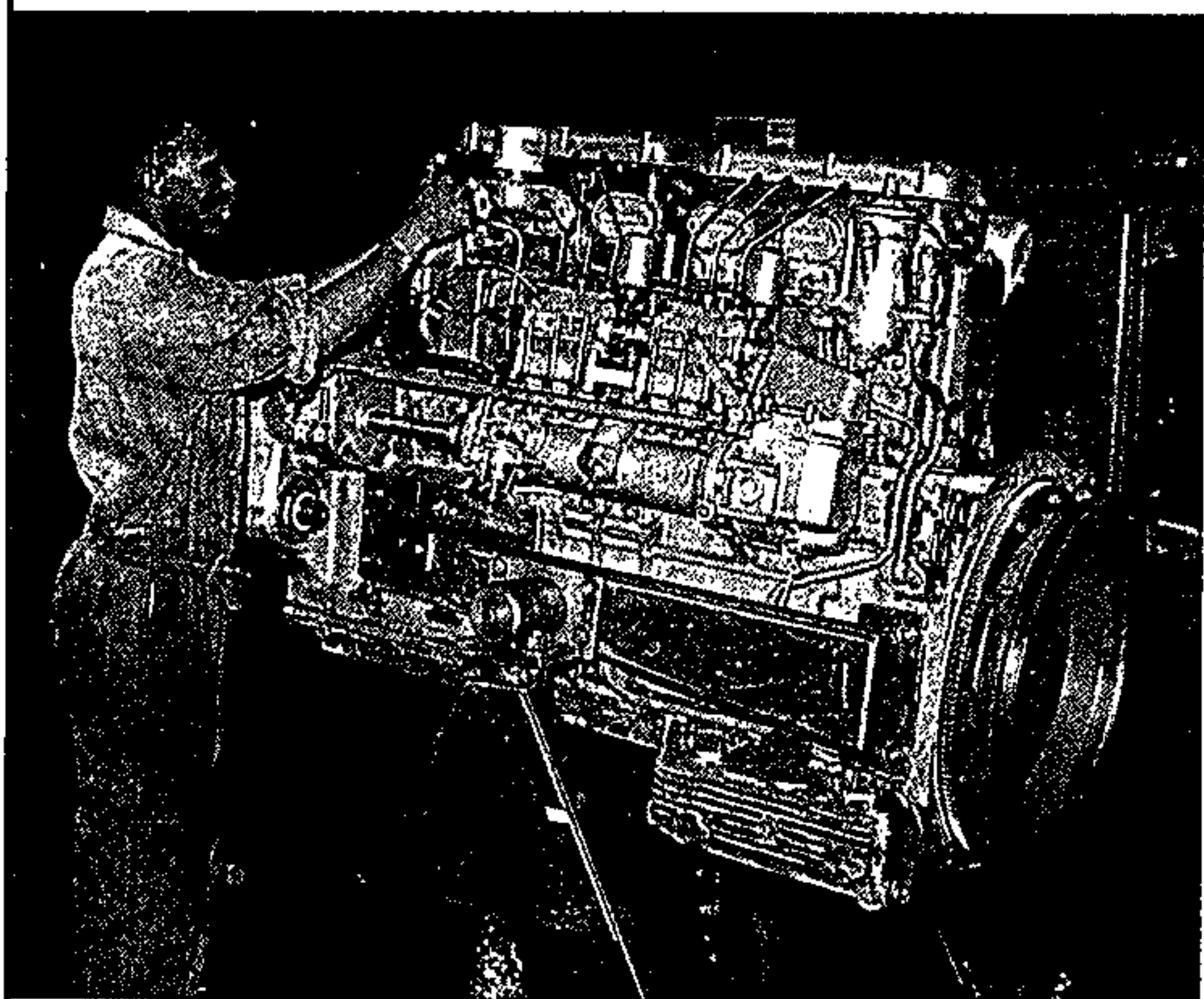
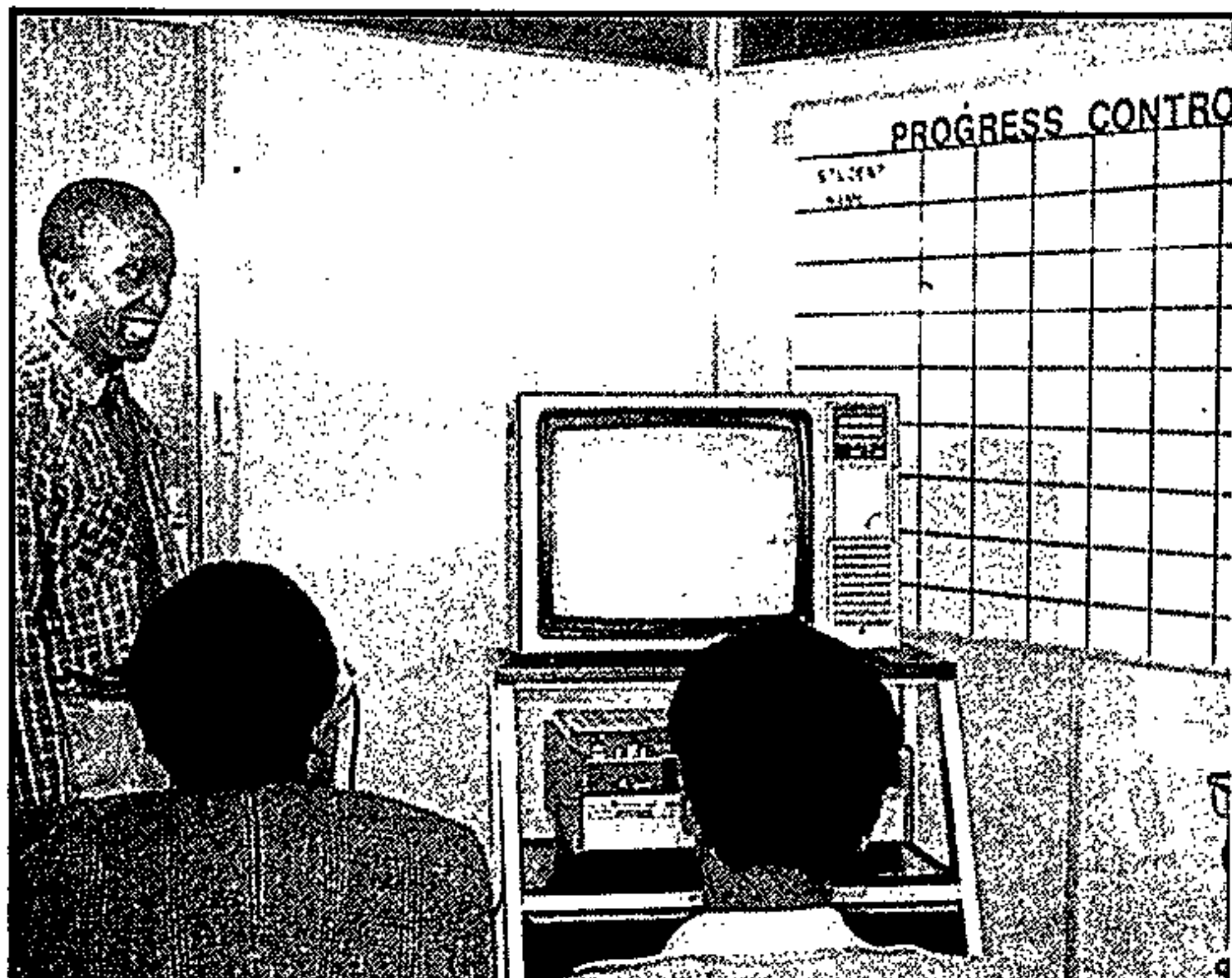




## 291 Kont







## Committed management, motivated personnel

United has adopted a management philosophy of creating local operating companies that are large enough to provide transport economically but small enough for their management teams to become personally identified with the communities and business interests they serve.

It rejects outright a policy of remote control from a distant headquarters.

United provides employment for 6 600 people of all races in southern Africa.

At group headquarters, in Randburg, a small team of technical, financial, operating, marketing, and personnel specialists provide an advisory and monitoring service to the local company management teams which are the real strength of the organisation.

In view of the importance of the transport industry to the national interest, great importance has always been given to maintaining good labour relations, and consultation with employees is highly developed. Good working relations have already been established with the emerging trade union movement. Employees of the group are eligible for generous pension fund, medical aid, and life assurance benefits.

For many years United has given the highest priority to training and personnel development.

The purpose-built Group Training Centre at Krugersdorp is equipped with the most modern training aids and each operating company has developed its own training school.

United is in the forefront of apprentice training for Black mechanics and, in 1980, a special school for apprentices was established at Vereeniging, staffed by Vaal Transport personnel and supported by the Department of Manpower and the Department of Education and Training.

In any new operating area the recruitment and training of local staff is given top priority.

## Massive investment in Southern Africa

UNITED has embarked on a programme of upgrading the quality of all its buildings, facilities, and vehicles in southern Africa. The group's current investment in land and buildings alone is almost R30-million.

All new depots have been equipped with the most modern maintenance and servicing facilities – automatic bus-washing machines, paint-spray booths, and sophisticated workshop machinery.

The United group's technical specialists have developed buses designed to give the highest level of passenger comfort and safety while running on roads that many operators would hesitate to use.





## Passenger Services

**T**he seven companies controlled by United Passenger Transport Holdings aim to provide a complete service to the many communities they serve in South Africa and the self-governing and independent states.

Their main business is to carry people to and from work, but United companies identify much more closely with the communities they serve in order to provide for their total passenger needs.

Services to clinics and hospitals, schools and shopping centres, recreation centres and public buildings are often run at a loss which must be made good from more profitable operations.

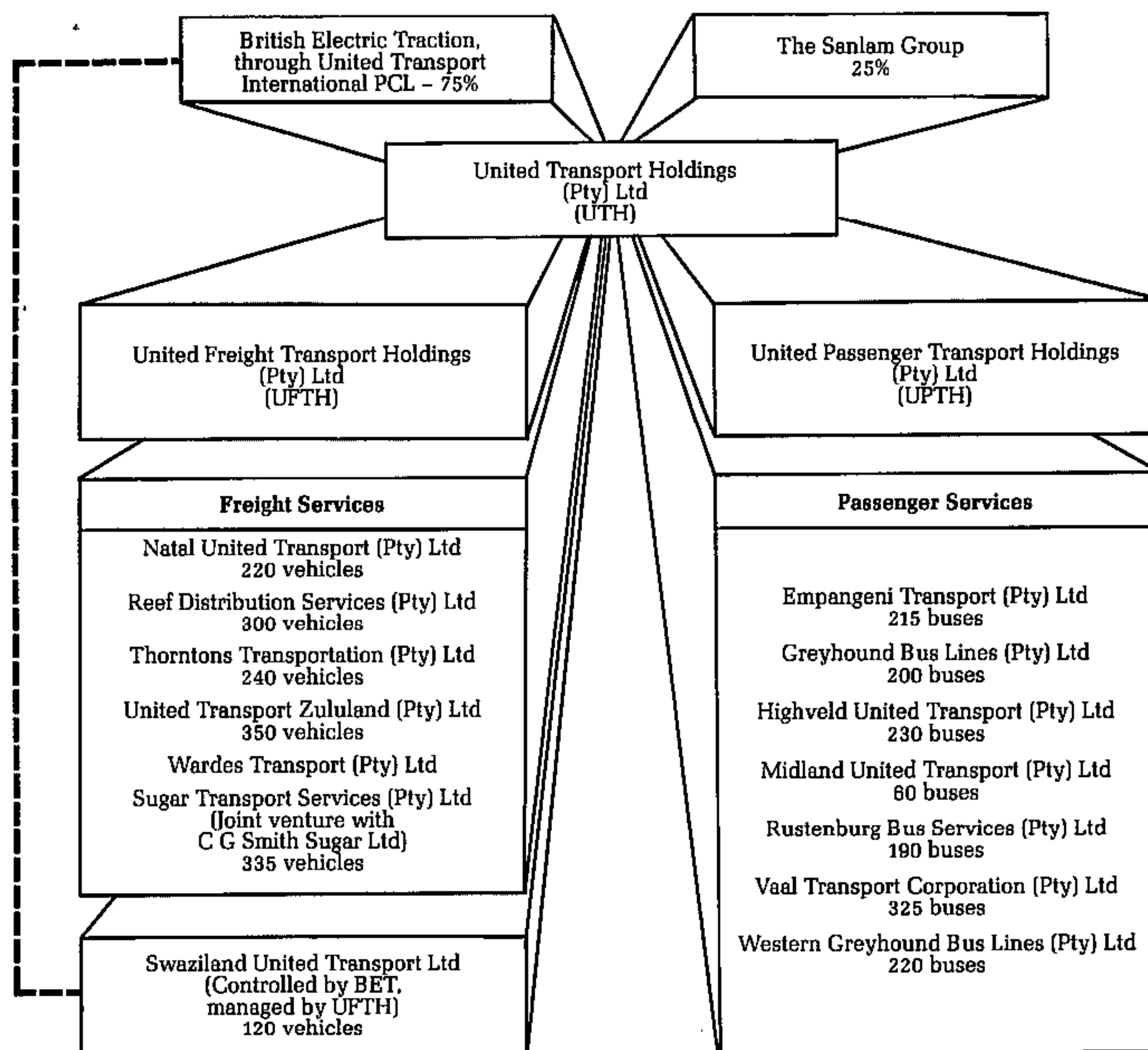
Some firms, often in strategic industries, require services to meet specific needs at special times and to places remote from normal routes. Such services are provided exclusively for the firm concerned under negotiated contract.

Vehicles are also hired privately for educational, religious, sporting and funeral purposes, thus providing an essential link between people and facilities beyond the scope of normal services.

United companies have also developed an extensive network of inter-city and interstate services which enables workers employed far from their homes to visit their families much more often.



# The United Transport Group



## Top management



**E GUTIERREZ-GARCIA**  
Managing Director,  
United Freight Transport Holdings  
Eduardo Garcia obtained his M.Comm. degree in Spain and undertook post-graduate studies at the London School of Economics. He has been involved with the transport industry in South Africa for more than 20 years. He is also chairman of the operating subsidiaries of UFTH.



**O J J GOOSEN**  
Chief Executive,  
United Transport Holdings  
Ockie Goosen was educated at the University of Potchefstroom and completed further studies through UNISA. He is also chairman of United Freight Transport Holdings and of United Passenger Transport Holdings. He joined the group in 1988.



**A E R TILL**  
Financial Executive,  
United Transport Holdings  
Arthur Till's experience in passenger transport extends over more than 40 years. He joined the United group in 1983, since when he has held senior executive positions in various of the group's companies until being appointed managing director of UPTH in 1982. He is also chairman of UPTH's seven operating subsidiaries.



**W A MIDDLETON**  
Financial Executive,  
United Transport Holdings  
A chartered accountant, Bill Middleton worked for South African Breweries and AECI Paints, as Group Financial Director and Executive Chairman of the group's foreign subsidiaries, before moving to United in 1983.



**L V BROWN**  
Administration and  
Corporate Planning  
Executive,  
United Transport Holdings  
Les Brown, who was educated at Rhodes University, served in the Rhodesian civil service for 28 years before retiring as Permanent Secretary for Local Government and Housing in 1982. He joined United later the same year.



**G S STRYDOM**  
Personnel Executive,  
United Transport Holdings  
Gerhard Strydom, who joined United in 1979, is a graduate of Pretoria University and a past chairman of the Institute of Personnel Management. He is currently chairman of the executive council of the Bus Employers Association and is an executive member of other regulatory bodies associated with the transport industry.



**G SWINDLEHURST**  
Technical Executive,  
United Transport Holdings  
George Swindlehurst qualified as a research and development engineer in Britain. He was assistant chief engineer for a 1300-bus BET company in the UK and chief engineer for a BET bus company in Jamaica before moving to United in 1974.

# Boom looming for coastwise

## SA shippers

SHIPPERS gathered at a top-level meeting in Port Elizabeth this week to debate a long-awaited change in their fortunes which is expected to boost coastwise cargoes by a substantial annual tonnage.

The change involves the introduction of a ceiling on the ad valorem calculation of coastwise cargo — an innocent enough adjustment, but one which heralds a major departure from current practice.

While the impact of the change could signal a major turnaround in the fortunes of shippers, and consequently a trend back from road transport to sea transport, it is undoubtedly also intended as a major new onslaught against the proliferation of "pirate" road hauliers.

The meeting was convened after Minister of Transport Mr Hendrik Schoeman's hallmark announcement on the controversial "wharfage charge" during the official opening of the port control building on Thursday.

During his speech Mr Schoeman also announced SATS' intention to spend an additional R21 million expanding the Port Elizabeth ore berth in order to accommodate a quay for the discharge of petroleum

products.

But the main thrust of Mr Schoeman's speech as far as the future of coastwise traffic is concerned, was the shot in the arm provided by placing a ceiling on the ad valorem level at which the wharfage charge is levied.

The charge was identified in a study commissioned by Unicorn Shipping Lines Pty Ltd from the Rand Afrikaans University's Department of Transport Economics as a major culprit behind the shift from coastal traffic to road traffic.

Clients lost to shippers were predominantly producers of high-valued cargo who were heavily penalised by the charge.

Thus, for example, a container of 18 tons might be packed with R80 000 worth of clothing. At a rate of R1,80/R100 of value, the wharfage charge would amount to R1 440.

However, with the current ceiling of R1 750 per

ton, the new rate would amount to R567 — for a 60,6% saving. (In an 18-ton container the maximum value for the purpose of calculating the wharfage charge — at a ceiling of R1 750/ton — would be R31 500 and therefore the maximum wharfage charge would be R567.)

The charge is levied, says SATS, to install and main-



By Louis  
Beckerling  
Business Editor

tain wharves, but is not cost-related, and for this reason, together with the fact that it has driven high-rated customers to seek alternative road transport, it has long been a bone of contention to shippers.

Another controversial aspect of the charge, said Unicorn market research manager Mr Ray Sowman in an interview yesterday, was the SATS policy of "cross-subsidisation".

"SATS is admittedly in an invidious position due to the economic recession and cannot tamper too much with current revenue.

"Unfortunately, under these circumstances the practice developed of cross-subsidising, and harbour revenue is employed to subsidise the loss of around R600 million made on uneconomic rail passenger services."

Understandably, shippers were unhappy with the fact that they were being charged to keep passenger rail tariffs down.

"For this reason, this week's announcement, together with the fact that SATS was represented at such a senior level at the Port Elizabeth meeting, is regarded as an acknowledgment of the plight of coastwise cargo," said Mr Sowman.

To be fair to SATS, several shippers endeavoured to dodge the charge by under-valuing cargoes — a practice which led to the creation of a "fraud squad".

After heavy fines were levied in a number of celebrated cases — one of which cost a shipper R60 000 — some doubt

arose as to whether profit should be included in the calculation of the ad valorem value of the consignments.

At this week's meeting — called by Unicorn and the line's shippers, Grindrod, SATS assistant director for marketing services Mr Neels Hubinger emphasised that where "inter-depot" transfers were being made and profit was not relevant to the exchange, it need not be included in the calculation.

Hailing the announcement on charges and this week's meeting as a major breakthrough by SATS into "open marketing", Mr Sowman said Unicorn — South Africa's major coastal shipper responsible for transporting some 90% of such traffic — anticipated regaining a substantial part of the traffic previously lost to road hauliers.

"The report we commissioned did include projections on revenue that SATS might lose but they regard this as confidential information," said Mr Sowman.

"However, an edited version of the report is currently being bound and will be made available to the industry some time next month."

Mr Sowman said the second reason that coastwise traffic had switched to road transport was the proliferation of illegal road hauliers.

"But the Department of Transport is currently looking at ways of restricting such hauliers, who are making serious inroads not only into shipping business, but rail traffic as well."



*0. Ngwenyane*  
27/1/82  
Court

orders

made

final

ZWELITSHA — Two separate interim orders prohibiting interference with Mdantsane commuters and a licensed taximan were made final by the Chief Justice, Mr Justice De Wet, here yesterday.

In terms of the orders, members of the Ciskei's police, army and members of the Mdantsane vigilante group are prohibited from assaulting, molesting and harassing the applicants.

The applications were made at the height of the Mdantsane bus boycott, and the final order was by consent of the parties involved.

The first application was made by six commuters who alleged police harassment against the Minister of Justice, the Deputy Minister of Defence, the Commissioner of Police, Warrant-Officer Litha Mbi and a Mr Maduna.

The State agreed to pay for the costs of one counsel, including the costs of obtaining a final order on an unopposed basis. It applied that costs incurred in opposing the offer to pay for only one counsel be paid by the applicants.

The second application for an order was brought by a taximan, Mr Khabalinjani Mabulu, against the Minister of Justice, the Deputy Minister of Defence, the Commissioner of Police and Mr Vernon Ngani.

The order prohibited members of the Ciskei Police and the army, as well as Mr Ngani, from assaulting, molesting, harassing and unlawfully interfering with Mr Mabulu. It further ordered the police to restrain members of the public from unlawfully interfering with others while in the presence of the police.

The respondents were ordered to pay the applicant's costs.

Mr Justice De Wet asked the Attorney-General to investigate Mr Mabulu's allegations that he was forced to pay a R100 admission of guilt fine at Mdantsane police station when he was arrested for conveying passengers. —  
DDR.

As bus tickets jump by 12,5 percent . . .

# PUTCO FARES PROTE

**WORKER and community organisations are planning a mass campaign against the latest Putco bus fare increases.**

Anger has greeted the 12,5% fare hike effective from September 26 in Johannesburg and on September 1 in Pretoria.

Meetings between organisations have already taken place and more are scheduled, City Press was told yesterday by Soweto Civic Association leader Isaac Mogase and transport campaigner Mohammed Dangor.

The General and Allied Workers' Union and the 100 000-member Council of Unions of South Africa (Cusa), have already indicated that in principle they will support the mass campaign.

Trade union and community leaders have pointed out that workers will be worst hit by the fare increases and that they come when black people are being badly affected by joblessness and rises in the cost of living.

Slamming the fare increases, Gawu and Cusa noted they have also come at a time when the price of fuel has dropped — which means that Putco now has lower operating costs.

Cusa pointed out that workers from its Transport and Allied Workers' Union (Tawu) and the Fosatu-affiliate Transport and General Workers' Union have been locked in a wage dispute with Putco.

The company is offering its workers a wage increase which is only a fraction of the 12,5 percent increase in fares it is now going to demand from commuters, according to union sources.

Cusa said Putco should have postponed the increase — or at least reduce it — following the petrol price cut.

The 12,5 percent hike, coupled with increasing retrenchments of workers, the recent increase in rail fares and other rises in the cost of living, would make the position of workers "even more disastrous", said Cusa.

Putco PRO Pat Rogers says Putco will pass on the benefits of the fuel price drop to commuters as soon as possible — but will have to apply to the National Transport Commission before it could do so.

But Cusa has rejected this line of thinking.

"Putco is able to increase its fares quickly enough when it wants to," says Cusa leader Piroshaw Camay. "Why can't it drop its fares as quickly?"

Mogase said Putco should appreciate that it relied on the goodwill of black people.

"We have made it the empire that it is," he added.

CP Reporter

City Press  
28/8/83

332



# Court bids to stop bus 'monopoly'

By SYLVIA VOLLENHOVEN

SIX black bus operators are involved in urgent court bids after a public inquiry heard that Government officials signed an agreement which could allow one company to monopolise lucrative homelands' bus routes.

The company — Transkei Blue Line Bus Service — signed the agreement with the South African Transport Services (SATS) a day before the start of a public inquiry into the bus services travelling from the Cape to the homelands.

Blue Line, headed by a German couple living in Cape Town and a black businessman, tied up a similar deal with the Transkei Government earlier this year.

In terms of the two five-year agreements, the governments will be asked to withdraw the permits of all other bus operators plying these routes which net about R17-million in fares annually.

## Parliament

The three-way deal stipulates that Blue Line will have 70 per cent of the passenger transport business with SATS getting 30 per cent.

In the wake of the public inquiry and subsequent court action, the Progressive Federal Party plans to raise the matter in Parliament.

Mr Ken Andrew (PFP Gardens) said yesterday:

"From what we have seen, it looks like a very worrying situation."

He said he had spoken to the Party's transport spokesman, Mr Ray Swart (PFP Berea), and they planned to "take the matter further".

"By way of questions in Parliament and looking at ways to improve the situation," said Mr Andrew.

Every year, about 250 000 passengers, paying an average of R65 each for a two-way journey, travel from various parts of the Cape to the Transkei and Ciskei.

These are, therefore, the most-lucrative, long-distance bus routes in South Africa.

## Opposed

Lawyers representing SATS initially opposed a request to have the agreement between them and Blue Line made public, but after a ruling by the inquiry chairman, Mr H C van Zyl, they relented.

Earlier this year, the Minister of Transport, Mr Hendrik Schoeman, directed the National Transport Commission to hold a public inquiry into the various bus services on the Transkei-Ciskei routes.

But, the inquiry, which started on Monday was halted abruptly a day later, when six independent black bus operators applied for an

urgent Supreme Court interdict to stop the proceedings.

In a nother court action, the operators have applied for Mr Schoeman's initial directive to be set aside and for the inquiry's brief to be clearly spelt out.

The six applicants are Elite Bus Service, Koncoshe Eagle Transport,

Broadway Transport Services, Mr Peter Motale, Mr Sedick Chilwan and Trans-Ciskei Transport — all black operators.

In an affidavit supporting the application, the owner of the Elite Bus Service, Mr Bellesprit Ndamase, states Mr Schoeman had failed to give the "reasons which motivated the inquiry".

Referring to the SATS

● Continued on Page 3

# COURT BIDS OVER BUSES

● Continued from Page 1

"monopoly" agreement with Blue Line, Mr Ndamase stated: "It would occur to me that one of the reasons why the Minister has directed that an enquiry be held is to implement this agreement."

## Notice

Reading a notice at the inquiry, the chairman of the National Transport Commission, Mr H C van Zyl, stated the proceedings would establish whether "rationalisation of the existing bus services, with a view to standard control of a quasi-monopolistic transport service

would not be a better dispensation than the present one".

According to affidavits supporting the Supreme Court applications, the Government move to hold a public inquiry, after Blue Line clinched the deal with SATS and the TRTC, seems pointless.

Permits to carry passengers on the Transkei-Ciskei route are strictly controlled and Blue Line already holds more permits than any of the other bus operators, in fact theirs is the only company with more permits than vehicles.

Blue Line's managing director is a Mr Otto Hornischer. His wife Gretel Hornischer and a Mr Johnson Malusi are

listed as directors, according to a memorandum submitted to the inquiry.

In addition to cornering the transport market on these routes, Blue Line have plans to establish a fully-fledged border post at Queenstown, where the movement of black people can be strictly controlled.

In a recent letter — submitted to the inquiry — to the Transkei Prime Minister, Chief George Matanzima, Mrs Hornischer offers the proposed Queenstown bus depot as a "movement control centre".

"Security is a prime consideration for any country and the facilities at our Queenstown depot could be adapted for the screening of passengers and packages, and effectively act as a deterrent (sic) to would-be dissidents," says the letter.

Mrs Hornischer also suggested that goods bought in South Africa could be monitored so that the sales tax could be claimed back by the Transkei.

The return date for the Supreme Court interdicts is October 3.

HISTORY - SOUTH AFRICA				
0590	0811	0432	0084	0445
0620	0951	0812	0714	0595
		0882		0635
		0823		
		0933		
HOUSEHOLDS - COMPOSITION OF				
0	1	2	3	4
0101	0082	0083	1014	1105
0621		0953		
0911		1003		
0981				
HOUSEHOLDS - INCOME + EXPENDITURE				
0	1	2	3	4
0460	0671	0752	0735	0316
	0911		1105	0516
	0981			0866
				0886
HOUSING - GENERAL				
0	1	2	3	4
1071	0812	0963	0724	0305
	1052	1133		0805
	1072			
HOUSING - FOR EMPLOYEES				
0	1	2	3	4
0870	1071		0893	0095
1130				0875
				0096
				0596
HOUSING - ON FARMS				
0	1	2	3	4
				0892

# Taxi owners hit out at government

IT WAS high time black taxi owners also followed the principles of separate development by stopping non-blacks from operating in the townships, the Pretoria-United Taxi Association's meeting was told.

By ALINAH DUBE

Making this call at the organisation's annual general meeting held at the Hotel Boulevard in Pretoria last week was an Atteridgeville councillor, Mr Matthews Mahlangu.

He said black people were constitutionally separated from coloureds and Indians but "it is surprising why they still allow these people to operate in our areas as well as transporting our people into the city."

The chairman of Ruta, Mr Paradise Mahlangu said his organisation was formed last year to unite taxi associations in a bid to reach strategies in which off-out kombis as taxis, indicated a possibility of

cial bodies could be fought. He said it would not be easy for the government "to listen to our problems" while we are still divided.

Mr Mahlangu said the more sensitive problem with which local taxi business people were faced, was claims by the government that Putco and the railway lost most of their passengers to taxis. People were free to choose whichever means of transport they were satisfied with, he said.

The meeting also heard that the commission responsible for the recent move of phasing bus companies being

given permission to introduce mini buses which will ferry passengers between the city and the black townships.

Taxi owners said "this is one of the deliberate moves by officials to kick us out of business making room for their white brothers". They all agreed to fight the introduction of sedan types of vehicles as taxis.

Copies of the memorandum sent to the Minister of Transport earlier this year are to be sent to both the Atteridgeville/Saulsville and the Mamelodi community councils for recommendations.

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Migration and urban  
of British and America  
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0058

International Labour  
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331.12 TAIR

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0060

331.220 942 WOOT



# Tollgate hits out at pirate taxis

TOLLGATE Holdings, owners of Cape Town's bus transit system, City Tramways, has taken up virtually the whole of the latest issue of its house magazine Tollgate to hit out at the competition in the form of pirate taxis.

The move, maintains PR manager Bob Krause, is a highly cost-effective method of gentle persuasion which makes the fullest use of the company's own media resources to put its case on a thorny issue.

"Illegal 'kombi' taxis heading for a show-down?" asks the front page headline to a report which makes it clear that the editors think that just about everyone should think the pirates should get off the road.

Many familiar with the issue believe it essentially comes down to one of a big business losing business to small businesses that don't have to play by all the rules. But Tollgate believes there is more to it than that, and it wants others to appreciate this as well.

Background to the issue, according to Tollgate, is legislation that upped the maximum permissible number of passengers in a taxi from five in 1977 to eight, a move which "changed the urban transport scene dramatically".

Thereafter, pirates began concentrating on the most popular routes, skimming off bus passengers and leaving the operator with less income to cross-subsidize poorly patronised routes.

There were other problems as well, such as illegal parking, lack of adequate insurance, improper vehicle maintenance and poor driver-training.

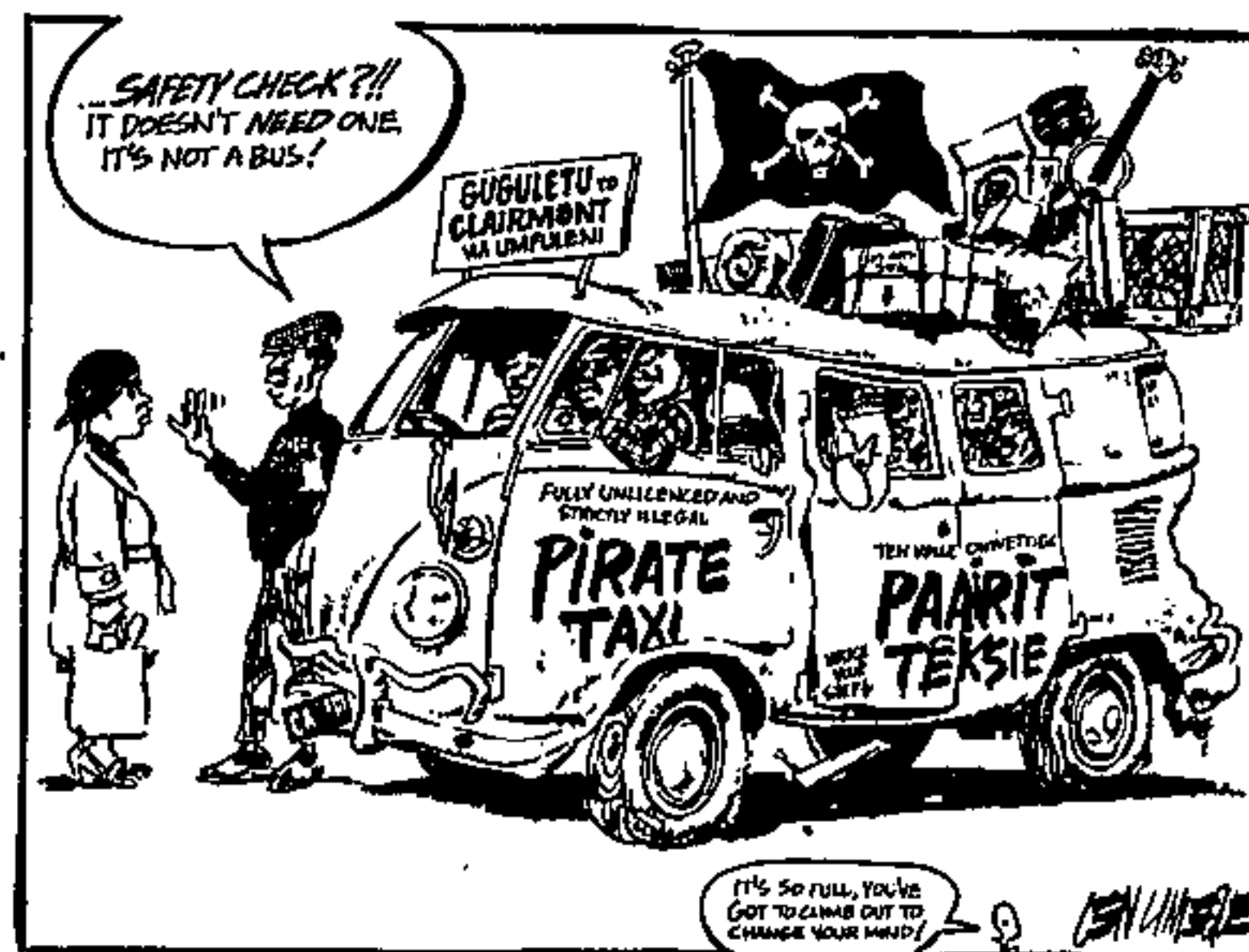
Tollgate concedes that the problem is complex, with underlying moral, social, economic, legal and political considerations.

But it maintains that its extensive report provides an insight into the nature and scale of the

## Marketplace

By GORDON KLING

A column on the media, PR and advertising



The Lindeque cartoon commissioned by Tollgate to help in its long war against pirate taxis, now being escalated through the group's house magazine.

then be charged by the pirates.

And so the story goes.

Krause says the quarterly magazine goes for a low-key approach, "but with a City Tramways bias, obviously" which has good credibility.

External circulation is about 4 500, mainly decision-makers in town planning, architecture, and government who have an interest in transport.

Another 3 000 staff get the magazine.

About 70 percent of those questioned in a recent survey were emphatic that they would like to receive it.

"It's a very effective way of achieving specific communications objectives," says Krause.

Better than the press.

"We can go into detail and we can control what is said about a particular issue.

"We can target editorial specifically and make sure exactly what we want to say is said."

### Top marketer

XACTICS chairman and the Institute of Marketing Management's man of the year in the Western Cape, Hymie



Xactics chairman, Hymie Meyerson, has been judged top marketing man in the Western Cape by the Institute of Marketing Management.

after the five partners — was brought into the fold in 1979.

Hendlers came into the group in 1980, followed by Duraware. By the start of the decade, the Xactics group was the biggest in its industry and one of the largest PVC bottle man-

Special Project  
A report  
on information  
technology  
and its impact  
on the economy

0376

Lesotho, Kingd  
Development  
1975/6 - 1979/8

0374

University of  
Durban  
1975/6 - 1979/8

0373

University of  
Durban  
Research

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University of  
Durban  
Research

0371

The Cape Times

29-8-83

problem by presenting a selection of views, quotations, pointers and facts from a variety of sources.

A page headed "Factual overview", for example, features articles on everything from company staff observations of pirate operations to a look at the market for suitable vehicles, including the information that City Tramways has opposed applications to operate a total of 297 taxis, 268 of which were "kombi" types carrying eight passengers, in greater Cape Town so far this year. Only 12 of the applications were granted.

"What makes bus operators uptight about pirates?" asks a headline. Among the more serious allegations is a claim that stone-throwing at buses had been arranged by pirate operators in the hope that the bus would be withdrawn, from which time far higher fares would

Meyerson, is fast becoming another business legend in the region.

Sixteen years ago Meyerson, then director of an edible oil company, joined Fritz Figl, Seppi Pesendorfer, Kenneth Keiller and Giuseppe Riva to establish what is now the vast Xactics group.

From the start, he identified the group's field as more than just plastics but packaging, with a flair for innovation at that.

Major expansion got under way with the acquisition of listed Unsgaard and Samson in 1972, followed by the purchase of Ensor Plastics from the Cape-based Seardel group in 1975, and Trio-Rand's Kraft Packaging in 1977.

Then came additional manufacturing facilities with the purchase of factories in Isando and Prospecton.

A second public company, Empisal — later to be renamed Quincor,

manufacturers in the world.

1981 saw the acquisition of more packaging interests, including Quinpak, and the purchase of a big chunk of the group by Gencor via Union Corporation, which in turn opened the way for liaison with Unicorp associates, Sappi and Kohler Packaging.

Diversification has taken the route of property development through La Camargue on the Sea Point beachfront and a prime site in the City's commercial heart, as well as travel with the take-over of Miller Weedon, now renamed Xactics travel.

#### World markets

THE director-general of the British Institute of Marketing, Peter Blood, will be talking on the importance of international markets at the Holiday Inn, Woodstock, on September 2. Ron Duff, ☎ 21 4014, has the details.



# Fare hikes anger Pretoria commuters

By ALINAH DUBE

PUTCO'S increased fares in Pretoria came into operation yesterday and already bus commuters have expressed concern and that they may resort to trains and taxis.

Angry commuters told The SOWETAN that they would not sacrifice their "hard earned" cash for the "uncomfortable crowded Putco buses." They said it would be senseless to pay R1 for a

single trip between Mabopane and Pretoria when taxis only charge an extra 30 cents.

Said Mrs Sylvia Mokoena: "This is terrible. How are the poor supposed to survive under this?"

Mr Jack Molotsi said blacks were always piled with more problems and that even the new train system between Mabopane and the city could not solve transport problems. He said trains only operated in certain parts and that other peo-

ple would be faced with no option but to pay the increased fares.

Other passengers who paid an extra 25 cents and R1 for single trips and weekly tickets respectively, said the increased fares were a strategy used by the Government to oust Putco from the townships. They said it was obvious that no people would sacrifice their money by paying "ridiculous prices" when there were cheaper means of travelling.

30/8/82

Sowetan

332

# 22 pc of goods to Rand 'illegal'

Mercury Reporter  
1/9/83

MORE than 22 percent of goods transported along the busy Witwatersrand-Durban corridor were being carried illegally and hundreds of vehicles, and their loads, could be confiscated.

Mr Jack Webster, executive director of the South African Public Carriers' Association said yesterday: 'We are calling on the Government to look into the whole permit system.

'We don't think they should be abolished but a major problem is that many permits are ambiguously worded.

'They are sold among hauliers at exorbitant prices. And when a haulier pays a black market price of R20 000 for a permit, that cost will be passed on to the consumer in the end.'

## Conviction

Several trucks worth more than R100 000 each have already been forfeited to the State after unsuccessful appeals to the Supreme Court.

In terms of an amendment to the Transportation Act, any haulier convicted for the third time of carrying goods without a permit will forfeit the vehicle and the goods.

The consignor of the goods, the recipient and the agent all face conviction. A third conviction carries a fine of R10 000.

The National Transport Commission had appointed consultants to carry out a survey on the route between Durban and the Witwatersrand, which carries the biggest volume of traffic.

In April a traffic count was taken from three strategic places, Villiers, Newcastle and Piet Retief.

## Permits

No vehicles were stopped.

Then in mid-March Department of Transport inspectors stopped every vehicle on that route from midnight one Sunday to midnight the following Sunday.

They compared the goods carried with the details on the permit and found that of 66 500 tons, 14 000 tons were unauthorised.

Last night Mr Ramcharitar Panday, chief spokesman for the Durban-based Private Hauliers' Association and South African Indian Council spokesman on transport, said there were at least 600 hauliers operating without permits.

Many were paying off R20 000 a month on their vehicles.



number of representatives of the major employer and employee organisations;

(ii) payment of benefits should be expedited.

(3) Yes. The following action has been taken:

(i) the engagement of additional temporary staff;

(ii) the secondment of experienced officials from other offices of the Department;

(iii) the approval of additional paid overtime;

(iv) the temporary secondment of additional staff from the Johannesburg sub-offices;

(v) the creation of 50 additional posts in the unemployment insurance section;

(vi) procedural short-cuts have been introduced;

(vii) the commission for administration has been approached for the elevation of salaries on the basis of vocational differentiation of officials in Divisional Inspectors' offices who are engaged on duties in connection with unemployment insurance matters;

(viii) a special sub-committee of the Unemployment Insurance Board has been appointed to investigate delays in the processing of applications and to consider proposed amendments to the act;

(ix) representations have been made to the effect that deferment of military service be granted to claims officers and assistant claims officers; and

(x) a pamphlet has been distributed under the aegis of Manpower 2 000 explaining the procedures to be followed by employers and employees before benefits to which unemployed persons are possibly entitled, can be paid.

*Handwritten:* 2/9/83

*Handwritten:* 2032

(1) Whether the South African Police have instituted an investigation into the origin of pamphlets relating to the United Democratic Front rally on 20 August 1983 which were distributed on or about 19 August 1983, if so,

(2) whether the investigation has been completed; if so, by what body of person was the pamphlet (a) printed and (b) distributed;

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

The MINISTER OF DEFENCE (for the Minister of Law and Order):

(1) Yes.

(2) No, the investigation is continuing.

(3) No.

*Handwritten:* 2032 2/9/83  
\*11. Mr. P. G. SOAL asked the Minister of Co-operation and Development:

(1) Whether water meters are to be installed at houses in Soweto; if so, (a) when, (b) how many and (c) who will pay for the (i) meters and (ii) cost of installing them;

(2) whether Soweto residents are to be charged for water consumed; if so, at what rate;

(3) whether water meters are to be installed in any other Black townships; if so, which townships?

The DEPUTY MINISTER OF CO-OPERATION:

(1) Yes.

(a) and (b) 20 000 water meters are currently being installed as part

of the upgrading of services in Greater Soweto. The balance of approximately 80 000 meters will be installed as funds become available.

(c) (i) and (ii) The community will bear the cost of the water meters as well as the cost of the installation thereof.

(2) Yes. Soweto residents are at present being charged for water consumed and this procedure will continue. The rates are as follows:—

Unmetered consumption: R10-50 per household per month.  
Metered consumption: First 25 kℓ per month at 28,12 cents per kℓ. Consumption in excess of 25 kℓ at 32,12 cents per kℓ.

(3) Full information regarding this question has not yet been received from all the administration boards and a reply can therefore not be furnished at this stage.

*Handwritten:* 2033 2/9/83  
\*12. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

(1) Whether the National Transport Commission has instituted an inquiry into factors affecting bus transportation between the Western Cape and (a) Transkei and (b) Ciskei; if so, why;

(2) whether representatives of existing transport operators have been invited to give evidence at the inquiry; if not, why not; if so, which transport operators are involved;

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

The MINISTER OF TRANSPORT AFFAIRS:

(1) (a) and (b) Yes, to bring about possible improvements in the transport-

tion facilities over the routes in question.

(2) In terms of section 28(2) of the Road Transportation Act, 1977, read with regulation 19 of the Road Transportation Regulation, 1977, notice of the inquiry was published in the *Government Gazette* and Afrikaans and English newspapers circulating in Western Cape and in the Eastern Cape.

(3) No, in view of the fact that the inquiry is *sub judice*.

Bus company: agreement

\*13. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

(1) Whether the South African Transport Services have entered into an agreement with a bus company the name of which has been furnished to the South African Transport Services for the purpose of the Minister's reply; if so, (a) what are the terms of the agreement, (b) when (i) was it entered into and (ii) does it come into effect and (c) what is the name of the company concerned;

(2) whether the agreement will have any effect on the rights of other bus operators using the routes involved; if so, what effect;

(3) whether he was consulted prior to the agreement being concluded; if not, why not?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) To operate a co-ordinated passenger bus service on routes between the Republic of Transkei and the Western Cape.

(b) (i) 21 August 1983.

(ii) No date has been determined yet as this matter is still

2-9-83

being investigated by the  
National Transport Com-  
mission.

(c) Transkei Blue Line Bus Service  
(Pty) Ltd.

(2) Unknown. This matter is still being  
investigated by the National Trans-  
port Commission.

(3) No. Consultations of this nature fall  
under the managerial functions  
accorded the General Manager in  
terms of the South African Transport  
Services Act, 1981 (Act 65 of 1981).

Mr. K. M. ANDREW: Mr. Speaker, arising out of the reply of the hon. the Minister to paragraph (2) of the question, is it not correct that when the agreement comes into effect, all operators other than SATS and the Transkei Blueline Service will be unable to operate and will therefore be excluded?

The MINISTER: Mr. Speaker, that is the reason why there is an inquiry. We are afraid that we may create a monopoly and that is why we are investigating the whole matter. As soon as we are in receipt of the outcome of the inquiry, I shall come back to the hon. member.

Mr. K. M. ANDREW: Mr. Speaker, further arising out of the reply of the hon. the Minister, can he tell the House why SATS entered into this agreement—I think the date given is August this year—when the inquiry was started in May? Why could SATS not wait until a recommendation was made?

The MINISTER: Mr. Speaker, that is a separate matter. The System Manager of SATS went into this business. I have asked them to come back to me as soon as they have the information. They are looking at the whole matter of the contract made between Blue Lines and the SATS. ✓



No Govt  
 332  
 reply  
 Mercury  
 yet to  
 2/9/83  
 SAIC

#### Mercury Reporter

THE South African Indian Council had asked for an appointment with the Minister of Transport, Mr Hendrik Schoeman, three months ago and had still not heard from him, according to transport spokesman Ramcharitar Panday.

In terms of an amendment to the Transportation Act, more than 600 hauliers transporting goods along the Durban-Witwatersrand corridor faced having their trucks and loads confiscated.

The SAIC was concerned that the Government's attempts to protect the South African Transport Services would have serious repercussions on the Indian sector and the economy of the country.

#### Build-up

Mr Panday, who is also chief spokesman for the Durban-based Private Hauliers' Association, said permits were practically impossible to get and many truckers were paying as much as R20 000 to buy permits from other hauliers.

Yet in 1981, when the SATS couldn't cope with the huge build-up of containers in the harbour, it had rounded up every Indian truck owner to help transport the goods inland.

The Indians had found it a lucrative business and invested in bigger vehicles. Many were now committed to R20 000 a month in HP repayments.

Now that the SATS was losing R600 million a year, the hauliers were being harassed, he claimed.

Long and costly delays at roadblocks were affecting the truckers' customers. Late deliveries were slowing production times.

Mr Panday said: 'The SATS can't offer a door-to-door service and the private operators play an important role in the economy.'

#### Illegally

'Customers often order goods in Durban one afternoon and ask for delivery by the next morning. The private hauliers oblige but again the SATS can't compete.'

A survey conducted for the Department of Transport has revealed that more than 22 percent of goods transported along the busy Witwatersrand-Durban corridor are being carried illegally.

Any haulier convicted for the third time of carrying goods without a permit will forfeit the vehicle and the goods.

# Combi-taxi war <sup>332</sup>hots up

CITY Tramways has denied claims that it is waging a fares-war against a major combi-taxi operator in Retreat, as the row over the proposed ban on combi taxis heats up.

The operator, Mr Basil Nagel, initiated the formation of a combi-taxi association earlier last month to fight the ban which has the backing of the bus company.

On Monday morning Tramways introduced a new mini-bus (25-seater) service from Retreat Station to Steenberg and promptly cut fares by half, from 50 cents to 25 cents.

The fare is five cents less than that charged by Mr Nagel's taxis on the same route.

Mr Nagel said he saw the move as a potential threat.

## DANGER

He said: "We view it as a very definite fares-war and it could spell great danger for us as people will obviously go where the fare is cheaper."

"But I am confident we will survive as we are well organised and efficient."

"Still, we find it strange that Tramways could apply for yet another general fares in-

crease while at the same time reduce its fares in Retreat by 50 percent.

"Also, why was my route, of all the routes in the Western Cape, chosen by Tramways?"

City Tramways, through a public relations officer, Mr F Potgieter, denied it was engaging in a fares-war in Retreat.

## SERVICE

"There is no price-war. We are merely improving our service to the public."

"The introduction of mini-buses in Retreat is part of an on-going investigation by the company."

*E. Herald 3/9/83*  
"We have already introduced mini-busses in Molteno and Pinelands and intend doing so in Claremont, Newlands and the northern suburbs."

## SEDAN

Mr Potgieter added that the lower fare had nothing to do with Tramways's application for higher fares.

The latest round in the combi taxi-row erupted last month when the government-appointed Welgemoed Commission recommended that no new permits be issued to combi-taxi operators.

The commission favoured sedan taxis which seat four as opposed to the eight of combi-taxis.

The move has the backing of Tramways which this month devoted most of its quarterly publication to the issue.

Mr Nagel, chairman of the Retreat Taxi Association, called a meeting two weeks ago of taxi operators to protest at the proposed combi taxi ban.

A new organisation, the Western Cape Passenger Transport Association was formed at the meeting, which also elected Mr Nagel its first chairman.



as a "reflex action", Mr Zulu ran to a nearby garage to grab a fire extinguisher which he used to smother the flames and prevent them from spreading.

Had the R14 000, 25 000-litre load exploded the busy city street would have become the scene of carnage, chaos and devastation.

## Centre

PLANS are in the pipeline to build a multi-purpose trade centre in Soweto in the near future, a spokesman of the Soweto Chamber of Commerce and Industry, Mr Vela Kraai, said.

felt needed them more than he did.

"A word of thanks would have been more appropriate," he said.

"I wasn't looking for a reward at all — but what would I have got had I been a white man?"

It was insulting that in return for risking his life he should be given "dry cakes" for which, in any event, he had no taste.

The incident has proved highly embarrassing for the oil company — especially after the manager of the Caltex's Pietermaritzburg branch, Russell Lazenby, told a reporter: "What does he expect? If he's not satisfied with biscuits he can give them back."

Caltex's delegated

## Putco pledge

THE multi-million rand "city" over the use of re-development of Alexandra township moved a step further at the weekend with the announcement by Putco that it will provide four more buses to be used as temporary shelter for affected families.

Addressing a Press conference Putco's public relations officer Ms Patricia Mpiyane said all in all 20 buses would have been provided for the temporary housing in the area. At present, there are already 10 buses housing about 15 families.

Expressing concern over the "negative pub-

buses as alternative accommodation, Ms Mpiyane said Putco reviewed its gesture when it learned that some Alexandra families were not happy with the set-up. "But we have since been assured that there is a need for buses while the redevelopment scheme goes on," she added.

Meanwhile a new system is to be introduced for those families opposed to being housed in buses, acting chairman of the Alexandra Liaison Committee (ALC), Mr L C Khoza said.

# WARNING

This is to warn the residents of Zola, Emdeni, Moletsane, Orlando West, White City Jabavu, Meadowlands West and East, Mapetla, Tshiawelo and Naledi, that electrical trenches will be dug in your area for the next few weeks.

We appeal to all pedestrians, motorists and especially children, to take extreme care.

We apologise for the inconvenience, but assure you it will not be longer than necessary, enabling us to bring the convenience of electricity into your home.



332

**POTCO**

Corporate report. Supplement to Financial Mail. September 30 1981





## Contents

<i>The company they love to hate</i> . . . 5	<i>Carleo on record</i> . . . . . 21
<i>Stop start travelling</i> . . . . . 6	<i>Welgemoed on Welgemoed</i> . . . . . 22
<i>The Midas Touch</i> . . . . . 9	<i>Learning on the job</i> . . . . . 25
<i>Grouping together</i> . . . . . 12	<i>In the hot seat</i> . . . . . 26
<i>A foot on the brakes</i> . . . . . 14	<i>Do-it-yourself</i> . . . . . 28
<i>Reels of red tape</i> . . . . . 16	<i>Busmen's blues</i> . . . . . 29
<i>Covering its tracks</i> . . . . . 18	<i>Shopfloor talk</i> . . . . . 31

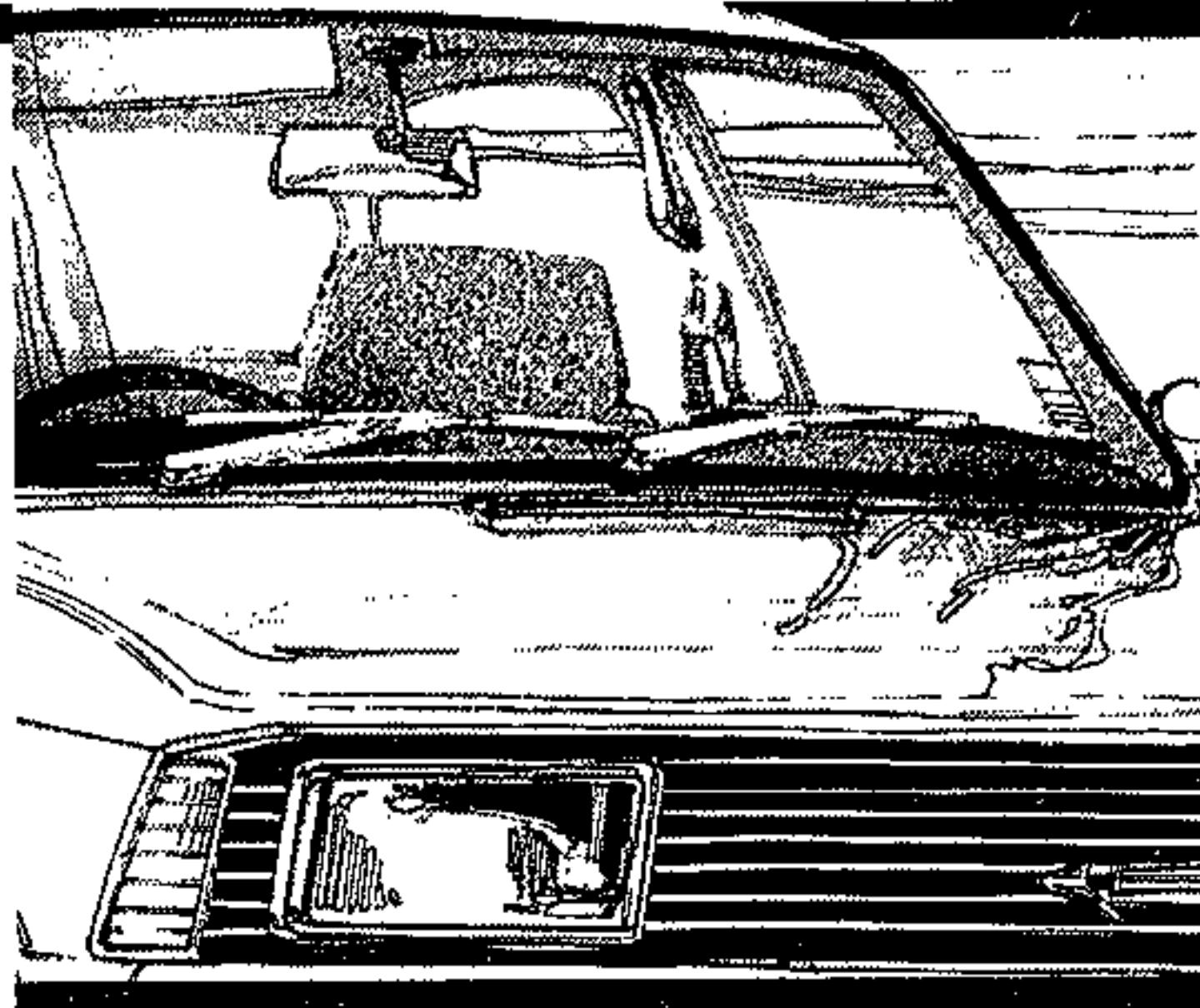
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## Foreword

*Few SA companies are as well known or as controversial as Putco.*

*The largest of this country's private bus operators, it transports hundreds of millions of black, Indian and coloured commuters each year, making an invaluable contribution to the economy.*

*Yet because it functions as the "umbilical cord" between places of employment and racially segregated residential areas, many in the black communities mistakenly regard it as a government agency and a symbol of the hated Group Areas Act. The problem is made worse by the fact that Putco serves the poorer sectors of the population who are least able cope with ever rising transport costs. So Putco has been the target of physical and verbal attack whenever it raises fares.*

*But that's not its only problem. Bus transport is subject to a host of State-imposed controls which make day-to-day running, administration and planning extremely difficult. Moreover, it's highly vulnerable to economic fluctuations and the current recession is taking its toll.*

*Adversity has, however, not stopped Putco from making it to the top. It's a position Putco management has every intention of maintaining.*

## Corporate Cover for Putco



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# The company they love to hate

*Despite its essential role in the SA economy Putco is the constant target of criticism from the black community. It's fighting a hard battle to change this*



On the buses ... early morning commuters

Putco buses grinding their way through congested city traffic or along near-deserted country roads are a commonplace sight for millions of South Africans living in or around Soweto, Johannesburg, the Reef, Pretoria, Bophuthatswana, KwaNdebele, Durban and KwaZulu.

Small wonder. Putco is the biggest bus company in the country and provides an essential service for 400m largely black, but also coloured and Indian passengers each year.

Under the direction of the Carleo family, the majority shareholders, Putco today employs just under 10 000 people, 95% of them black. These include 4 150 bus drivers, about 700 traffic personnel and 1 600 engineering staff.

The thousands of buses which Putco fields each day ensure that it stays in the public eye. But one thing about the buses has changed. Sensitive to public antagonism towards the old "green mamba" buses, Putco has repainted its entire fleet in more appealing tones of blue. In addition, more than half the fleet now has soft seats and Putco's intention is to completely abandon fibre glass seats.

Bus transport is not the only mode available for mass transportation. But buses do represent the middle ground in terms of cost between trains, which are the cheapest, and taxis. As such, Putco plays a pivotal role in keeping the wheels of commerce and industry in key industrial nodes turning.

Not that this is always fully appreciated. Indeed, Putco has attracted controversy since it first began operating in 1945 (see story on page 6) And it's the very communities it serves which are its most vociferous critics.

The essence of the problem is that Putco is invariably mistakenly associated with government because it provides the link between workplaces in the cities and the racially segregated residential areas created in terms of the Group Areas Act.

In addition, ever rising costs in a cash-hungry business like bus transport are passed on to commuters at fairly regular intervals. Putco's commuters come from the least affluent sectors of society and naturally have the greatest difficulty absorbing them. Community resistance to fare hikes often gives rise to the allegation that Putco receives government subsidies for transporting workers without passing on the benefits.

Another frequent charge levelled against Putco is that it is a monopoly — not only that but an "octopus monopoly", since the Putco Group has numerous subsidiaries servicing and supplying Putco at discount





**Gaetano Carleo, right, and friends with some of the buses operated by the G&E Bus Service in Vereeniging in the Thirties**

judicial management.

Putco struggled on. Relief finally came in 1952, when Dr Danie Malan's National Party government agreed to pay a portion of the vital fare increase. The company was forced to write off nearly a quarter of its capital and all the arrear 6% preference dividends, and to convert its capital into ordinary shares. It then started on a new base, still under the umbrella of ICH. In 1952, six years after it was formed, Putco paid out its first dividend of 6%.

In 1957 another attempt was made to raise fares by one penny. Again there was a community backlash. Blacks felt that the increase represented the final straw that would crush them economically and they responded unequivocally in the form of SA's first ever organised bus boycott. It became something of a legend in urban black lore. For three months, from January to March, thousands of commuters rejected buses by either cycling, hitch-hiking or walking to work. A number of sympathy boycotts also took place and the issue soon escalated into a demand for a national minimum wage of £1 a day.

These events took place at a time when

blacks had gone from a period of full employment during the war to a great deal of unemployment. Inflation had taken off and post-war commodities were double pre-war prices.

This time, however, government did not step in to heal the breach. Finally the Johannesburg Chamber of Commerce (JCC) acted. It raised a fund of £25 000 to pay the difference of one penny between the old fare and the new, enabling Putco to resume services at the old price. The boycott was called off. At the end of that financial year, Putco had lost £60 000 and did not pay any dividends.

Since 1953 black workers' transport costs had been subsidised in part by a provision in the Native Services Act. The provision empowered the Bantu Affairs Department to administer a fund into which employers were obliged to pay half-a-crown weekly for each black employee. Sixpence was allocated for transport and the remainder for township service costs.

The 1957 events prompted government to create a separate employer-funded transport subsidy fund under the control of the Department of Transport and the Native

Transport Services Act was passed. This has continued into the present day Black Transport Service Act administered by the Department of Transport.

A second factor which perpetuated the necessity for a transport subsidy was the resettlement of large numbers of people in terms of the Group Areas Act. In the Johannesburg area, for instance, residents of Sophiatown were resettled to Soweto. Workers affected by this found themselves further from their places of employment and faced with higher transport costs which their salaries did not cover. Government had to compensate for this in the form of subsidy.

When electric rail services began to be introduced to Soweto and the townships east and west of Pretoria in 1959, Putco's operation in these areas was significantly curtailed and the company faced a new threat to its existence. But a palliative was found when it was invited to service the newly opened Kwa Mashu township north of Durban, pending the arrival of a rail service.

The pattern of Putco pulling out of areas once a railway line has been built has been repeated many times, although in most cases it has become necessary to re-intro-



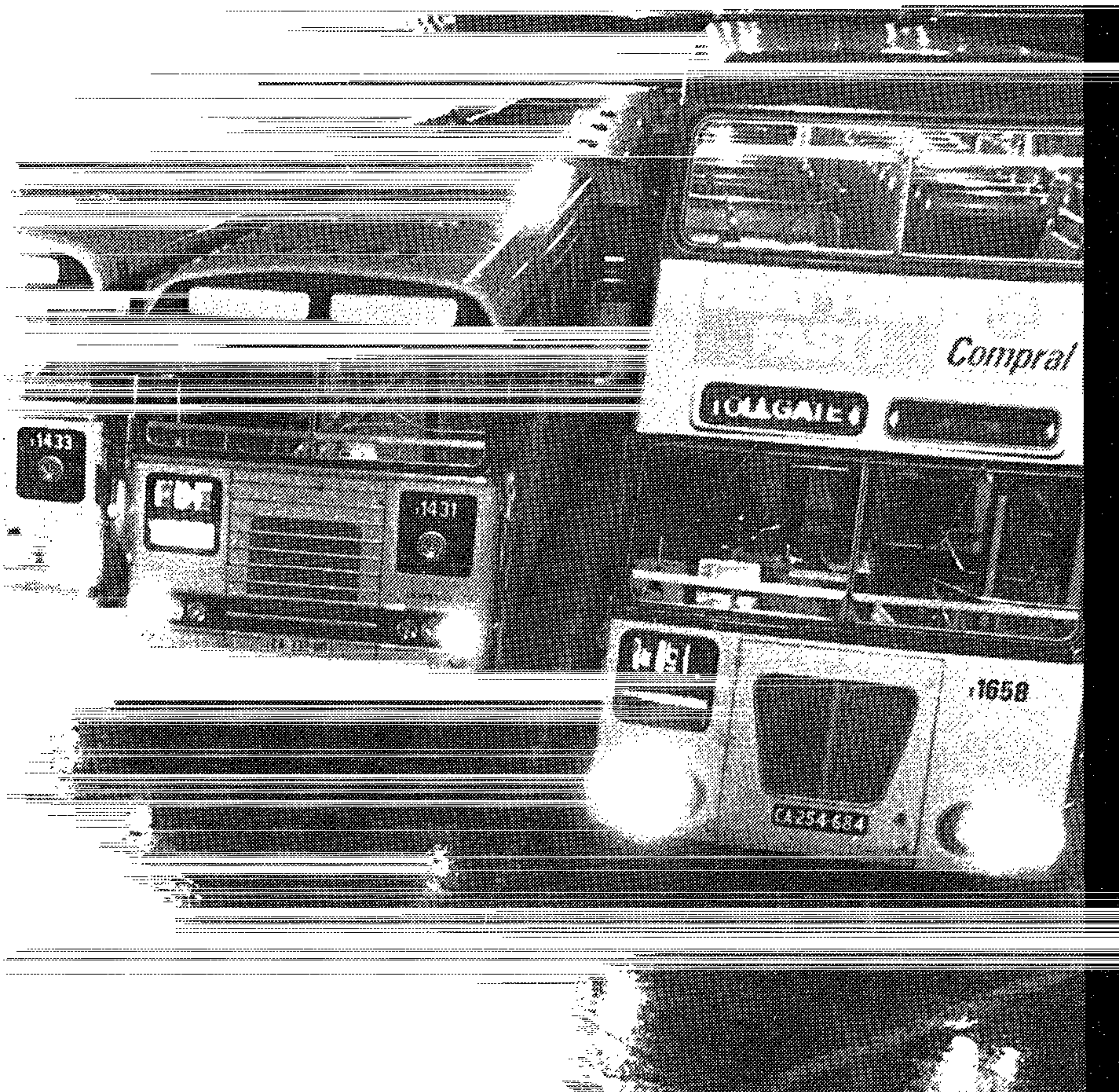
**1,800,000,000  
MILES  
AND STILL  
GOING...**



**...SHELL.**







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He developed this into Rapido Bus Service, functioning as manager, driver and mechanic. Later he became a partner in the G & E Bus Service which operated in the Vereeniging area.

This activity came to an abrupt end when war broke out. Being a citizen of a country with which SA was at war, Carleo senior was interned at Koffiefontein. However, eight months later he was released by special exemption.

His next step was to start up Rapid General Services. This company had an office and workshop in Wynberg, Johannesburg, and operated buses between Alexandra Township and the city, as well as from Modderfontein to Kempton Park and Johannesburg. It also served as a filling station and garage for cars.

In 1945, when Barregar was busy buying up small operators, Carleo senior sold off the Alexandra-city route to Putco and continued with the Modderfontein services. Later he bought Evaton Passenger Services.

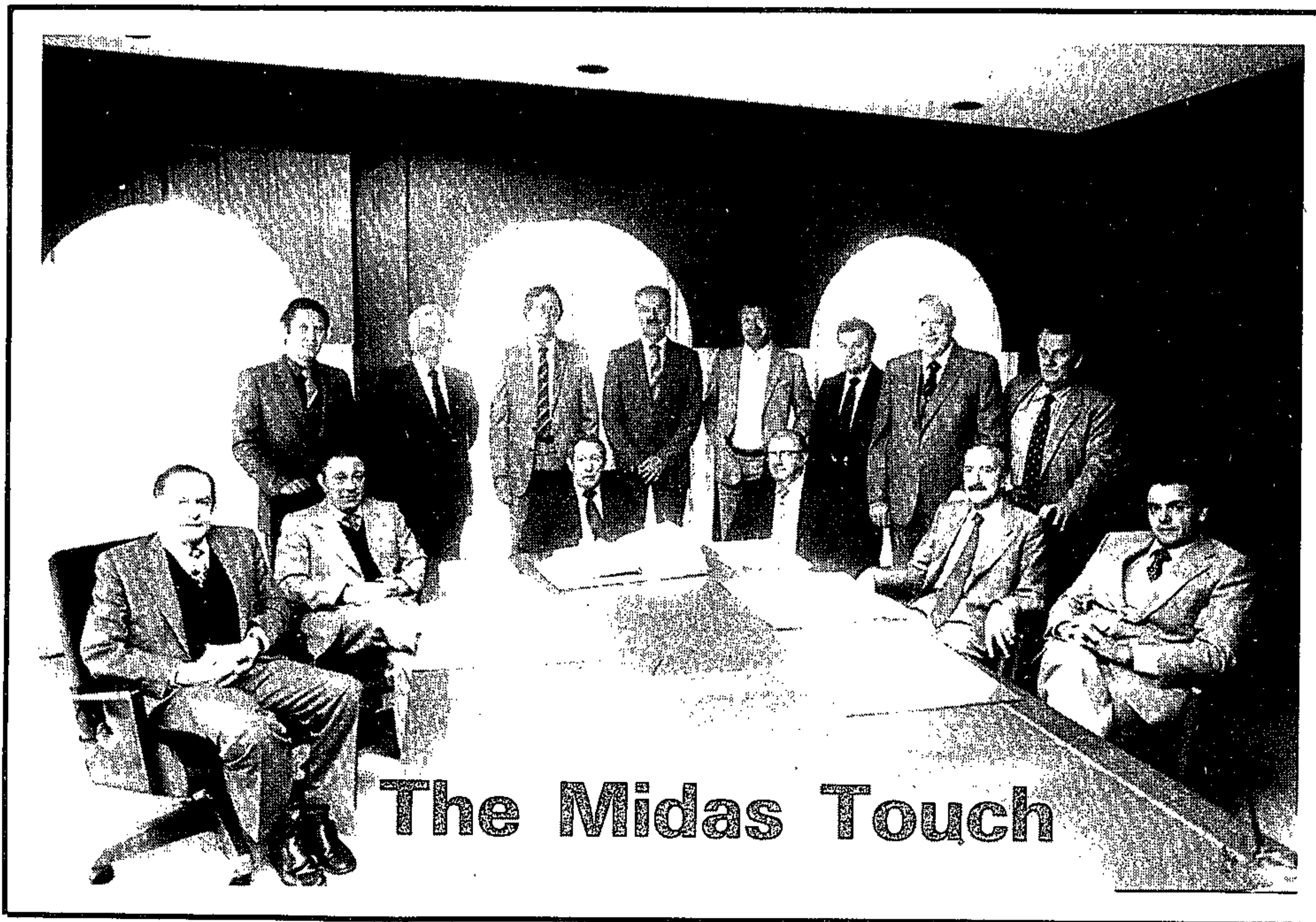
In 1947 the two Carleo sons — Albino and Luigi — finally arrived in SA and immediately joined their father in the bus business. The infusion of young blood led to further expansion and the Carleos bought up Edenvale Bus Service, C C Bus Service and Rand Bus Lines. They also founded Africa Body and Coach to build bus bodies. The bus companies were sold during the Sixties to Putco, which also acquired a 50% holding in Africa Body and Coach.

After three years out in the cold in terms of bus passenger transport, the Carleos' biggest coup came in 1971, when they bought up

Leyland's 49% controlling holding in a deal involving R1.5m. (The family now holds 52% of the shares.)

Since that time Putco has experienced continuous growth to become the biggest bus operation in the country. Much of the credit for this expansion is due to Albino Carleo, who has steered the Carleo family's business enterprises for the last 25 years.

Although Albino and Luigi Carleo are now approaching retirement age, there are hopeful signs that Carleo involvement in Putco's day-to-day running will continue. Luigi's son, Bruno, heads the company's Eloff Street, Johannesburg, chassis repair shop, while Albino's son, Luigi, is studying for a doctorate in transport economics. According to Albino Carleo, there is a "good chance" that Luigi will join the company.



## *Putco has not been the same since the Carleos took over in 1971*

What is it about the Carleos that makes them the busman's equivalent of King Midas?

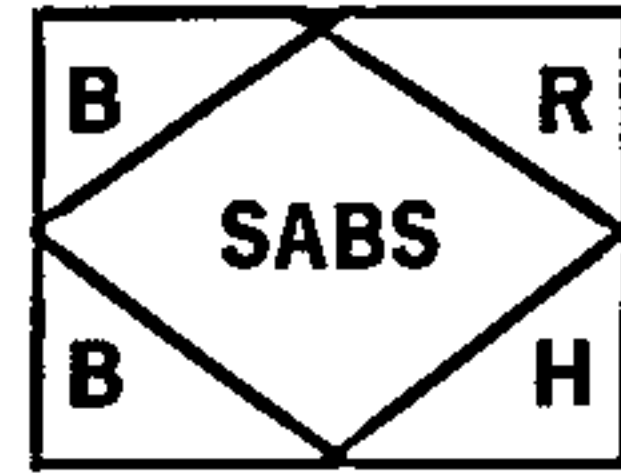
When they acquired the Leyland Motor Corporation's 49% controlling share in

Putco in 1971 in a deal involving R1.5m, it looked from the outside like the little man gobbling up the giant. It also seemed odd since, during the Sixties, it was Putco that was buying out the Carleos. Their Edenvale

Bus Service, C C Bus Service, Rand Bus Lines, Evaton Passenger Services and 50% of Africa Body and Coach had all gone that way.

The answer lies in a single word: experience. The Carleos have been involved in the bus business since the early Forties and have a deep knowledge of transport. And it shows. When they took control of Putco in 1971, it had a staff of 3 400 and a fleet of 867

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## BUILDING BLOCKS



No business undertaking can be separated from the environment in which it operates. Putco is keenly aware of the fact that it has a social role to play in the black communities. It is doing so by sponsoring various community and educational projects and sporting events. It also makes a major contribution by subsidising scholar fares by R2,6m/year and transporting old age pensioners free of charge on pension payout days.

"Putting something back into the community is enlightened self-interest," says Putco public relations executive Pat Rogers.

The Putco Foundation was established two years ago to finance major community projects, using revenue obtained from

advertisements on and in the company's buses. However, its progress has been hampered by a long legal dispute with the advertising agents. Rogers says he expects the matter to be amicably resolved out of court soon and estimates that the foundation will disburse more than R250 000/year.

With funds loaned by Putco, the foundation already sponsors the Press Schools Organisation to the tune of R60 000/year (the organisation provides standard nine and 10 pupils with specialised tuition on Saturday mornings).

Putco also sponsors the Northern Transvaal Tennis Championships, two softball leagues and a number of school sports activities. It has also helped a

number of Soweto musicians to travel overseas to study.

Besides helping outsiders, Putco helps its own community of workers. The company offers four university bursaries, as well as over 200 school bursaries worth about R30/pupil for children of staff members each year. It arranges 24-hour accident cover for all employees, death benefits between three and four years' salary to dependants, a funeral fund and housing fund loans of up to R1 000.

Employees and their families can also obtain medical care at company clinics staffed by qualified sisters and visited regularly by company doctors. Medical aid cover, however, is not available to Putco's black staff at present, although this appears to be in the pipeline.

But the big thing is sport. Most of Putco's divisions have weightlifting, karate and boxing gyms. These are financed by the workers, but the company provides the accommodation. In 1980 it was decided to evolve a "Putco Games" which would take the form of an inter-divisional competition assisted by management.

This year the third Putco Games, which includes athletics, karate, tennis, boxing, body building, soccer, snooker and table tennis competitions, as well as a Miss Putco competition, will take place at Orlando Stadium in Soweto.

"The games have developed into a major event and do a lot for staff morale. They encourage team spirit beyond the work environment," says Rogers.

But DP is fully geared to steam ahead once demand picks up. Factory manager Dario Degano says extensions to the existing factory could be made with a minimum of effort and could boost DP's production to 60 bodies a month.

Crown Body and Coach (CB&C) in Edenvale is the smallest of the bus body building concerns. A 72%-owned subsidiary of AB&C, CB&C produces about six bus bodies a month specifically for homeland routes. It also does repairs and major overhauls.

The flip side of the body building coin is engineering services. Voms (formerly Vehicle Overhaul and Maintenance Service), a wholly owned Putco subsidiary situated at Lea Glen near Johannesburg, is a highly specialised concern. Its primary function is rebuilding "A" units (engine, gearbox and differentials). The company also specialises in rebuilding fuel injection pumps and injectors.

Voms MD Tony Mobsby says 60% of its production capacity caters for Putco's

needs. The remaining business comes from outside markets. Voms is the accredited rebuilder for Ford; General Motors; Rolls Royce; Datsun/Nissan; Fiat; Leyland; Toyota/Hino/Renault; MAN; MWM; Allison; Voith; Bosch; and Lucas fuel injection equipment.

According to Mobsby, Voms' growth has kept pace with Putco's. Turnover has increased by 416% in the last seven years and the company recently expanded into new premises.

Vomparts, a 100% subsidiary of Voms, was originally established in 1979 to market automotive parts to the general public. In June last year, however, it acquired wholesaler status with the National Motor Parts and Accessories Association (NMPAA) and now markets some goods wholesale to members of the automotive engineering industry, as well as fleet owners.

Vomparts also imports and exports parts. It has a franchise from several USA manufacturers for axles, drive lines, braking sys-

tems, clutches, oil seals and bearings and engine parts.

It has a franchise for a similar range of parts from a number of different suppliers in Germany, Italy, and Britain.

Electronic Commodities (EC), a company in which Putco has a 20% shareholding, manufactures about 250 different kinds of motor parts. GM Italo Martinengo tells the *FM* that the company gears its operation to suit Putco's spares needs.

EC has invested R500 000 in machinery to keep up with Putco's expansion. Turnover in the last financial year was R2m.

The Putco group's insurance interests are represented by Carleo Head and Associates (in which it has a 40% shareholding) and the wholly owned Bermuda based Commander Insurance (see story on page 18).

The 15 property companies in the Putco Group stable (see flow diagram) own land which is used mainly for workshops and parking space for buses. In total, the group owns 51,18 ha, currently valued at R74,83m.





# “We don’t skim our drums oversize - with Don linings.”

Mr. Pisapia, Putco.



MR. PISAPIA, PUTCO.

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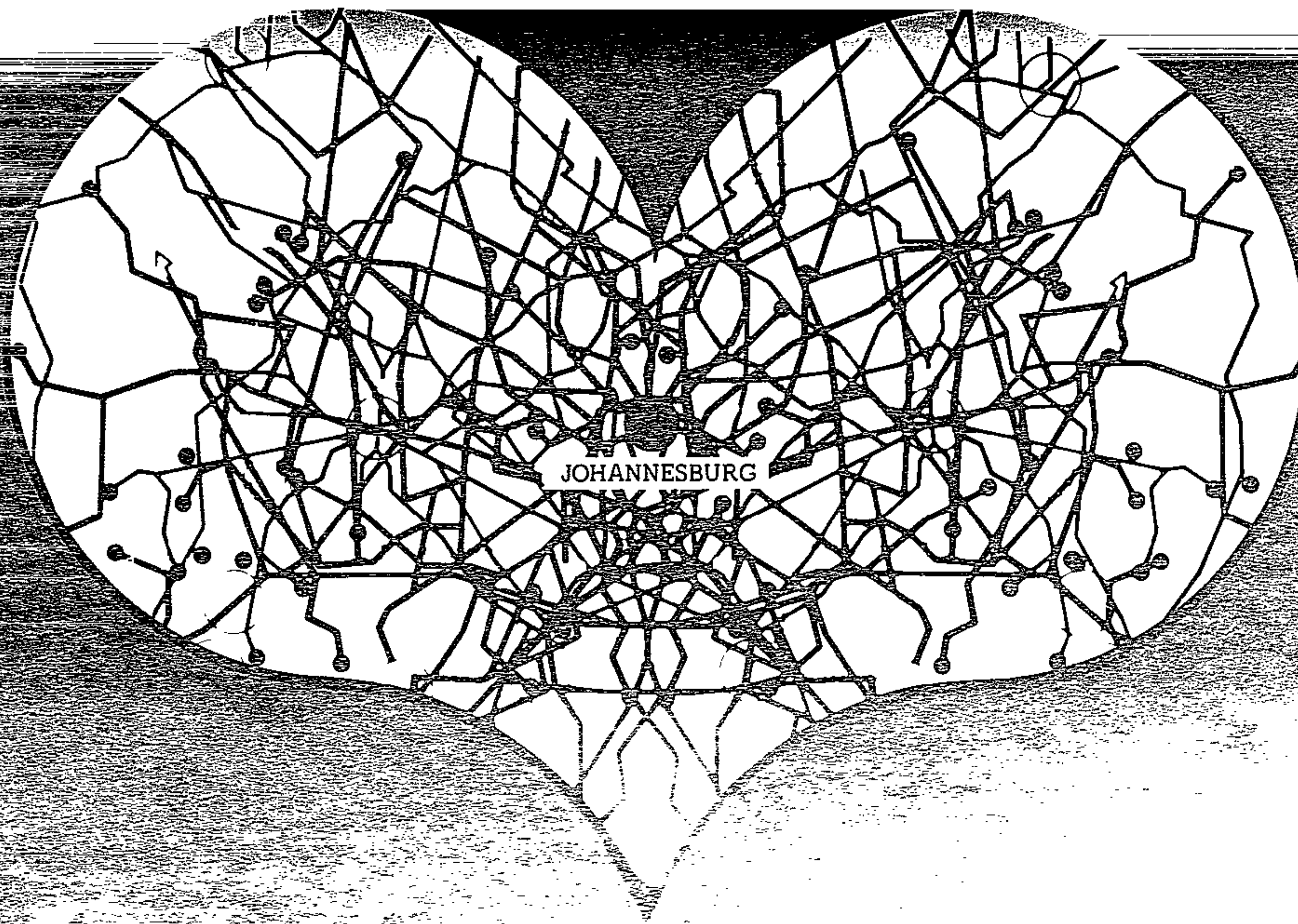
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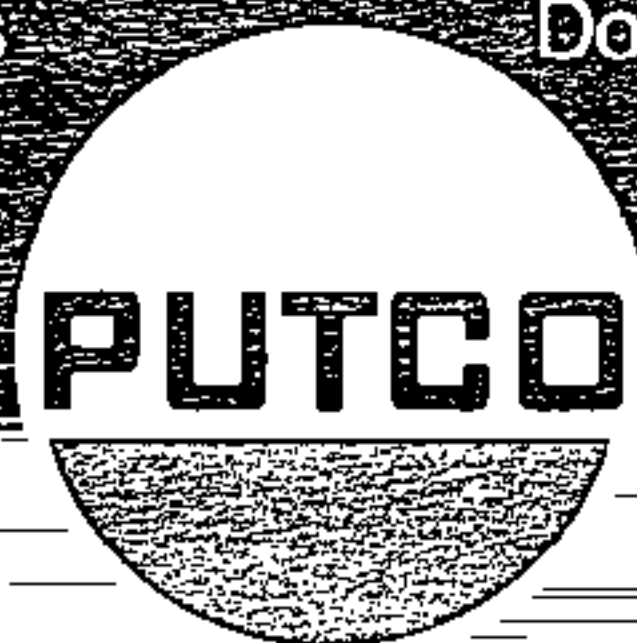
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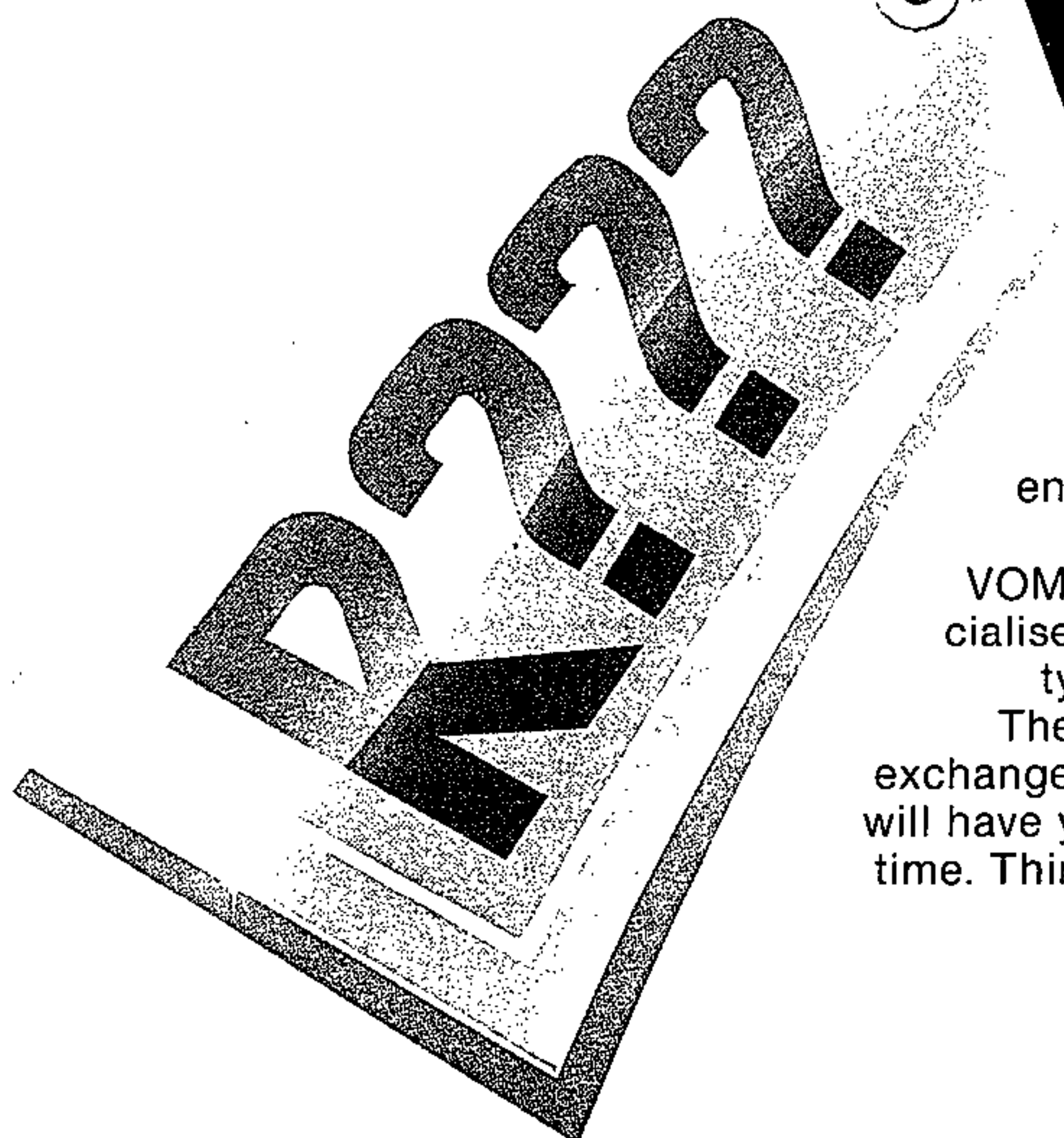
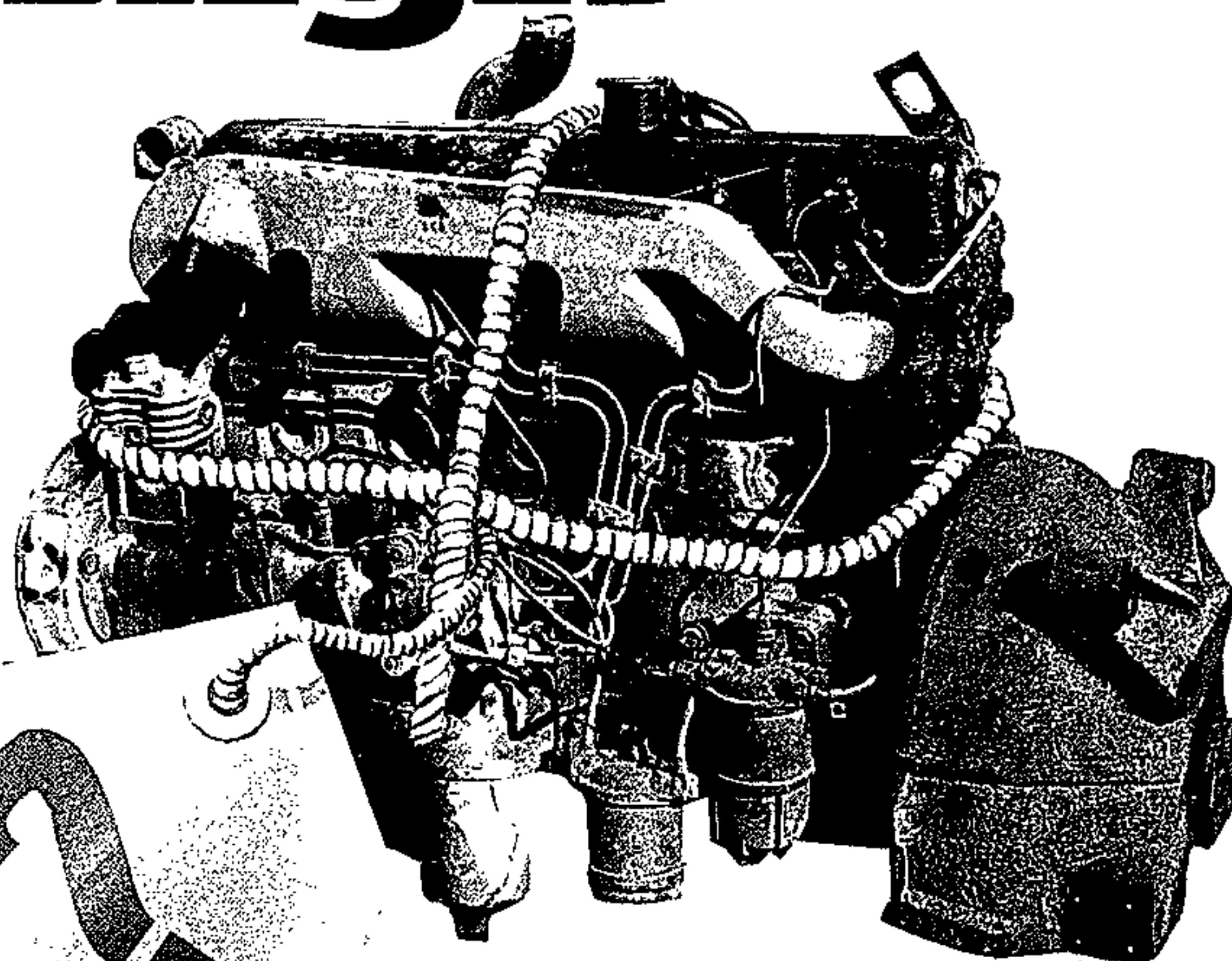
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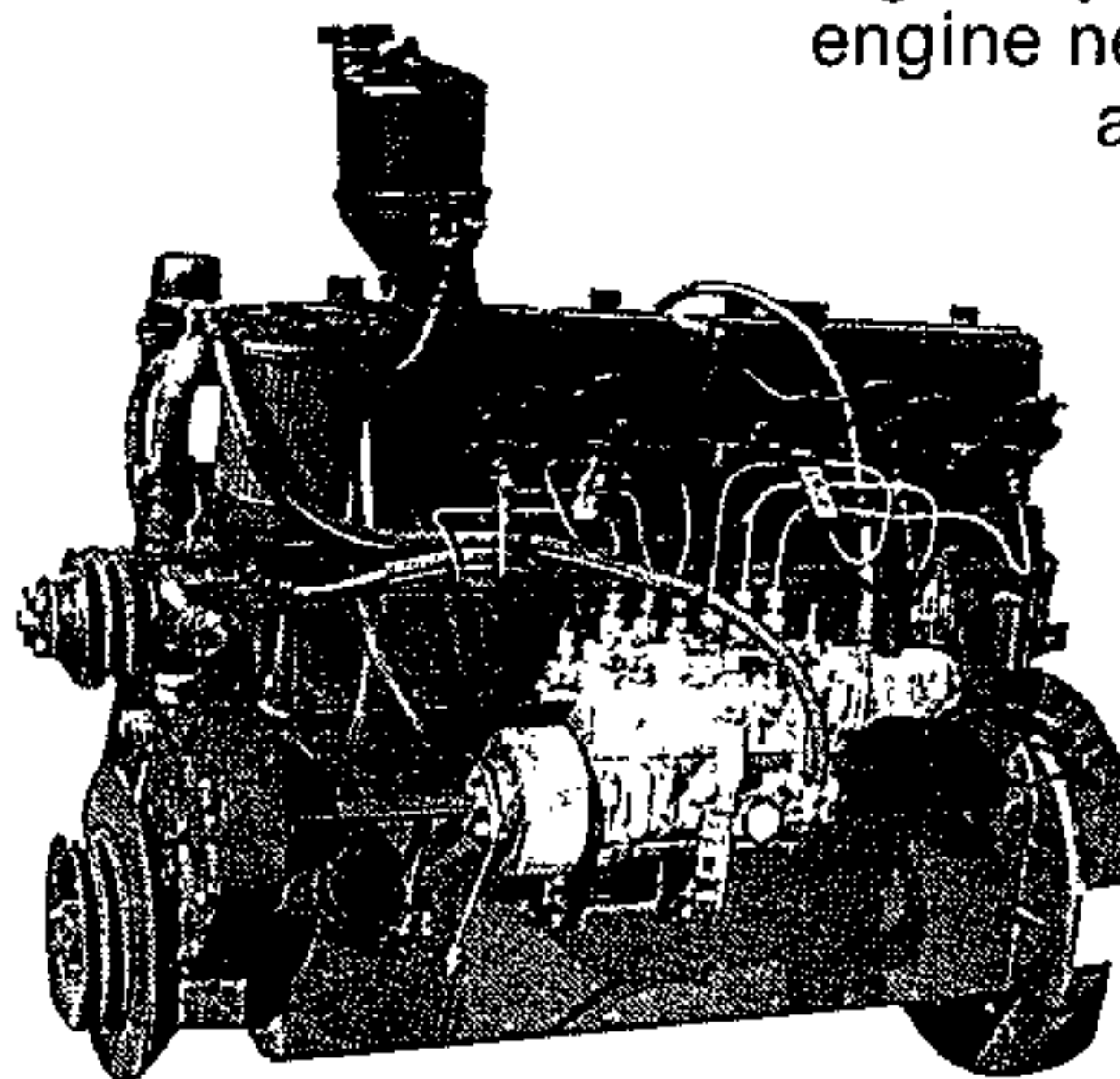
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VII

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**The dawn brigade**

to 14 different municipalities in the Transvaal alone.

Putco operates on over 1 000 routes. It has a special department staffed by nine people who work permanently on route applications. In the course of protecting Putco's territory, this department also lodges objections to permit applications made by taxis, the railways, local authorities or any other passenger operator. Putco training executive and planning manager Frederick Vorster tells the *FM* that the company often takes legal opinion on route issues and sometimes briefs lawyers to present their side of the story in appeal cases.

LRTBs are also responsible for fixing bus tariffs. However, because Putco operates in more than one LRTB area, the LRTBs refer the matter to the NTC. When Putco wants to raise fares it proposes a new tariff and also the time when it wishes to have the increase implemented.

Applications are submitted to the NTC and the normal procedure of gazetting and a hearing not less than 21 days later is followed. Since a subsidy is involved, the NTC decision is referred to the DOT's Tariffs and Subsidy Division (TSD).

Subsidy is a complex issue and one that is not well or widely understood. The underlying

principle is that workers, as opposed to shoppers or other types of passengers, are entitled to be subsidised. The mechanism by which this principle is applied is to subsidise season ticket tariffs. Cash tickets which are more likely to be bought by casual passengers are not subsidised.

Passengers don't actually see the subsidy money because of the extreme logistical difficulties which would be involved in paying out individual commuters. The company receives a lump sum for the number of tickets sold each month. DOT officials stressed to the *FM*, however, that in effect it is the passenger who is subsidised, not the bus company.

The TSD is charged with determining whether Putco is justified in proposing a new fare. Its powers include the authority to order an inquiry by DOT cost accountants into the company's financial statements. It also can, and sometimes does, commission private cost accountants to do the job. In taking decisions it works on the premise that bus operators are entitled to charge an economic fare. This the TSD defines as an amount which allows them to make a profit over and above their operating costs. It also allows for depreciation or replacement of buses. Some other factors which are taken

into consideration are the distance travelled on the route, road conditions and whether the passengers have been resettled.

Putco's financial executive, Vic Coetzee, tells the *FM* that its KwaNdebele passengers, many of whom have been resettled, are subsidised more heavily than short distance passengers to compensate for the longer distances they have to travel to work.

Coetzee also says Putco has calculated that an economic fare for its operation is 4c/passenger/km travelled. The Welgemoed Commission has recommended that companies should be allowed to get a 12% return on capital employed. Coetzee says his company would like to achieve a 15% return although this target has not yet been reached. The highest Putco has achieved is 11,1%.

The TSD also determines how much of the economic fare approved by the NTC workers themselves can afford to pay. It does so by obtaining information on the general wage level for blacks in the area from various authorities, including administration boards, and employers.

It is only once all these procedures have been followed that the TSD decides on a suitable percentage increase in the fares to be paid by passengers. The Minister of





# The ultimate in BUS EVOLUTION

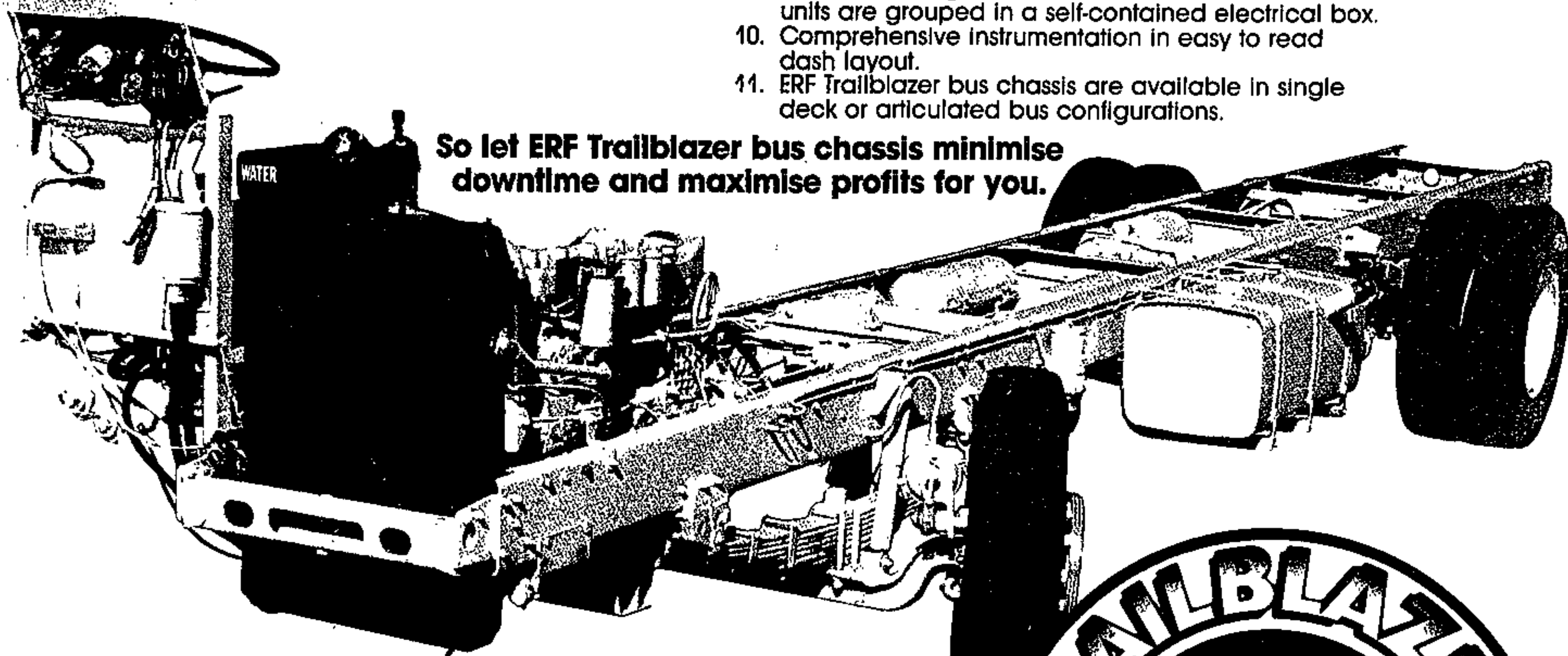
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In comparison, Putco had 3 120 buses during its 1981/82 period of insurance which were involved in 7 589 accidents costing R1,85m. Says Head: "Putco had 11% more buses, 27% more accidents and costs increased by 31% in 1982/83 period." It seems likely that these costs will continue to rise.

Putco has gradually moved towards self-insurance. Since April this year the company has decided to bear a R10 000 excess for all damage claims to its property, whatever the cause. Head says this is designed to keep premiums down and make Putco staff more aware. He predicts that the amount of excess will increase in the future.

People cover in Putco comes in the form of a 24-hour personal accident cover for all its employees. This is necessary not only because of motor accidents but because of the ever lurking threat to drivers as targets for stonings.

Riot insurance is a separate, but just as important, issue. And Putco has learnt some hard lessons about it. It's worst moments came during the 1976 Soweto riots when large numbers of buses were vandalised or destroyed. But worst of all, its riot cover

was about to expire. And, although CHA had an agreement with underwriters to renew cover, it couldn't obtain reinsurance. On June 30 1976, in the midst of the unrest, Putco's riot cover ran out. Attacks on its buses, however, did not stop.

Understandably smarting about the financial implications of this blow and unable to obtain reinsurance on the SA market, the Carleos immediately instituted an inquiry into the viability of Putco owning its own insurance company to underwrite riot risk. However, it was not until the following year that Putco bought an insurance company in Bermuda and changed its name to Commander Insurance Company.

The time of purchase was April 1977 — just before the first anniversary of the Soweto riots — and Putco was expecting trouble. On June 15 CHA placed R54m of riot cover for Putco on the world reinsurance market including markets in Japan, North and South America, England, France and Germany. "This was significant because our own SA reinsurers wouldn't look at it. But nearly all these countries who were, and still are, anti-SA because of our apartheid policies still undertook to re-insure us

against riots," says Head.

Putco lost R300 000 during the period that it was not insured against riots, although it did recover some money for the time from June 16 to June 30 1976, when cover expired. Putco today maintains cover for non-political riot on the local market predominantly re-insured with Commander through whom a non-cancellable policy has been arranged.

It also has political riot cover through the SA Special Risks Insurance Association (Sasria) which was formed in 1979 in direct response to the 1976 unrest. But like many others Head is critical of Sasria. "I think the handling of Sasria is archaic. We have found that if instructions are given to insurers to effect cover it may not be possible for the coupon to be issued on the date required because of Sasria staff shortages.

"Cover will therefore not exist until such time as the coupon is actually issued. This presents a 'grey area' where there is no cover and the insurable public has to decide weeks or possibly months in advance what their requirements will be. This is totally impractical," he told the *FM*.

CHA paid R25 000 in premiums to Sasria on Putco's behalf in the last financial year.

## Carleo on record

Albino Carleo, Putco MD, has been involved in the Carleo family's transport endeavours for the past 25 years. Putco has experienced unprecedented growth since the family acquired a controlling interest in it in 1971.

**FM:** How do you see Putco's position at present?

Carleo: Putco has experienced steady growth for the last 12 years. This year, however, our performance has not come up to expectations because we have felt the effects of the recession more deeply than other companies. There has been a 15% drop in our passenger load. However, we see this as a short-term problem and are confident that Putco's growth will be maintained over the long term.

Putco's had two capitalisation issues in the last two years. What effect has this had on its dividend growth?

We have broadened our share base by converting undistributed profits into shares. Had we not done this we might have declared higher dividends. I don't think Putco is in financial trouble right now.

How do you see Putco developing in the long term?

Because Putco is such an important part of the infrastructure of SA it is definitely going to grow. By the end of the century our fleet may well increase to around 12 000 vehicles. In addition, if the recommenda-



At the helm ... Albino Carleo

tions of the Welgemoed Commission of inquiry into bus passenger transport are accepted, the concept of regional operations will have been given the green light and make it more feasible for one operator to be

the sole operator in a region. In that case, I see Putco being the sole operator in the entire Transvaal and perhaps losing control of its Natal operation.

Many people think Putco is an arm of government. What is its true standing?

Putco has sometimes been looked upon as a government agency. This is not so. Putco is a non-political organisation and we are a business in the true sense of the word. Time and again we have stated that we are a public company on the Johannesburg Stock Exchange.

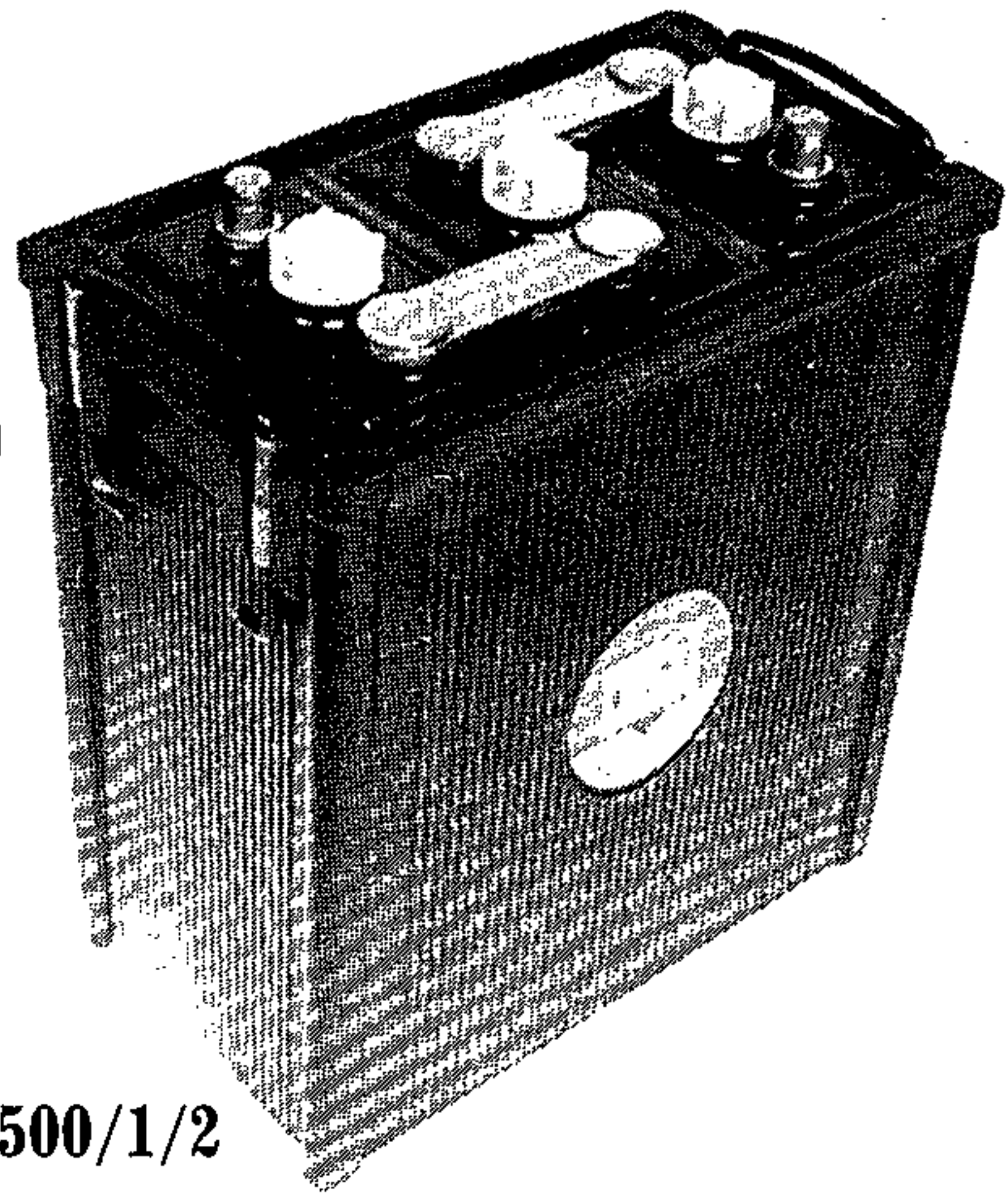
We do have a relationship with government but only to discuss mutual problems like operating costs, problems arising from the application of the Transport Act and, on behalf of the commuter, to try to obtain the highest possible subsidies. We've also discussed the regionalisation concept because we feel that buses are the veins and arteries of a region.

Nevertheless, there has been criticism of the fact that Putco's board includes former and incumbent government officials. Please comment.

Danie Joubert retired from the Department of Transport over 15 years ago. He has sat on Putco's board in his individual capacity. The only representative of a government body on our board is the Director-General of Co-operation and Development, Rudolph Raath. He plays a very useful role



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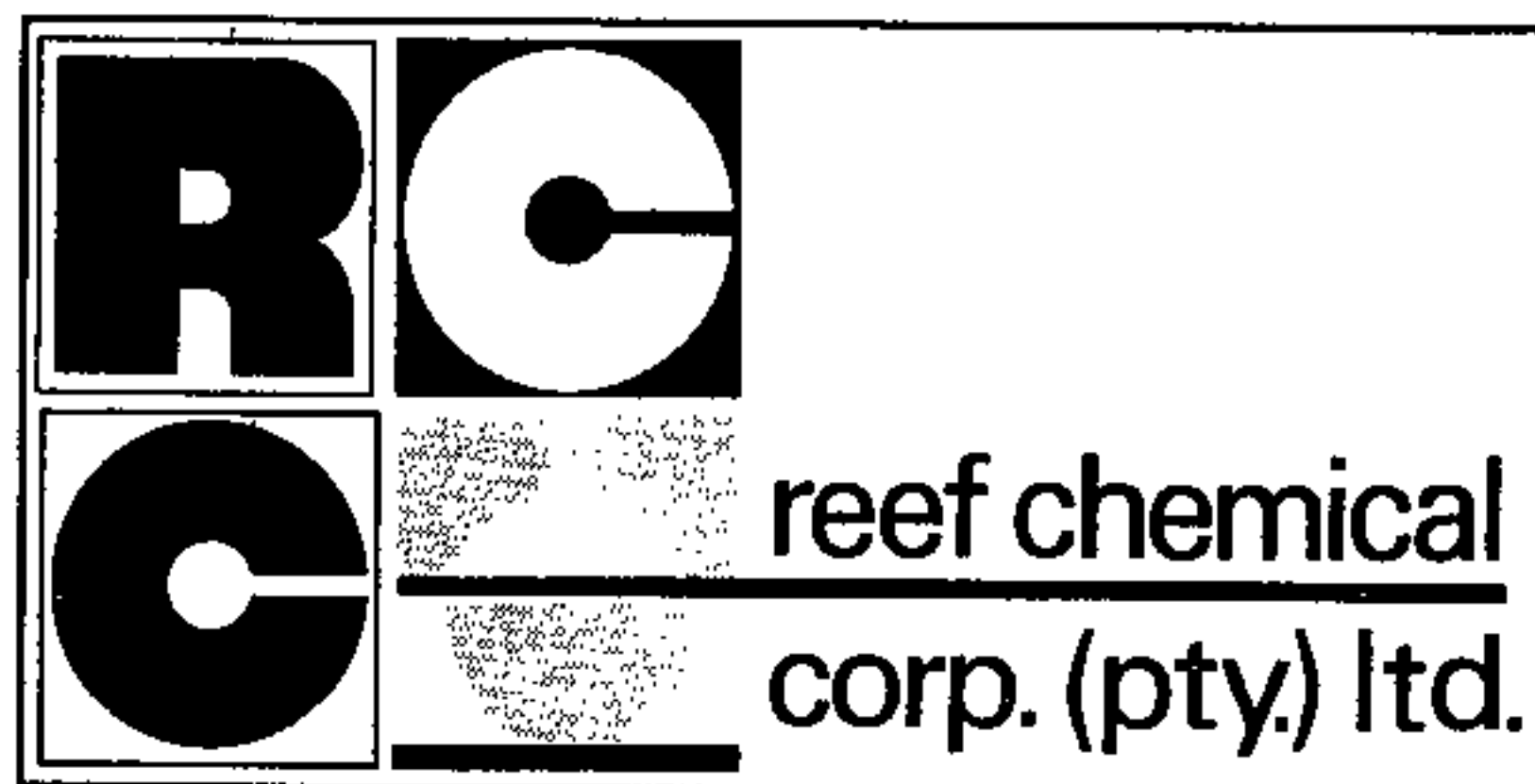


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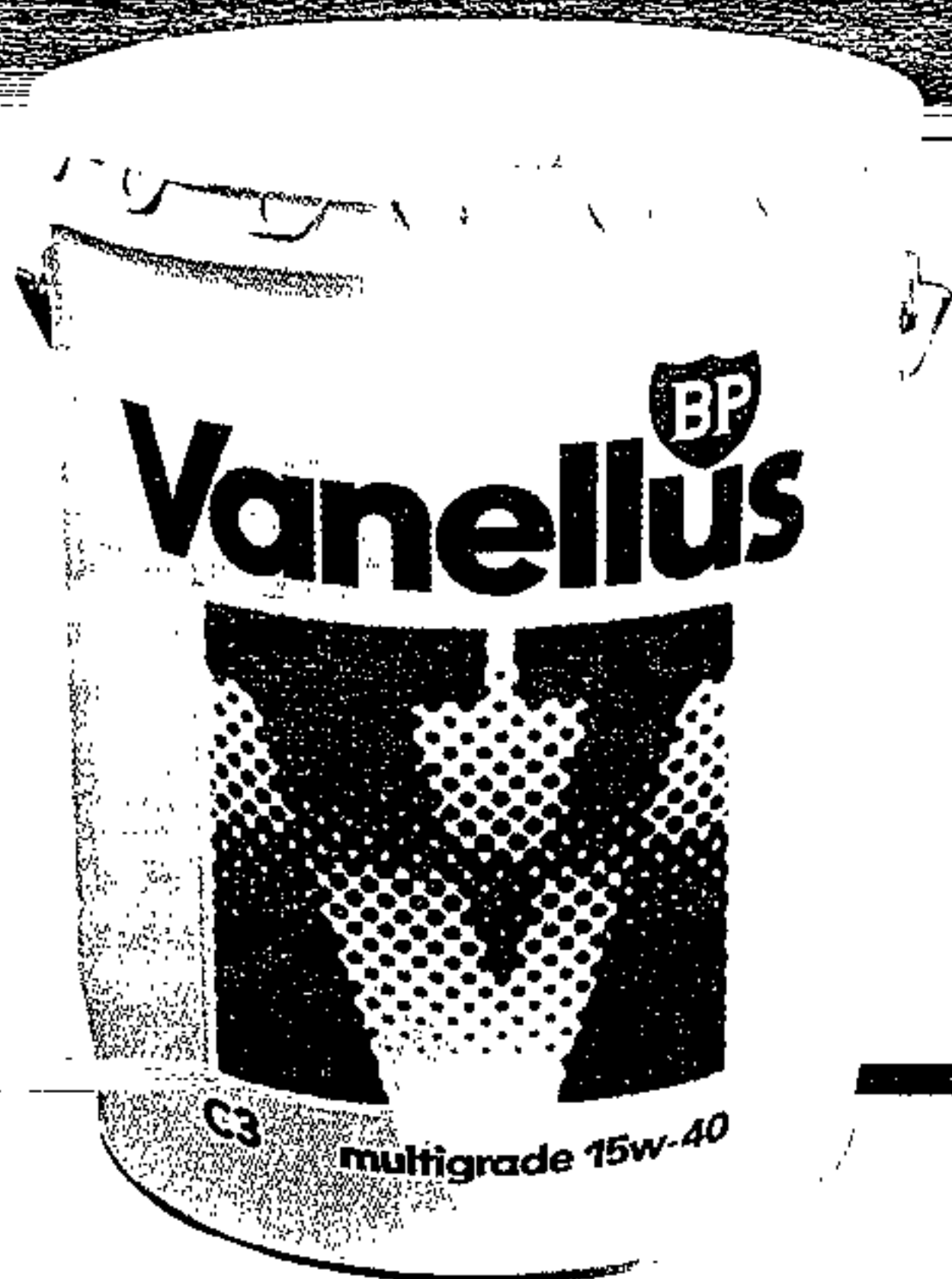
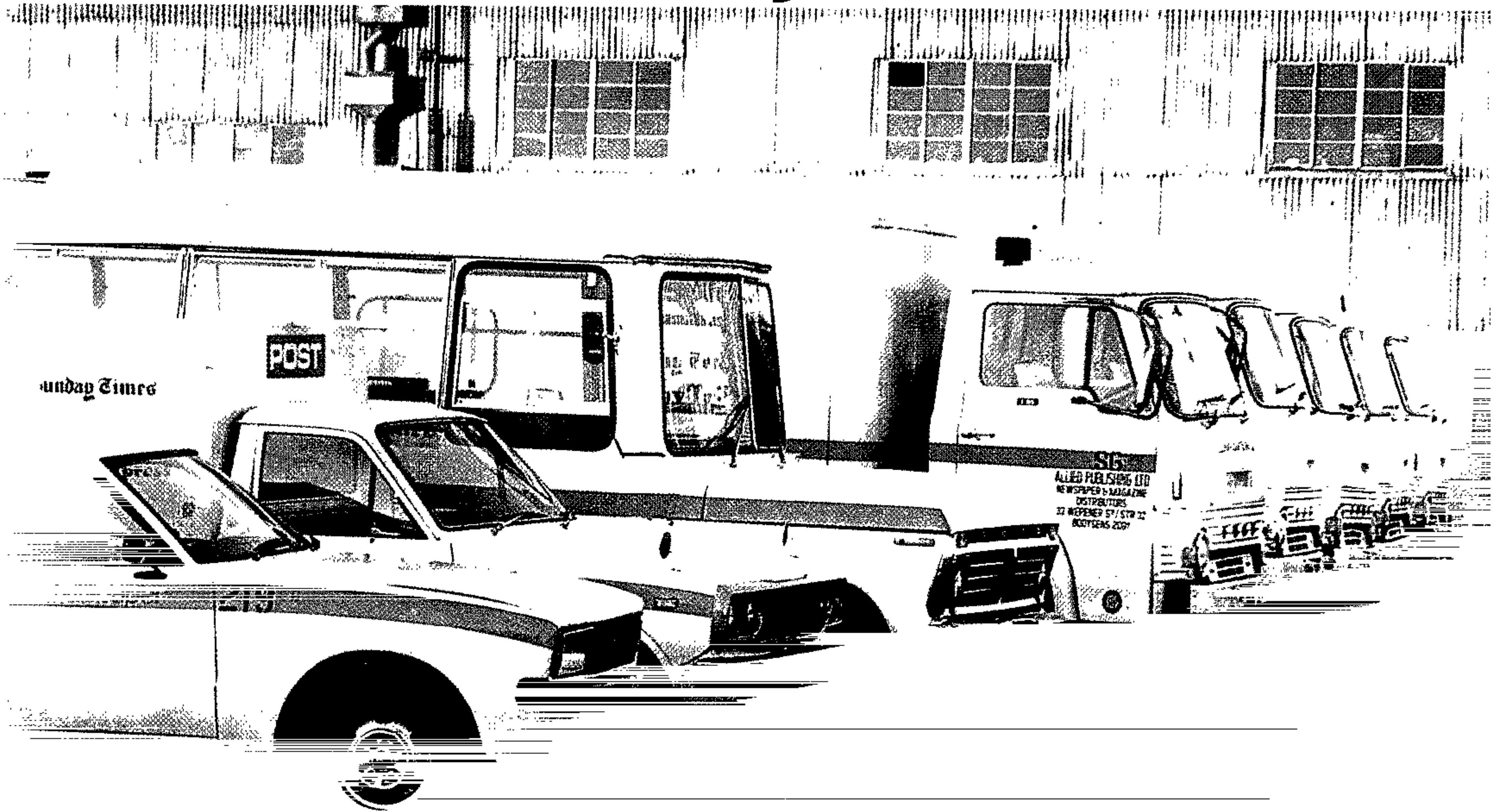
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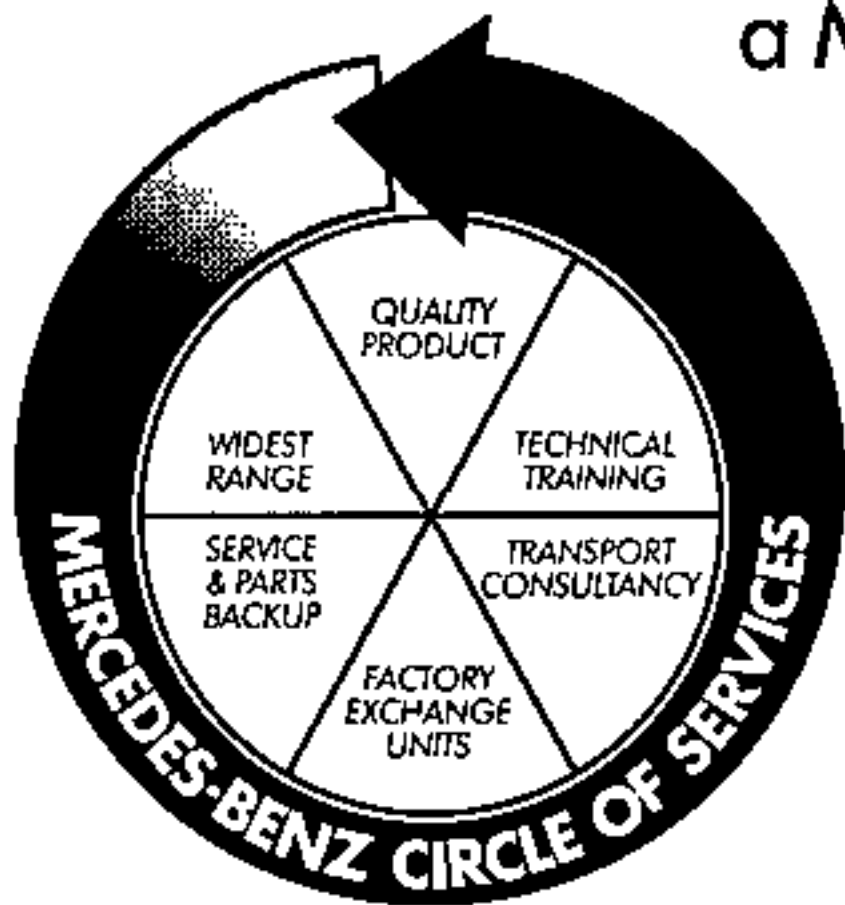




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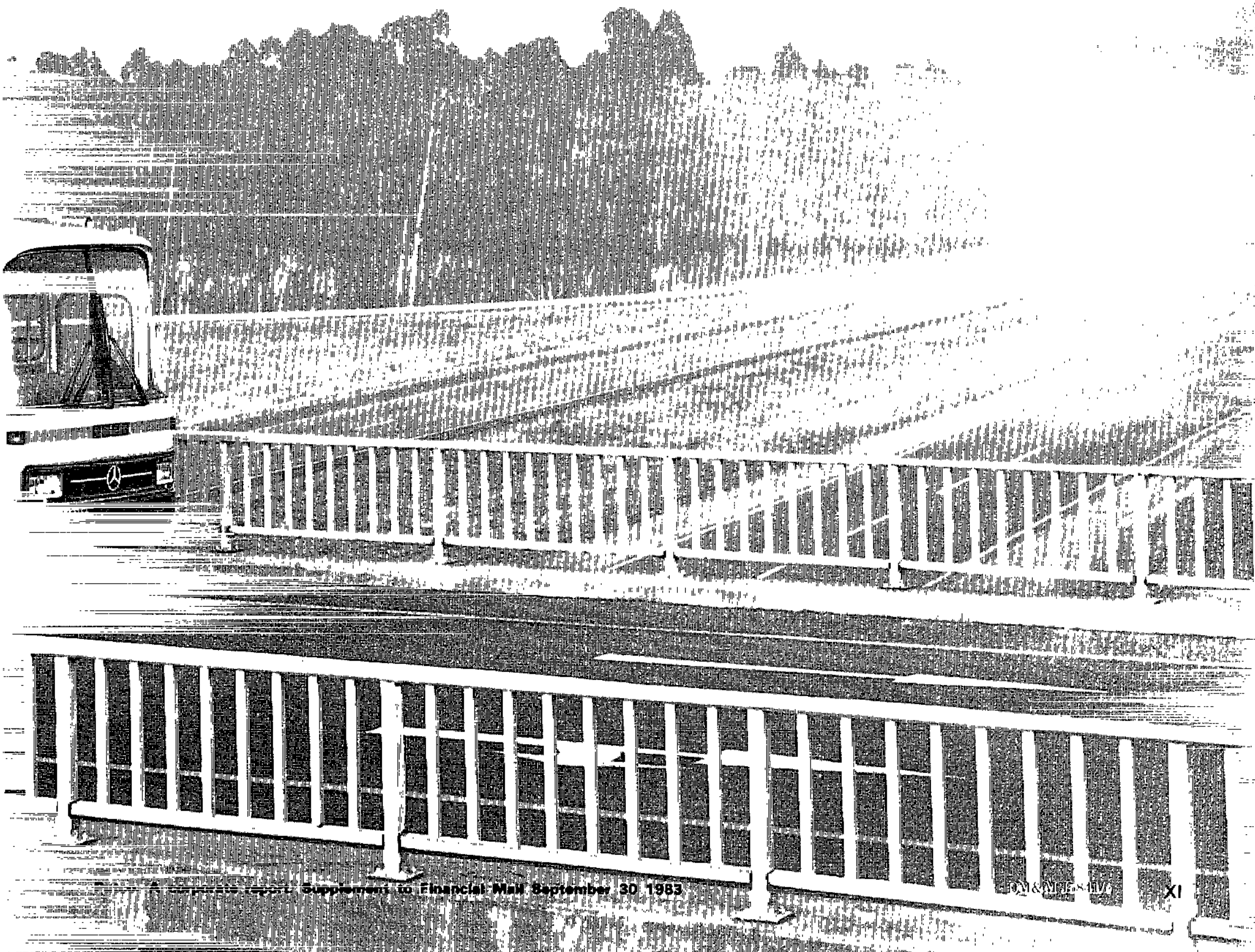
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# MERCEDES-BENZ BUS GET TAKEN FOR A RIDE.







# Learning on the job

*Putco has been training drivers since the Fifties. In recent years training has been extended to a host of other jobs*

Since the Fifties driver training has been a key factor in Putco's ability to serve black commuters. In the Seventies the company decided to supplement this with training for engineering maintenance staff. Since then, its training needs have grown in proportion to the increase in its scale of operations.

To satisfy these needs Putco, which had long had its training scheme registered with the Department of Manpower (DOM), created a separate training department in 1981. Spearheading the training initiative is Frederick Vorster, Putco's training executive and planning manager. The company's training budget for the 1983-84 year is R3.5m. This is up by 18% compared with the 1982-83 financial year.

"People in Putco today have to do specialised jobs, whereas in the past they were jacks-of-all-trades. We need to streamline people for the various positions which now exist in the company. It is rather late in the company's history to get formally organised in this way but then a great deal of informal training was always done previously. Now we are really getting going," Vorster told the FM.

Vorster's 65-strong department is split into eight specialist training sections: dri-

ver/conductors; engineering operatives; industrial relations staff; engineering apprentices; administration staff; personnel staff; traffic staff (people who control and manage the bus and passenger movement); and managerial staff.

In all, 14 courses within these eight sections have been fully developed and registered with the DOM. Five courses are developed but not yet registered and a further five are in the planning stage. Ultimately, Vorster aims at having all courses registered. This will enable Putco to benefit from tax rebates offered for such courses by the Receiver of Revenue in terms of the Income Tax Act. In its 1981-82 financial year, Putco claimed a training rebate of R1.8m.

Aside from driver training, Putco's training efforts in the past have concentrated on engineering staff who work in one of the three spheres in Putco's divisions — workshop, bodyshop and auto-electric shop. Mechanics who have completed their apprenticeships head the skills hierarchy. Less skilled are operatives of various grades ranging from "E" to "A." At the bottom of the heap are labourers.

"We have come a long way in the last five years in engineering training, which is basi-

cally the training of black operatives. We take on engineering labourers and slowly but surely start developing them into semi-skilled artisans. We do this by sending them on training courses and bringing them back to Putco where they are placed in practical job situations," says Vorster.

"After a three-month probationary period, the trainee is upgraded to 'E' grade operative. Then, depending on performance and needs, the trainee is at various intervals assigned for further training. The better workers are sifted out and end up as 'A' grade operatives." Putco presently employs 899 operatives trained in this way.

Last year Putco extended its training of engineering staff when it hired its first black apprentices. Their three year course is made up of theoretical training at the Chamdor In-service Training Centre and practical work in Putco's own workshops or at Putco's subsidiary, Voms. At the end of that time, candidates write a trade test administered by the DOM. In all 52 apprentices are undergoing training at present.

Last year also saw the start of a scheme to upgrade "A" grade operatives to enable them to undergo the trade test and thus qualify as artisans. This training is done internally. An important concession here is that these workers can be tested orally.

Putco's training section also sponsors workers for the National Technical Certifi-



Putco drivers in the classroom



Training under supervision





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## GETTING TICKETS TAPED

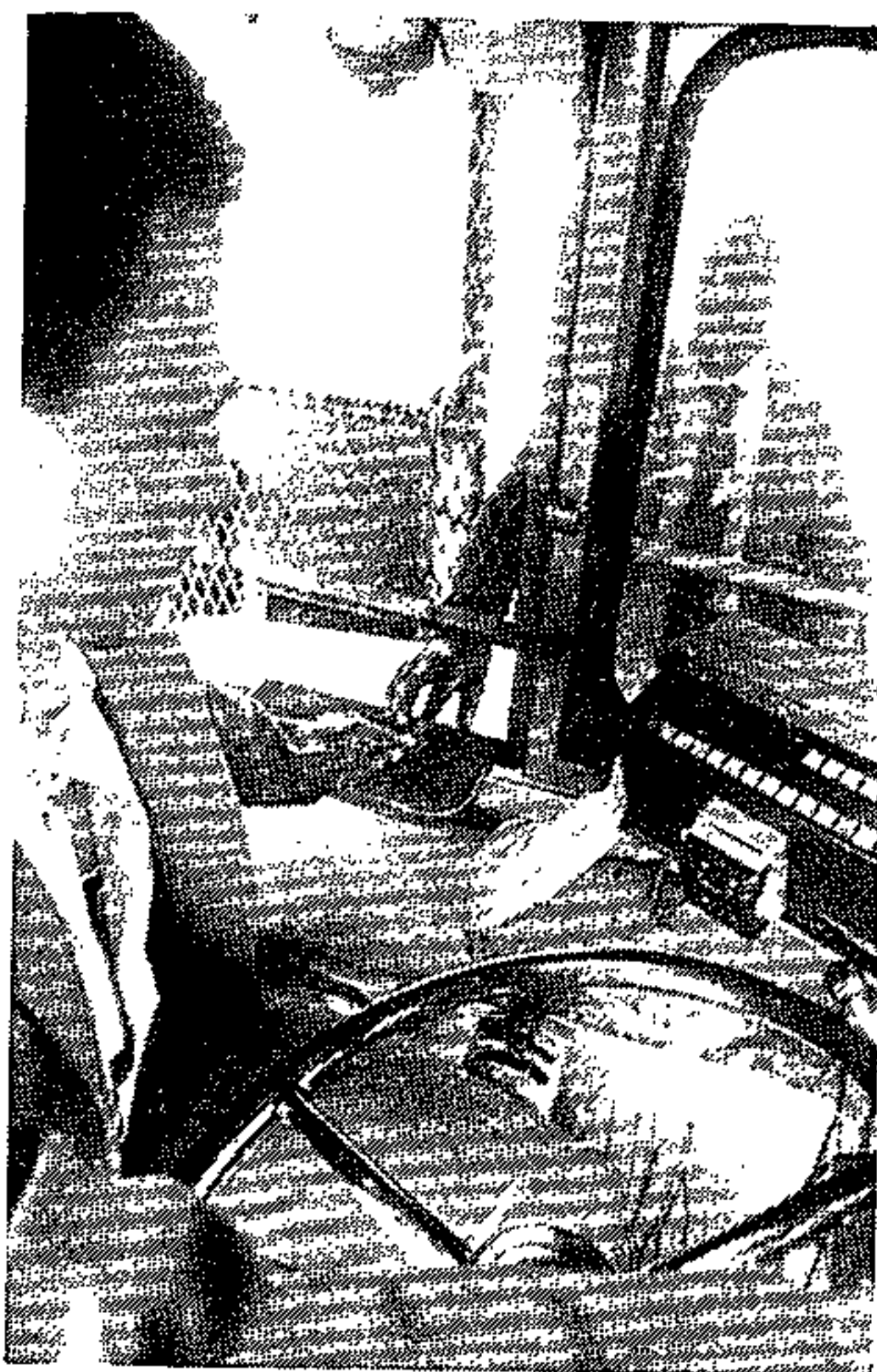
One of Putco's biggest operational headaches has been in trying to exercise control over the millions of cash and season tickets it issues each year. The current system relies heavily on manual labour, is inefficient and open to abuse. The company is now experimenting with new technologies which should lead to major improvements.

At present Putco prints all its season tickets in advance of actual sale. There are many different denominations for cash tickets, which are sold on the bus itself by the driver. Season tickets, valid for varying periods, are delivered *en block* to selling points for sale from Fridays to Tuesdays.

All the tickets and the cash are processed manually. This means that the margins for human error are great and that a large backup staff has to be employed at each depot. But from Putco's viewpoint the biggest problem with this system is that it does not provide a quick or accurate statistical picture of what is happening on the buses and routes.

This will all change if the experiment with a new system at the Dobsonville division, near Soweto, works well. The system is the fruit of Putco's collaboration with UK firm Setright Systems and consists of two kinds of ticket issuing machines as well as a mini-computer to analyse the data they provide.

Cash tickets are issued by Farespeed machines. These record the cost of the ticket, the type of ticket (adult, child), the



date and time of issue, the route, and the machine from which it was issued. Putco has bought 315 Farespeed machines at a cost of R2 000 each and now uses them on the Dobsonville buses.

Weekly season ticket Validata machines (R5 000 apiece) which interface with the Farespeed system have been installed at sales outlets. The Validata prints details like the route, fare, issue

and expiry dates onto the season tickets it issues. The Farespeed machine on board the bus cancels the nip on the ticket and records that a season ticket holder has boarded on that particular route. At the end of the day a R35 000 DEC PDP 11/34 mini-computer housed at the depot analyses the data from both machines.

"This ticket system is one of the most advanced in the world," says Cecil Hulle, Putco's management systems manager. "Information from the Farespeeds and the Validatas gives a complete statistical profile of the routes. If we find that buses are overcrowded at various times it means we can start allocating extra buses to that route. The system speeds up the flow of information to Putco and gives it far greater control of revenue at all stages."

Another big plus for the system is that it obviates the need for pre-printing tickets — a significant cost factor to Putco at the moment. The system also saves on labour. (Putco has not retrenched any workers but has accommodated them in other jobs.)

The Dobsonville experiment will continue until the end of the year. If it is judged successful — and so far all indications are that it is — the system will be introduced throughout the company. Putco is bound to benefit internally from the whole exercise and may also score externally — it has the copyright for the system in SA.

## Busmen's blues

*Putco does not always have an easy ride. Competition from other modes of transport is more enduring, though no less bothersome, than commuter boycotts*

For some looking on from the outside Putco appears to be a monopolistic giant ever-ready to protect its interests and increase its stranglehold on hapless commuters. (The company replies that there are hundreds of bus operators in SA, that the best tend to become the biggest and that it cannot be a monopoly in the true sense because it lacks the power to set its own fare levels.)

Few people, however, recognise that it is government policy, guided by the findings of

commissions of inquiry, to encourage the granting of monopolistic or quasi-monopolistic rights to operators on a regional or route basis. For better or for worse, the underlying rationale is that in such circumstances economies of scale come into play which ultimately benefit the commuter. What's more, runs the argument, single operators are more likely to run reliable services in their own interests. If they don't, competitors can always challenge their

right to operate at local Road Transportation Board route application hearings.

This protection does not mean that Putco's position is inviolable. It has to compete with other modes of transport — rail and taxi services — and is also extremely vulnerable to commuter boycotts. Indeed, both these problems are affecting the company at present.

### Rail

The recently extended rail service from Mabopane station on the border of Bophuthatswana to Pretoria's centre is threatening to reduce significantly Putco's operations in that area.

Until August 22, blacks living in Bophuthatswana and commuting to Pretoria had been conveyed from the homeland's hinterland to the SA side of the border in buses





the city, thus depriving buses of their customers. Bus operators complain that kombi-type taxis carry more than the legal limit of eight passengers and so operate as buses — without the obligations imposed on bus operators.

The final report of the Welgemoed Commission of Inquiry into bus passenger trans-

port has recommended that taxis should be defined as sedan-type vehicles with a maximum carrying capacity of four passengers and that the kombi-type taxis be reclassified as mini-buses subject to the same controls as buses.

Putco fully supports the commission's recommendations on taxis. But Putco PR

man Pat Rogers says the company is in favour of private enterprise and is sensitive to the position of legitimate taxi operators (who could find themselves in a pickle if the commission's recommendations are accepted by government).

Putco, he says, would like to see a viable role for them.

## ACCOMMODATING WORKERS

Accommodation is one of the most serious problems plaguing the black community today. Putco's workers are not exempt from it, especially the migrants who are forced to lodge in other peoples' houses or in hostels.

Neither of these options is easy to attain and some hostels are certainly not the most salubrious of environments. Putco is sensitive to these problems. For permanent urban dwellers it operates a Housing and Assistance Fund and for migrants it has built a R300 000 men's residence of its own at Vosloorus, near Boksburg.

The residence is very close to Putco's Vosloorus depot and can house 128 men, four to a room. Rental at R26/month is a little higher than that for government hostels but the accommodation is far superior.

No eating or cooking is permitted in rooms but facilities include a 130-seat dining room with a colour TV. Ablution facilities, washing and ironing facilities are also available.



An elected residents' committee helps ensure that hostel regulations are observed. And the rules are strict. No women, pets or cars are allowed on the prem-

ises. Only male visitors are permitted.

Certainly life in a residence — even in Putco's improved version — is always a bit spartan, but it does provide decent shelter. Putco management is aware that one residence is not the complete answer. Nevertheless it does see it as a start and hints have been dropped that more such schemes could be considered once the recession ends.

Putco's Housing and Assistance Fund grants loans up to a maximum of R1 000 repayable over a two-year period at 0,75% interest.

Government's recent move to sell off thousands of township houses at discount prices during its Great Sale of Houses prompted the company to increase the fund from R300 000 to R400 000 in June. A R1 000 loan does not cover the entire cost of a home in the great sale, but Putco financial executive Vic Coetzee says the company does expect workers to contribute 25% of the cost themselves. He says about 80% of the total fund has already been allocated.

## Shopfloor talk

*Like many other SA companies Putco is now having to deal with black trade unions, but it still maintains an internal liaison committee system*

Putco's operating efficiency is largely dependent on the efforts of the huge black workforce which constitutes about 95% of its total staff complement. So it is vital to keep open channels of communication between workers and management.

Putco's industrial relations structure is complex and made even more so by the fact that bus transport is classified as an essential industry. This means that one of the most basic worker rights — the right to withhold labour by striking — is ruled out. Although Putco strikes have occurred, causing havoc in commerce and industry, this factor undoubtedly places a great strain on

management and worker bodies.

According to Putco's chief labour spokesman, Paul Nucci, the lowest paid workers in the company are bus cleaners who earn R60/week. Drivers earn R90/week during their six month probationary period and then progress to the baseline rate for the job of R103,50/week. There are 10 other grades along the pay scale to the highest notch which carries a wage of R152/week. However, 10 years experience is required before this wage can be attained.

Minimum wages in the bus industry in the Transvaal, Natal and Orange Free State (where there are no bus industry industrial

councils) are determined by a wage board. At present, the board is sitting to establish new minima. Nucci says the company has always paid above these levels.

Until 1982 worker interests in Putco were confined to a liaison committee system. But since then two trade unions have signed recognition agreements with the company — the Transport and Allied Workers' Union (TAWU), affiliated to the Council of Unions of SA; and the Transport and General Workers' Union (TGWU), affiliated to the Federation of SA Trade Unions.

Putco's liaison committee system has operated for the last 17 years. Committee members are elected annually by the workers with management playing no part in the electoral process. However, a management representative does serve as its chairman.

The liaison committee system functions on three tiers:

□ The indaba. Putco's indaba ("meeting of



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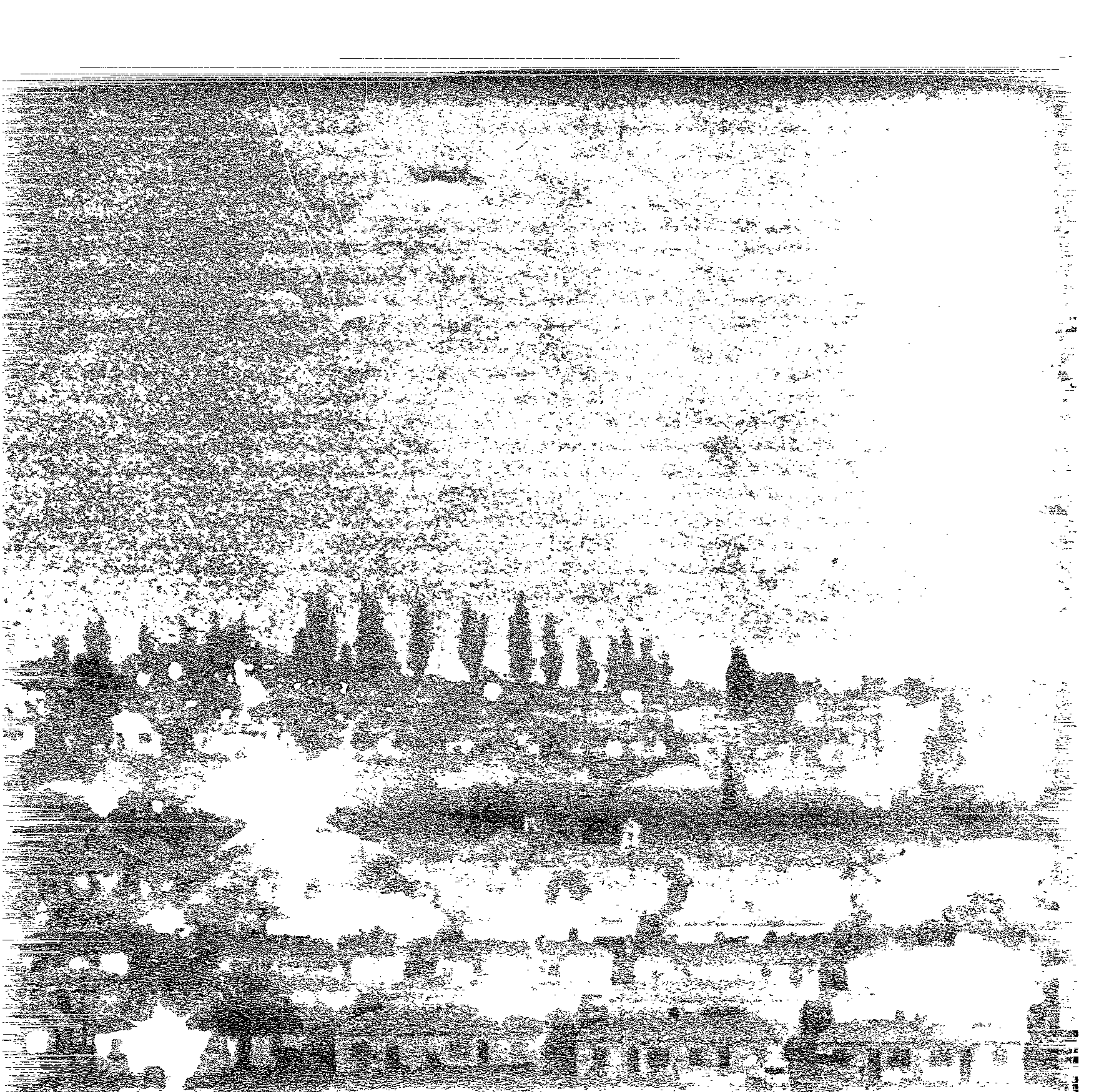
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*The land is dark as the nation's workers enter the cities.*

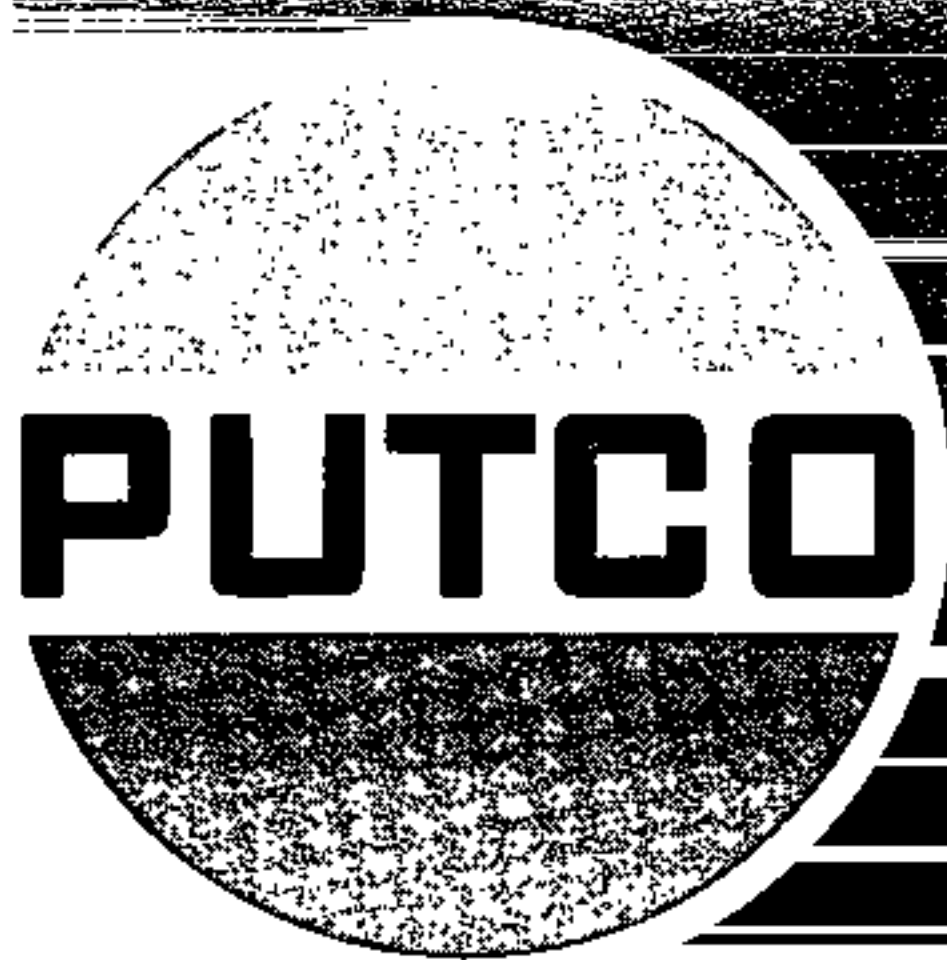
*At bus and railway stations in Soweto and KwaMashu, Atteridgeville and Mabopane, small groups grow into lengthening lines and the influx into the cities begins.*

*From KwaNdebele it may be a two-hour journey. Down Louis Botha Avenue the shuttle quickens.*

*Soon factories and offices and comfortable suburban homes will pick up the rhythm of a new day.*

*Few employers know much about the journey of the dawn commuter, and local authorities are not always quick to provide facilities to assist.*

*For our passengers, we'd like to see a little more concern and understanding.*







elders") serves primarily as a kind of disciplinary court to hear out cases of workers accused of breaching company rules (theft, fraud, drunkenness), complaints about drivers and all accidents. Once the indaba has passed judgment, workers either receive a verbal warning, a written warning or are dismissed. Two management representatives sit in on the indabas.

Indabas are held each week in all Putco's depots. The system allows for workers found guilty to lodge appeals through the divisional chain of command right up to the level of the area executive who has the final say;

□ The official grievance meeting. This is the second tier of the liaison committee system. In Putco's day-to-day running, industrial relations officers attached to each division are charged with settling worker grievances. Problems that the IRO's cannot handle go to an official grievance meeting held once a month with the divisional manager. If the grievance is too big for the divisional manager to handle, the matter goes to the third tier of the liaison committee system; and

□ Quarterly meetings. These are held at three month intervals with the area executives and Nucci. The second meeting of the year is earmarked for wage negotiations which Nucci conducts on behalf of the company. (Two elected members from each division's liaison committee form the negotiating team.)

The only Putco division which does not have a liaison committee is the Pretoria division of Sandfontein. This was previously the site for African Bus Service which Putco bought over in 1978 and the works committee system which operated in the ABS days still survives today. Representatives from this committee participate in the annual wage negotiations with Putco.

According to Nucci, works committees differ from the liaison committees in a number of ways. The disciplinary process is similar but the grievance procedure differs significantly in that line management does not participate. "This is very important because one of the things held against the liaison committee system is that, with management sitting in on meetings, staff feel they cannot really speak out for fear of victimisation," says Nucci.

Putco became the first bus company in SA to recognise a union when it signed a recognition agreement with the TAWU for its Boksburg division in 1982. Nucci says the company is prepared to talk to any union which can prove it has a 50% plus one representation in a division. This was followed by recognition agreements at five other divisions.

TAWU general secretary James Skosana tells the *FM* his union also has substantial membership at a further nine Putco divisions, although not sufficient for recogni-



Putco drivers starting the day

tion. Skosana says the union has been organising Putco workers since 1972 but it was only in the post-Wiehahn period when black trade unions became legal that it achieved recognition.

The other union involved with Putco, the TGWU, achieved recognition at the Springs division earlier this year. General secretary Jane Barrett says the union's southern Natal branch has recently submitted membership lists for recognition at Putco's North and South divisions in Durban. She says the union also has members scattered around other divisions.

Unionism has certainly meant changes in Putco's industrial relations structure. Union members are not subject to the liaison committee disciplinary and grievance procedures, but rather are represented by their shop stewards. Wage negotiations have also become far more complex since the company now has to deal with a number of different worker bodies.

Last year TAWU officially took part in the wage negotiations which had previously been conducted only with the central liaison committee. This year TGWU also joined in and the negotiations have been the toughest ever.

Initial joint talks between the company, the unions and the liaison and works committees deadlocked in July. This was followed by the unions (who in an attempt to foster worker unity appear to be involving the central liaison committee) and management submitting themselves to mediation. Even this failed to settle the issue. When the *FM* went to press the matter had still not been resolved and arbitration will be the next step.

Liaison committee systems have been the target of many critics who claim they do not give workers as much independence from

management as unions offer. Although union participation has obviously meant that negotiation is a much tougher ball game, Nucci says it does not mean that previous negotiations with the central liaison committee were a simple matter of management dictating matters to workers.

Indeed, with certain provisions, he strongly defends the system: "We are up against a nationwide condemnation of liaison committees. I think there is nothing wrong with our system if it is applied fairly and correctly." However, he does concede that Putco at present does not have enough industrial relations staff. The company's training department is making strenuous efforts to amend this situation, he says.

"The liaison committee system is complex but it is made even more complicated, perhaps, by lack of wisdom or training in the different levels of divisional management. Any reasonable system of discipline and grievance procedure can succeed with the right communication," Nucci told the *FM*.

One sphere in which the liaison committees have an advantage over the unions in Putco is that they have more contact with management to discuss day-to-day problems. The unions say that the annual wage negotiations provide the only forum for them to discuss issues with management. They complain that, in the give and take of negotiation, non-wage issues are usually sacrificed to wage demands and never come up for discussion later.

Nucci says he acknowledges that perhaps it would be better if the unions and the liaison committees could negotiate non-wage issues with each area's executive to give all the worker groups equal representation with management. Wages, however, would still have to be centrally negotiated because of Putco's structure.





operated by Bophuthatswana Transport Holdings (BTH). In SA, commuters had a choice of boarding Putco buses at a transfer terminus or SA Railways trains at the nearby Soshanguve station to continue their journey to Pretoria. The Soshanguve-Pretoria line was the first stage of a R145m rail plan that has taken over 10 years to come to fruition. According to figures supplied to the *FM*, 16 500 people travelled by train and 46 400 by bus.

On August 22, however, the situation changed radically when the second stage of the rail development was completed. A track extending from Soshanguve station to the new R15m Mabopane station, near Mabopane in Bophuthatswana, was opened, creating a direct rail link to the newly built R16,3m Belle Ombre station near the Pretoria centre.

The upshot of it all is that an extended direct rail service between Bophuthatswana and Pretoria is now available. Putco's role is reduced to running a complementary service, as trains obviously have a higher carrying capacity than buses. This pattern has been repeated time and again in Putco's history. It was forced temporarily to pull out of services to Soweto when trains were first introduced there and the same thing happened later in Mamelodi, Atteridgeville and the Durban area.

The new plan has been co-ordinated by the Interdepartmental Committee of Inquiry for the Provision of Transport Facilities to and from Coloured, Indian and Black Residential Areas, a permanent transport advisory body. Chairman Henning Claassens told the *FM* commuters would have a choice of travelling by bus or by train.

The scales appear to be fairly evenly tipped. The rail fare for a 14-trip weekly ticket is R2,70, while Putco's 10-trip ticket is R4,10 (this has been the price since fares were raised by 12,5% on August 29). But Putco points out that people living in Mabopane township would have to pay 85c for a bus ride on BTH buses to the Mabopane station, making bus/rail only 40c cheaper (for a weekly 10-trip ticket) than direct Putco buses. The company also points out that it transports people direct from township or station without their having to transfer.

Claassens told the *FM* his committee had been assured that the rail travelling time would not exceed that taken by buses. However, Putco says this does not take into account the time commuters spend making transfers.

This survey went to press soon after the rail line went into operation. At that stage it was not possible to gauge the extent of Putco's passenger loss to the rail service. The company was still operating the same routes it offered before the rail line opened. Whatever the degree of change, it will have



Soshanguve station... no longer the end of the line

an important influence on Putco as it rolls with the punch.

#### Rationalisation and boycott

The future of Putco's Natal operating area is hanging in the balance at the moment as it awaits the outcome of an inquiry into the desirability of rationalising bus services in the Durban area. At the same time it has been severely affected by a commuter boycott, although signs are that this is abating.

In line with government's aim of rationalising transport throughout the country, a commission of inquiry for the Durban area, under the chairmanship of Mias van Zyl, was established in 1980.

The area, which has 193 different operators, is highly overtraded. Putco, the Durban Transport Management Board (DTMB) and KwaZulu Transport trading as Ilanga Transport are the major operators, but there are also five large Indian operators with 50 or more buses in their fleets.

At the end of the commission's hearings last year, it recommended that all the operators themselves should come to an agreement about rationalising their services. It gave them a year in which to do this. Putco and the DTMB, which both have routes running into each other's present operating areas, signed an agreement of intent to pull out of those routes. A committee made up of all the interested operators was also formed to make a decision about splitting up the Durban area into operating zones.

Natal area executive Colin Bailey tells the *FM* the commission was due to reconvene to hear the operators' recommendations. This meeting, however, had not taken place by the time this report went to press. Nevertheless, the outcome will be crucial to Putco.

The commuter boycott started in Decem-

ber last year in the Inanda and KwaMakuta townships when Putco fares were raised by 13,5%. The boycott in KwaMakuta fizzled out in February this year, but continues in Inanda. Although it has lost some of its earlier strength, it has hit Putco hard.

According to Bailey, the Natal area's three divisions carried 7m passengers in November last year. He says that the boycott, combined with the recession, resulted in an initial drop to 4m passengers. Putco subsequently regained 1,3m passengers to bring its total to 5,3m in late July and Bailey says this trend is continuing.

The boycott has taken its toll. Bailey told the *FM* that Putco lost R6,3m between December and July, that the area's bus fleet has had to be reduced from 700 to 630 buses and that 90 staff members had to be retrenched.

An additional ramification of the boycott has been the cooling of relations between Putco and Ilanga Transport (IT). Both operate in the Inanda area: Putco internally and to Durban, and IT from KwaZulu through the township to Durban. At the outset of the boycott many Inanda commuters switched from Putco to IT, although IT is apparently prohibited from picking up passengers in Inanda.

This is merely the latest round in an ongoing battle for supremacy in the area between Putco and IT which started in 1980 when both made submissions to the Van Zyl commission. The commission may well have to sort this one out.

#### Taxis

The question of taxi competition to bus services is highly controversial. Space does not permit the *FM* to spell out the finer details, but basically bus operators claim that taxis, licensed or unlicensed, frequently cruise along bus routes touting for passengers or picking them up at illegal "stops" in





hard although it declined to give the FM figures) or other work-related reasons.

Over and above strict internal checks all drivers, because they operate public vehicles, have to qualify for a Public Driving Permit issued by the local authority for the area they operate in. This has to be renewed every six months. Putco's driver training department has designed special

courses to cater for this. It is also developing a course in advanced driver training.

At present one of the major problems Putco has with drivers is keeping them. Although there are some who have worked for the company for lengthy periods there is a 30% turnover each year.

Commenting on this, the company's industrial psychologist says bus driving is no

longer the prestige job for blacks that it used to be in the Sixties. Today people with heavy-duty licences can get trucking jobs which involve regular nine to five hours and no weekend work. Putco drivers, on the other hand, work an eight hour shift spanning 14 hours because the company's peak times are 5 am to 8 am and 4 pm to 7 pm and work continues over weekends.

## Do-it-yourself

*In the last 12 years Putco has built up a sophisticated network of workshops to cater for its own needs*

Since transport is Putco's business it is natural that its top priority would be to keep its buses on the road. A behind-the-scenes maintenance and repair network ensures that this happens.

At the end of its financial year in June, Putco had 3 412 buses in its fleet of Leyland, Fiat, Mercedes, ERF and Nissan vehicles. Some 40% are built with specially reinforced bodies to cope with poor rural road conditions. Buses have to be parked each night, watered, fuelled, cleaned and prepared for the next day. Before they go out on a trip they are checked for obvious defects. They also receive a weekly minor service, a monthly main service and have to be passed for a certificate of fitness by a local authority every six months.

These activities take place in the depots. Putco has 19 which are fully equipped to maintain buses while others serve primarily as parking areas. Much of the maintenance work is done in the middle of the day when Putco, whose essential function is to transport workers, has its "valley" period. In recent years company policy has been that buses should sleep where its passengers sleep and be serviced close to where its passengers work to save on the dead mileage back to distant depots. It has built major depots close to the centres of Johannesburg and Durban and will be constructing one near the Pretoria centre in the future.

Engineering maintenance work is carried out by some 1 600 workers ranging from semi-skilled labourers to highly qualified mechanics and engineers. Engineering policy in the company is the responsibility of engineering executive Bob Bylett, to whom report the technical managers for Putco's four operating areas. They in turn direct activities in the depots.

Bylett operates from Lea Glen, west of Johannesburg, where the central store for



Rebuilding engines at Voms

Putco as well as unit workshops are sited. The store supplies depot workshops and it's part of Bylett's job to ensure that adequate stock levels are maintained.

Putco also operates a system whereby worn-out engines, gearboxes, differentials, starter motors and alternators are swapped with the depots on a unit exchange basis. Voms, Putco's heavy engineering subsidiary, undertakes the rebuilding of the engines and gearboxes. The Lea Glen unit workshops overhaul differentials and the other units.

These practices considerably prolong the working life of Putco's buses. They also save the company a lot of money. Bylett says it's possible for engines to be replaced three or four times in the life of a bus, the gearbox four or five times and the differentials twice.

Eight years after a bus is introduced into Putco's service it undergoes a critical examination. Engineering staff decide whether to replace its body with a view to prolonging its operating life by a further eight years or, if it is still in reasonable condition, to allow it to see its life through to 12 years. Body replacement is done at Putco subsidiaries Africa Body and Coach and Crown Body and Coach who, along with another subsidiary, Dubigeon Plastics (DP), also build original bodies for Putco.

Bylett is also charged, along with the procurements executive, with making sure Putco has enough buses. But tuning supply to demand in a company like Putco is a tricky business. It takes 18 months to order a chassis and have a body built on a bus. In recent years Putco has had trouble keeping up with expansion. In the 1981/82 financial year its fleet increased by 470 buses from 2 750 to 3 320. In the last financial year, however, the fleet only increased by 92 to bring it up to a total of 3 412.

The slowdown in fleet expansion reflects recession-related passenger fall-off. Of four hundred new buses ordered in 1981, 100 have already been bodied but Putco has been forced to stockpile them at DP as they are not needed currently. Bylett is confident that the economic upturn will come in about March next year and then buses will once again be in great demand.

The advent of the local content programme for engines and gearboxes last year has had a big impact on Putco. In the past, the company imported all its engines, but all the new buses on order will be powered by Atlantis Diesel Engine (ADE)-produced 407 engines. Of these, the 200 Mercedes and Fiat models will be equipped with locally-manufactured ZSF 6/90 gearboxes.

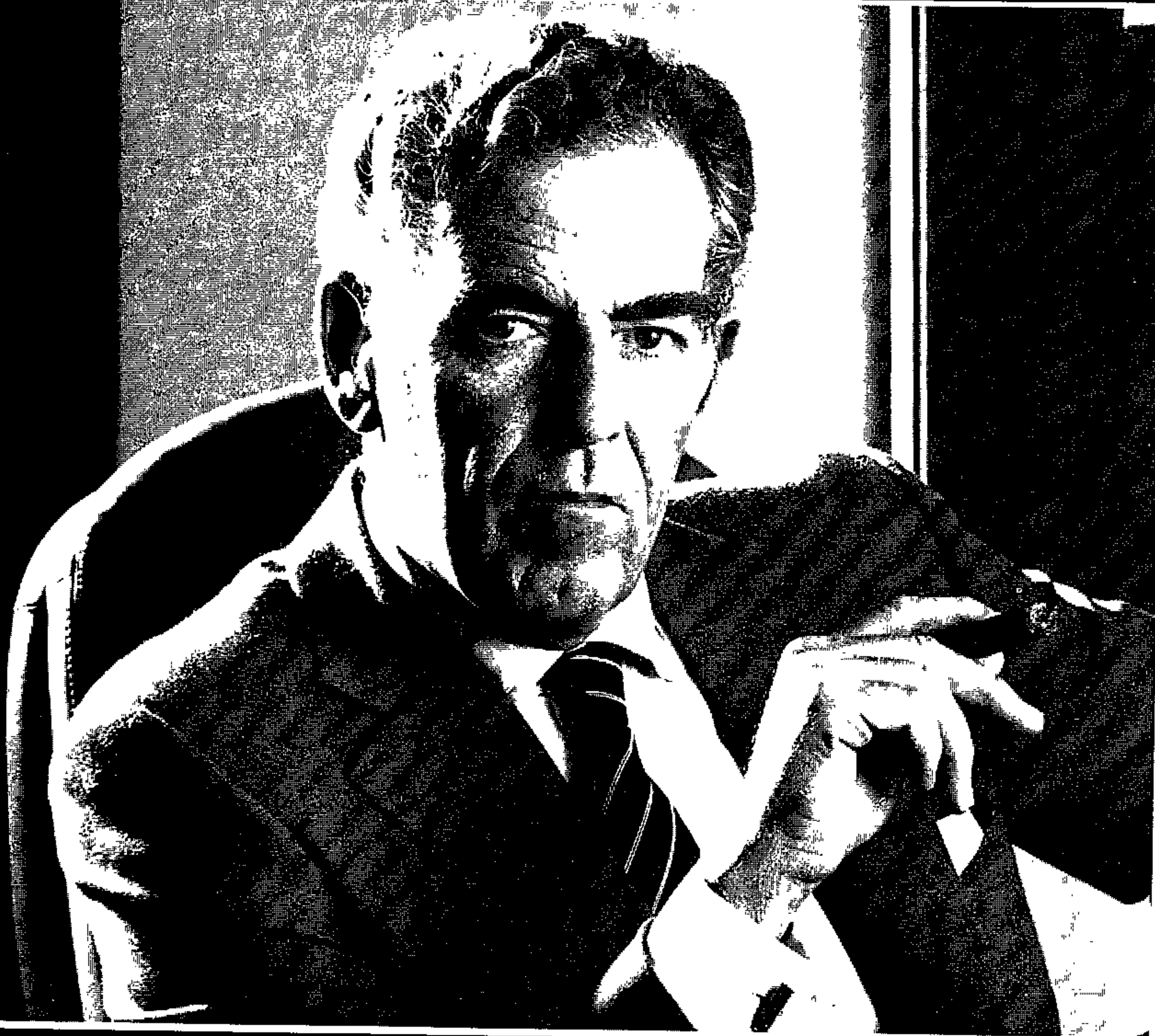
Local content certainly has increased Putco's outlay for new buses. Bylett says buses cost R56 000 in 1981/82. Local content upped this to R72 000 this year. He also says there are some compatibility problems between ADE engines and some types of gearboxes, which ADE has undertaken to investigate. Despite these problems the company remains committed to the principle of encouraging local content.



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tions should be extended to include all the co-ordination aspects of surface transport of passengers. In addition it was proposed that three bodies be established for each region:

□ Autonomous statutory Regional Road Transportation Boards (RRTBs) to take over all the functions of the present Local Road Transportation Boards (LRTBs) in an area (other than hearing applications for the adjustment of bus tariffs);

□ Regional Transport Co-ordinating Boards to advise the NTC on adjusting bus tariffs and the date on which they should be implemented as well as the issue of subsidies; and

□ Metropolitan Transport Advisory Boards whose main functions should be to advise the Minister of Transport on matters regarding transport in their areas.

Why did the commission propose allocating the final say on tariff adjustments to the NTC?

Public transport has become a politicised issue. This is worrying. The present LRTB hearings are misused. The commission would like to see debates on tariff adjustments take place in an orderly manner by people who represent someone — either the bus company, the workers, the community or the employers. We don't want to take away any freedom of speech but we would like orderly discussion. RTCBs must advise the NTC.

What about the recommendation calling for the scrapping of the Department of Co-operation and Development Committee for the Consideration of Increased Bus Tariffs for Black Passengers which has the final say on the date new tariffs are to be implemented?

At present this function is in the hands of government. We would like to see this body's functions in the hands of different people, for example, the Trade Union Council of SA, SATS, organised industry and trade.

What is the commission's view of the practice in bus companies of building up large reserves of capital to renew their bus fleets based on the actual replacement value of buses as opposed to historical values?

The question which has to be posed is: how do companies accommodate high inflation rates on assets whose economic life depends on many factors? Buses are not like buildings which appreciate in value. It is therefore important that their useful life be determined as accurately as possible. The depreciation rate allowed for company tax purposes is not necessarily a correct indication of useful life.

The basis of tariff adjustments should be total revalued capital — that is the replacement costs of an undertaking's capital. This may not be distributed in the form of a dividend or a declared profit. Strict control



Welgemoed ... trying to depoliticise bus transport

is exercised in this respect.

Please comment on the recommendation that, for the purposes of determining economic tariffs and the basis for subsidies, a trading profit up to a maximum of 12% over the long term before interest and after tax should be used as the norm, based on the revalued capital employed.

We would like to see private enterprise doing the job of bus transport. But there are other factors involved because the passengers are subsidised and the whole issue has become very politicised. There might be criticism of the recommendation but if bus companies make 12% they can deliver a good service to the public and still be an attractive industry for investment purposes.

The commission found that in bus companies which have a number of subsidiaries, inter-company transactions take place which may distort costs. Please expand on this.

There is a certain economic advantage in doing conglomerate-type operations. But in doing that it must be brought into the open. Let's face it we are working with public money. We must make sure that it is used in an efficient way and is paid out according to a fixed governmental policy.

The commission found that there is sufficient justification for the payment of subsidies to worker commuters who cannot pay their own transport costs but recommended that subsidies should be phased out on the long term. Please comment.

Subsidies are desirable, but only under certain conditions. However, the commission supports the concepts of private enterprise, equal pay for equal jobs and that commuters should pay the full economic tariff themselves. The phasing out of subsidies is a goal we would like to see achieved in the long term. But we have doubts about

the practical implementation of this goal and have therefore recommended that a select committee of Parliament should investigate the matter.

Given the existence of the Group Areas Act and the homeland policy, do you really think it is possible to depoliticise transport?

Yes. In SA transport issues are often exploited and made into political issues. I think that if the commission's recommendations are implemented this would contribute to depoliticising transport.

To what extent did the commission take into account government's new constitutional proposals?

Throughout the commission's reports you can see that we looked into the issue of constitutional development. Where possible we took note of viewpoints and made recommendations to allow for flexibility if and when the new constitution is implemented. One of the most controversial aspects of the commission's reports is the recommendation that there should be a clampdown on the kombi-type vehicles which presently serve the black community as taxis. Please comment on the following recommendations:

- That taxis should be defined as vehicles carrying four people plus a driver; and
- That the present kombi-type vehicles with a carrying capacity from five to 25 passengers should be classified as minibuses subject to the same rules as buses.

The authorised taxi of the kombi-type is, in many cases, a particularly strong competitor for the existing bus and train services because it does not operate in the spirit of the permit of a taxi and is used as a small bus along bus routes when it suits the owner. Bus companies are subject to strict controls and need to be protected from these people. The problem is made worse by the fact that there are thousands of illegal taxis.





in seeing to the needs of the black community.

**What is the relationship between the Carleo and Putco groups?**

The Carleo Group (CG) is a non-operative group. A CG subsidiary, Carleo Enterprises, has the 52,6% controlling holding in Putco but the majority of the group's share portfolio is in property. Only one of CG's properties is leased to Putco. There is no conflict of interests between the two groups.

**Putco appears to be a prime target for frustrated blacks. Why is this so?**

Commuters all around the world have a love-hate relationship with buses because they have to take them to get to work, an activity a lot of people don't care for. When they let off steam they direct it at the first thing they see — and buses are highly visible. In Italy, West Germany and England you'll find that when social unrest erupts buses get attacked first. The same applies in SA. But we have an extra problem: buses can be manipulated by political elements to cause social and industrial disruption. Putco is not singled out, but because it is the biggest, its disruption causes the greatest havoc in the urban areas. Remember 65% of what happens in SA happens on the Reef and we carry far more passengers there than anyone else. But the same applies on a smaller scale in Rustenburg, Port Elizabeth and elsewhere.

**What is Putco's response to the Welgemoed Commission's (WC) recommendations?**

The Welgemoed Commission is the biggest thing that's happened in the bus transport industry for decades. We feel that its recommendations in all three reports are justified and valid and are hoping that most of them will become law as soon as possible.

**What in Putco's view, are the best aspects of the report?**

We thoroughly approve of the commis-

sion's recommendations aimed at removing opportunities to make the bus industry and fare increase applications a political football. We also approve of the recommendations that the bus industry should not be fragmented into lots of small operators but that bus companies should rather be granted regional responsibility. At present the large number of operators means only increased costs and fuel usage without meaningful returns.

**The commission recommended that the Corporation for Economic Development should disinvest in bus companies operating in the homelands. Would Putco consider buying into these companies?**

We will play our role if we are asked to do so by the authorities concerned.

**What is Putco's attitude to the commission's recommendation that bus companies' profits be limited to 12% after-tax and before interest?**

Putco has not yet achieved that profit. We feel that 12% in the short term is a target to aim for. But we also feel that it should not necessarily remain at that level forever. The economic situation, interest rates as well as inflationary trends, obviously affect this.

**The commission recommended that the operating results of all bus companies' subsidiaries should be consolidated into a joint set of statements so that the overall profit or loss of a group can be considered when fares are adjusted. What is Putco's response to that?**

Putco has had fully consolidated accounts for the last 12 years.

**What about the commission's recommendations on taxis?**

This is a very controversial issue. It has never been Putco's intention to gun for taxis. I think that every mode of transport has a role to play, provided that one mode does

not assume the role of another. If this can be controlled through legislation and proper law enforcement there is no problem whatsoever. However, a taxi that can provide serious competition to a bus cannot be called a taxi. It is a minibus and should be subject to the same controls as buses. Uncontrolled services are detrimental to the taxi, the bus and the commuter.

**The FM understands Putco is considering establishing its own minibus service.**

We are always on the look-out for cost savings. If there are routes on which a minibus is less expensive to run than a bus then, certainly, we will introduce them. This only applies to routes in which the time lag between buses is so great that we lose passengers, or on less populated routes which we are obliged to operate where buses are too big to be economical. However, the role of the minibus as envisaged by Putco should not be construed as a vehicle to combat or usurp the taxi's role.

**Judging from commuter reactions to fare increases it seems that most commuters think Putco fares are too high. Please comment.**

Fares are a sensitive issue for most commuters. Therefore they object *a priori* without attempting to see whether an increase is justified or comparing it to price hikes for just about every other commodity. The only issue in my opinion is how much the passenger pays and by how much government wants to subsidise the commuter. The Welgemoed Commission has recommended that subsidies should be phased out altogether and that passengers should pay the full economic fare. If this happens, fares paid by subsidised commuters will go up by at least another 30%-40%. But in our society at present I think that the current subsidy structure is here to stay for a long time and will increase, not be reduced.

## Welgemoed on Welgemoed

Peter Welgemoed was the first South African to obtain a doctoral degree in transport economics and is a nominated National Party MP for the Transvaal. A former professor of Transport Economics at the Rand Afrikaans University, he chaired the Commission of Inquiry into Bus Passenger Transportation. The last of the commission's three reports was tabled in Parliament in July. Since government's response to the commission's recommendations will directly affect Putco's future, the FM spoke to him.

**FM: What were the commission's terms of reference?**

**Welgemoed:** The terms of reference were very broad and each report dealt with different aspects. The first dealt with the desirability of establishing a co-ordinating body or bodies for bus transportation in the various metropolitan areas. The second report examined bus tariffs and subsidies. The final report covered future policy; the effect of taxis on the bus industry and the laying down of guidelines in this respect; the necessity of the security of the bus industry in the interest of SA; and the desirability of a national bus transportation corporation. What are the Commission's recommendations on co-ordinating bodies for metro-

politan areas?

From consideration of the memoranda submitted to the commission it was clear that adjustments needed to be made to the present system of co-ordination of public transport, especially in the metropolitan areas, as it does not meet the demands made on it. The approach to transport should not be in terms of demarcated areas, but in terms of the regional context.

The National Transport Commission (NTC) is the statutory body responsible for structuring broad overall transport policy. The commission recommended that the NTC should be retained but that its func-





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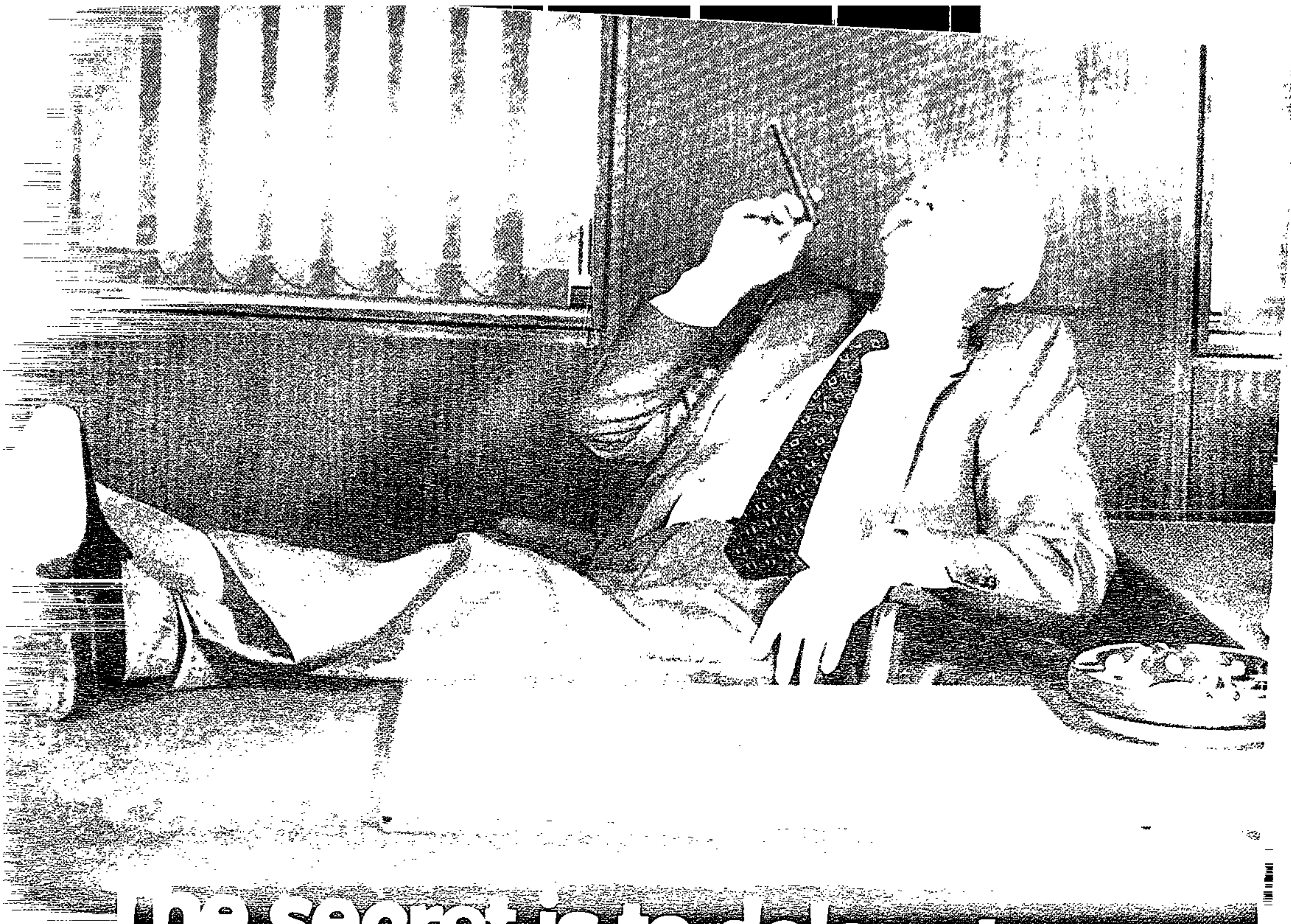


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- ★ 8 Trips daily between Johannesburg and Pretoria depots
- ★ Daily door to door deliveries and pick ups in both cities – or parcels can be collected at our depots
- ★ We also operate collecting and delivery services to Sandton, Midburg, Alberton, Edenvale, Belleriveview and Germiston
- ★ Prompt deliveries of tenders and many mail bags
- ★ All consignments insured for up to R200 at no extra cost
- ★ Parcels accepted C.O.D. basis

★ Deliveries undertaken to private homes within our operating area.

We've been in business for 45 years and you can safely delegate your delivery problems to our Parcels Manager Mr. P. H. Terblanche, (011)683-8375/9.

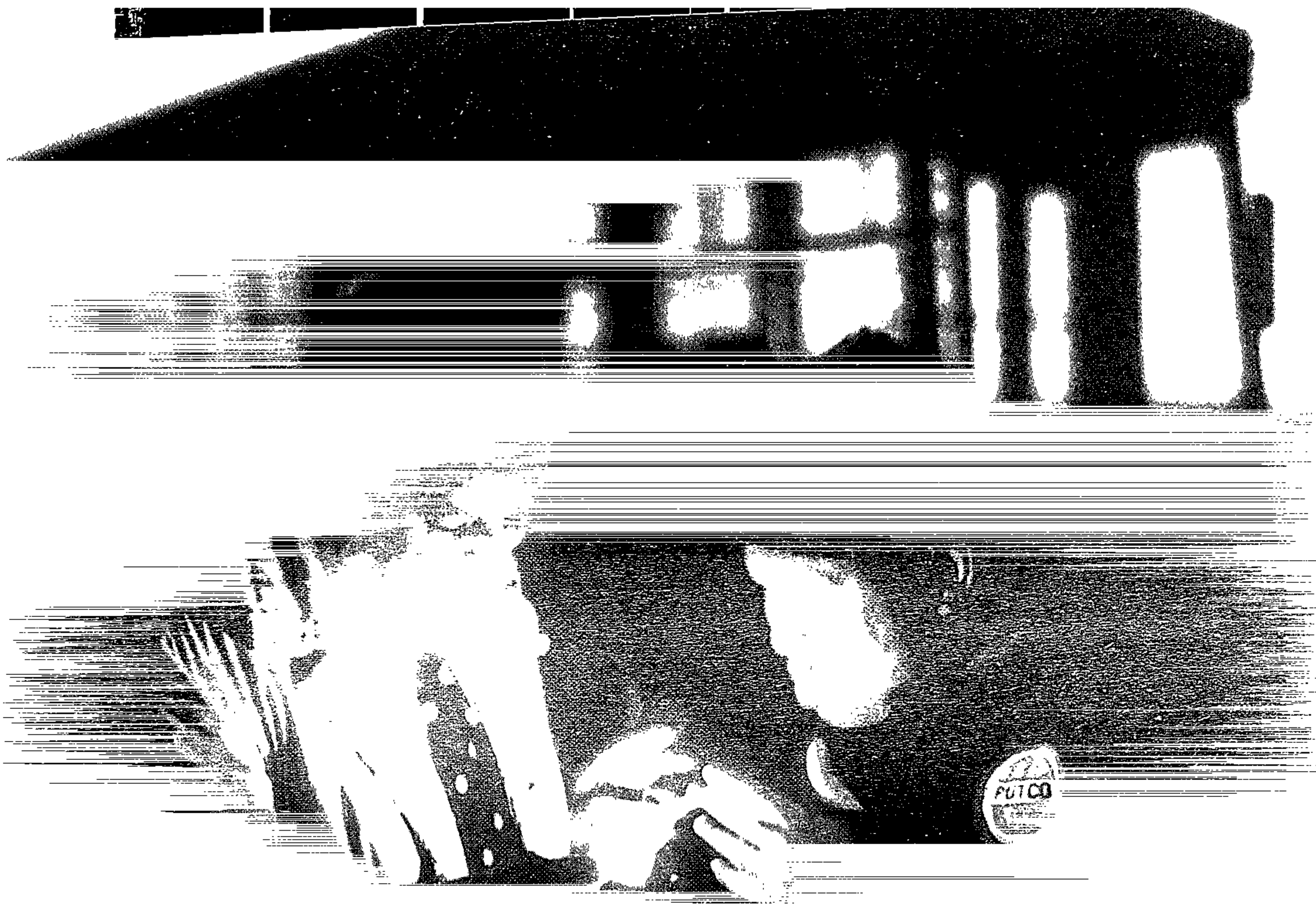
Oh yes – we're also big in private bus hire, through the same number



**PUTCO  
OPERATING**

Johannesburg Depot: 19 Turf Siding Road off Rosettenville Road  
Pretoria Depot: 264 Bosman Street Cnr Pretorius Street  
Bramley Depot: Main Pretoria Road Wynberg, next to RGS Service Station





# Who gets the early bird on the job?

Before the sun comes up on the first worker at the first bus stop, Putco is ready to roll.

Depot Superintendent Theo Stoutjésdyk often starts his day around 3.30 am, at Temba, Mabopane, Soshanguve, Erasmus or GaRankuwa. He's there to supervise the drivers collecting their waybills and tickets, checking their vehicles. The fleet roars to life and moves out into the cold. Back at the Boom Street Depot there's a build up of clerical work, inquiries and complaints. Theo may not head home again until after the evening traffic peak has died. Then he's on stand-by at the end of a car radio or telephone.



Driver Philemon Ramatokema covered more than a million kilometres behind the wheel. Dirt roads, city traffic jams, special hires — he's done them all.

Philemon works an eight hour day spread over 14 hours. There are other driving jobs which pay as well and offer better hours, but he's one of those who wouldn't switch.

"I know this is the most important job for me," he says, "when I see all the other Putco buses on the road in the cities and in the bush, carrying my people."

Putco's secret is nearly 10 000 busmen like Theo and Philemon.





least 10% a year over the past 12 years or more and will certainly continue to grow at this pace or faster in future. Competition is strong, however, from the railways and from the new surge in private taxis and mini-buses.

What is more, complains Coetzee, the number of passengers carried per bus is dropping sharply — from about 157 000 passengers per bus per year to only 130 000 last year — and the trend is accelerating. In addition, traffic congestion is curbing the number of trips which each bus can manage per day. In easier traffic conditions, each vehicle used to be able to complete two or three trips every rush hour, he says. This has now been reduced to one or two.

The mini-buses have been a major constraint in that they have both added to the congestion problem while, during peak times, they charge the same rate as the buses. Putco has considered attacking the mini-bus market but because it has to operate through the NTC and the relevant municipalities, it takes longer for decisions to be implemented.

The company's performance in the year just ended was modest, with operating costs rising at over 20% while revenues were only 14% higher at R203,3m. Tax was chopped from R8,8m to R4,7m but interest charges rose from R6,4m to R7,5m. Earnings a share were down to only 10c a share, from nearly 26c in the previous year, though the dividend has again been maintained.

## PUTCO BY HALVES

Six months ended	Dec 31 '81	June 30 '82	Dec 31 '82	June 30 '83
Revenue (Rm)	78,0	100,3	100,0	103,2
Operating cost (Rm)	74,3	82,1	94,9	93,6
Pre-int profit (Rm)	3,7	18,3	5,1	9,6
Interest (Rm)	2,5	3,8	3,5	3,9
Tax (Rm)	3,9	4,9	3,0	1,6
Earnings (c)*	(10,3)	36,1	(5,3)	15,4
Dividend (c)*	1,2	1,4	3,0	3,5

\* Dividends and earnings for both years are based on the increased share capital following the 150 for 100 cap issue at the end of the 1982 year. The effective rate of payment has remained constant at 6,5c a share.

The coming year may see a more encouraging financial performance, however, as pressure on the company's costs is reduced by the fuel price cut and, hopefully, lower interest charges. Fuel constitutes about 25% of the group's cost structure, with staff wages and salaries forming a further 35%. The second six months of financial 1983 already reflect some improvement in operating conditions with costs held below those in the first half of the year.

A further benefit arose last year from the fact that Putco is overbused. The surplus of new buses has meant the scrapping of a good number of old units which have been cannibalised to provide parts for the maintenance workshops.

Fuel costs are worrying from another angle too. The start-up of Atlantis Diesel Engines (ADE) has meant that the previously imported power train will now have to be bought locally. And, according to Coetzee, the gearbox and differential system will no

longer match up with the existing engine — adding up to 25% to fuel consumption.

The long-term growth prospects for the markets in which the company operates are good. But Putco may need more assurances from the authorities with regard to competition in the market, possibly arising out of the findings of the Welgemoed Commission, if it is to participate fully and profitably in this growth.

If Putco can clarify some of these issues, and satisfy the stock market that its services do not face any undue political risk, the share could move fairly strongly, to give a better reflection of net worth.

If this is to be the case, however, more earnings will need to flow down to the bottom-line, rather than be held back by high tax rates and interest charges. There is clearly considerable potential in the counter, if someone would just take his foot off the brakes.

Scott Hawker

# Reels of red tape

*All you ever wanted to know about bus fares, subsidies and routes*

As SA companies go, Putco is not in the big league. Yet because of the nature of its business the company has a high profile. Its public image is not always that favourable, which is unfortunate because it is often the result of misinformation.

Many people see Putco as a government institution, unaware that it is a public company listed on the Johannesburg Stock Exchange. Others fail to recognise that although Putco is a free enterprise undertaking, it is subject to the strictest controls.

And without an understanding of the control mechanisms, it's not really possible to appreciate how Putco works as an enterprise. For they extend right to the heart of any bus operation: tariffs, subsidies and operating routes.

Working through the highly bureaucratic processes which rule them is no mean task. It's complicated by the number of different

bodies involved. A nightmare for bus operators and a quagmire for anyone trying to explain it.

One basic which has to be appreciated is that bus companies are territorial animals. And in order to operate, they have to exercise the territorial imperative by staking claims for routes to run on. This is done by applying to a Local Road Transportation Board (LRTB) for a route permit. (LRTBs are the satellite authorities of the National Transport Commission (NTC), a statutory body attached to the Department of Transport (DOT), which plays a pivotal role in all matters relating to road, freight and air transport).

Applications for bus stops, however, have to be directed to a local authority — of which there may be more than one along the route. The authority publishes a notice of intention to allocate stops in the Provincial

Gazette and allows 14 days for any interested parties to lodge objections.

Public complaints come in fast and thick. Putco, however, says that employers, be they in commerce and industry or ordinary householders, want their employees to arrive at work and be transported back home on time without appreciating all the problems involved in black transport. Householders particularly, they say, want to be served tea in bed in the mornings but don't want black bus stops sited outside their homes.

Route applications are published by the LRTB concerned in the Government Gazette. A public hearing at which the bus company and any objectors can have their say takes place not less than 21 days later.

Route permits place extremely rigid restrictions on bus operators. Deviation from the specified roads is not allowed. In addition, the bus company has to pay a public vehicle licence fee of up to R203 for each bus operating on a route to all local authorities governing the route. For the 1983 calendar year, Putco paid out R330 378 in licence fees





# A foot on the brakes

*Putco has considerable stockmarket potential if more earnings can get to the bottom line*

Despite all the financial difficulties it faces — under-recovery on depreciation, taxation problems, slow movement in bus fares and so on — Putco still managed to push up its dividend payment to shareholders at a compound rate of 38% a year between 1977 and 1982.

The actual dividend declaration has been kept static at 6,5c a share since at least 1975. But the 3-for-1 capitalisation issue in March 1981 and the 1,5-for-1 issue in December 1982 have given shareholders a hefty return on their original investment. It is a fair bet that, apart from expanding the equity base, the cap issues have been used to some extent to disguise the strong improvement in payments over the past few years. In 1983, for instance, the total amount paid out by way of dividends was R1,7m, compared with R663 000 in 1982 — though the more visible per share amount was pegged at 6,5c.

A number of stockbrokers have picked out this nifty financial footwork and tip the share because of the company's powerful cash flows and asset base. Net worth of the company was in excess of R4 a share at the end of June 1982, after accounting for the effects of the cap issue at the end of that calendar year. Yet the share trades at only 115c, where it yields 5,7% on historic dividend.

There are probably two major reasons for the market's dislike for the share. First is undoubtedly the perceived political risk attached to the company's assets and operations, despite the fact that insurance would certainly cover all potential damage to the company's bus fleet and supporting infrastructure — in which case the company would consist of cash deposits worth something more than 400c a share.

Second is the necessarily cumbersome financial procedures which the company has adopted to allow it to maintain its enormous bus fleet in what it sees as adequate condition.

At the heart of this is the group's depreciation policy. As things stand at present, the National Transport Commission (NTC) permits bus operators to select the useful life of their buses and then write off a proportionate number of buses in each year.

Putco has chosen to apply a 12-year lifetime to its buses. With its fleet of approximately 3 600 vehicles at present, one-twelfth of the fleet, or 300 buses, is completely written off in each year. If the cost of replacement is R70 000, then R70 000



**Putco financial executive Vic Coetzee**

multiplied by 300, or R21 m, is written off the value of the fleet each year.

And there's the rub. While the NTC allows the operator to write off his buses at replacement cost in order to account for the effects of inflation when assessing the company's performance — for fare-fixing purposes and so on — the Receiver of Revenue has another view. He will allow Putco to write down its buses on an historic cost basis only, though at the accelerated rate of 30% a year on the reducing balance.

Therefore, because Putco knocks the fully depreciated amount off its operating profit, the company's tax position looks horrendous. In the year to June 30, for instance, the company's tax rate was 63,3%, compared with 56,5% in the 1982 financial year. At the half-way stage, the company turned in a loss because of the excessive tax charge, though it nevertheless paid a maintained dividend.

On the other hand, of course, this enormous depreciation charge is not lost to the company, and it consequently has a very strong cash flow. In 1982, the group's source and application statement shows only R6,8m coming in from net profit but R23,7m being added back by way of depreciation. It's a very cash-hungry business, of course, but reserves have still built up strongly.

Together with continual revaluations of

the bus fleet, the surplus on which is transferred to non-distributable reserves, the bus replacement reserve set aside as an operating cost every year has meant that shareholders' funds at end-1982 were nearly R107m — more than 40% up on the previous year despite a modest operating performance.

To bolster cash flow, however, large borrowings have to be taken up — an additional R21,6m in long-term finance last year alone, mainly from abroad. The rapidly expanding reserves mean that debt:equity remains largely unchanged, however, and with demand for funds slowing a little this past year, gearing should have reduced by end-1983.

The interest bill which results from high borrowings is another negative point, however, and the analyst might question whether the Carleo family's control over the company might not be seen as a constraint in this regard. As the family presumably would not be able to take up all its rights in a capital-raising exercise, it could lose control of the group. The rights issue path is therefore an unlikely one for the company and it has to suffer the consequent impact of punitive interest charges.

On top of all this, there is a further financial complication — the transport subsidy. To some, it would seem that government is giving with one hand and taking away with the other in this regard. While the Revenue department hammers the company for its inflation-related depreciation policy, the Department of Transport hands over a subsidy at the fare-paying level to bring its effective receipts up to an "economic fare" basis.

If, for instance, the economic fare for a particular trip, based on diesel, wages, depreciation costs and so on, is 4c/passenger/km, and the company's tariff for that distance, as awarded by the NTC is only 3c/passenger/km, then the difference is made up from the Transport Levy Fund — which is built up from contributions from employers — and from central authorities' funds. Last year, only 30%-35% came from the Transport Levy Fund, and this is clearly proving inadequate.

As things stand, cash tickets on Putco buses are not subsidised, but the weekly ticket — about 50% of revenue — is backed by government funds. Overall, according to financial executive Vic Coetzee, about 25%-30% of the group's revenues actually comes from outside sources.

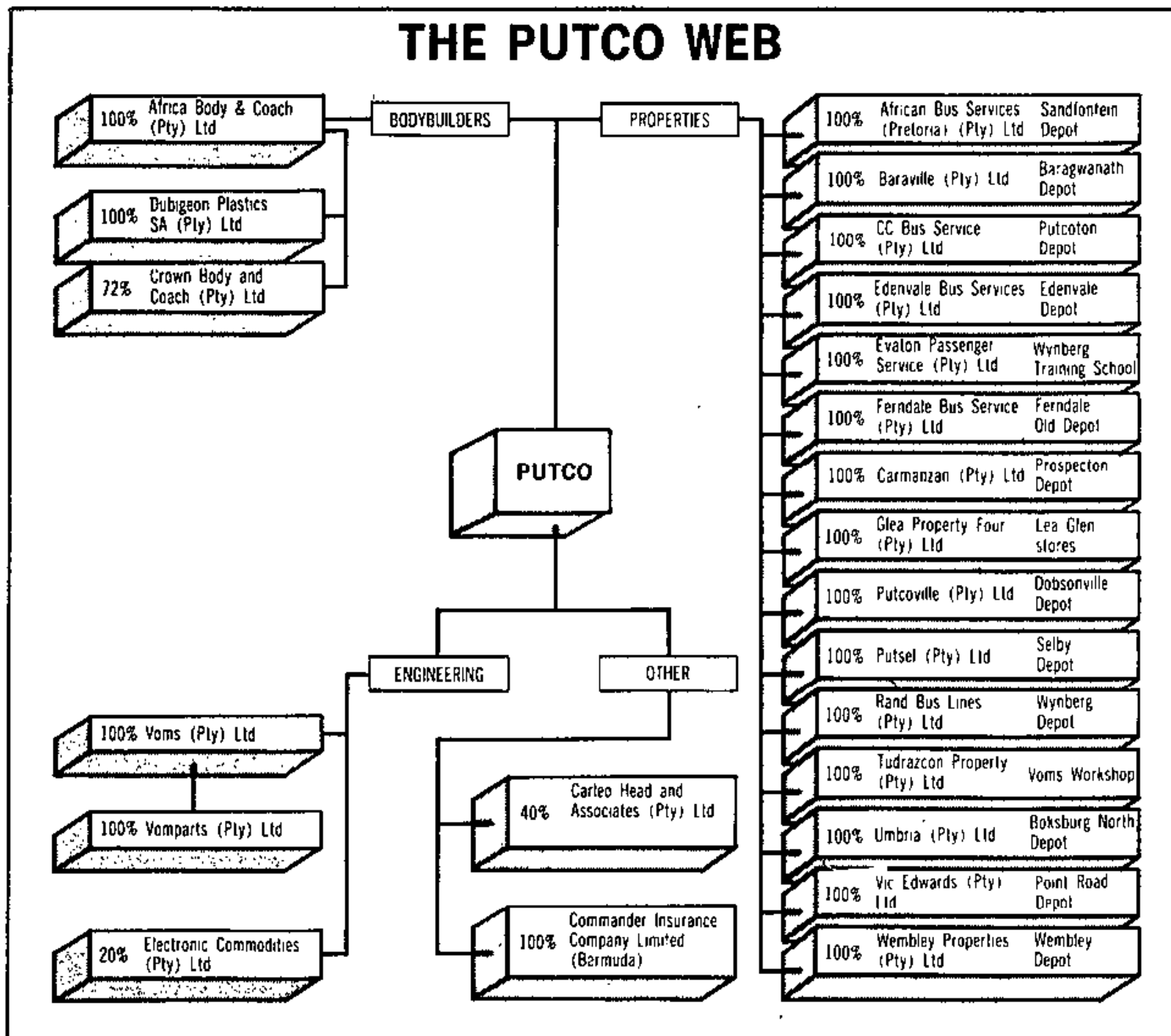
From an investor's point of view, the share has definite attractions purely because of the market in which it operates. The black transport market has grown by at





# Grouping together

*A network of subsidiaries keeps Putco's corporate body in good shape*



A successful bus operation is dependent on a number of factors, key among them adequate back-up and maintenance facilities. In Putco's case, the activities of subsidiary companies in the Putco group provide a highly sophisticated support and supply network.

The Putco group includes three wholly owned subsidiaries, two of which have subsidiaries of their own, and 15 wholly owned property companies. It also has interests in an insurance company and a motor parts manufacturing company (see flow diagram).

Africa Body and Coach, one of the wholly owned subsidiaries, and its two subsidiary companies, Dubigeon Plastics and Crown Body and Coach, concentrate on building bus bodies on completed bus chassis. The output of all three has been geared to cater for Putco's growth demands since 1971. Bodies are built specifically for urban and rural use. The latter type is specially reinforced to cope with inferior homeland roads. Chassis are supplied by either Leyland, Fiat, Mercedes Benz, Nissan or ERF.

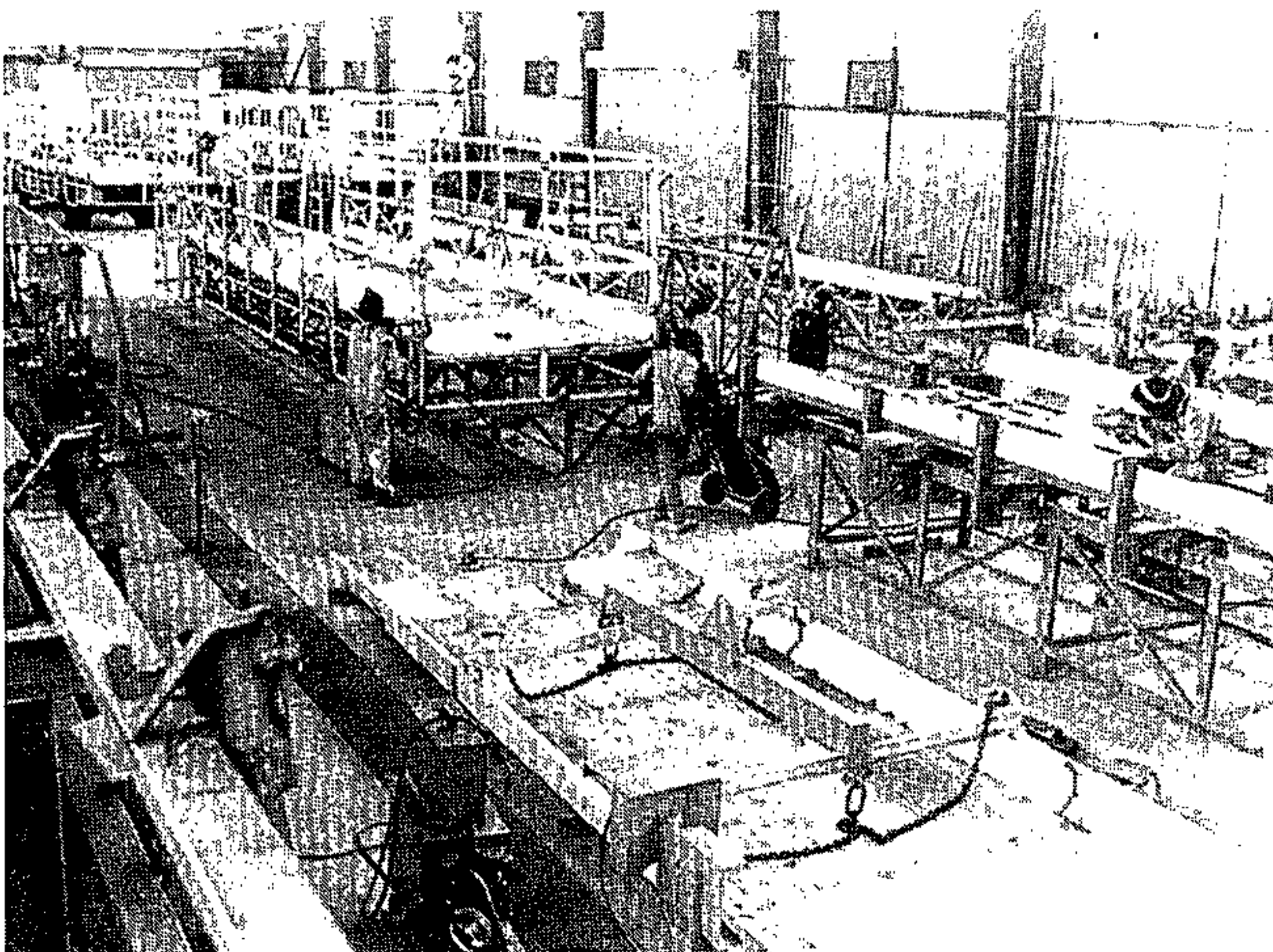
Putco's demands have outstripped its production, however, and other bus body companies like Busaf Letaba, Rosslyn Coachcraft, and Transvaal Motor Body Builders have been commissioned in the past to fill the breach.

Africa Body and Coach (AB&C) was established by the Carleos in 1948. Besides bus bodies for Putco, the company also builds bodies for special vehicles such as towing trucks and mobile ticket selling units. Major overhauls, general and accident repairs are also carried out at AB&C's Wynberg, Johannesburg, workshop.

MD Luigi Carleo tells the FM that AB&C produces about twelve bus bodies a month for Putco. He says AB&C charges R16 000/body and estimates that Putco benefits with cost savings of between 30% and 40% on each bus body from this operation.

The ultra-modern Dubigeon Plastics (DP) at Brits, a wholly owned AB&C subsidiary, is the chief bus body builder for Putco. After it was bought in 1979 from Datsun subsidiary Steelmobil, a year of painstaking planning went into developing DP into a factory tailor-made for bus body production.

Originally intended to reach a production of 24 buses a month by the end of last year, DP's output hit an all time high in June 1982 when it produced 30 bus bodies. However, the recession related fall-off in Putco's required passenger carrying capacity resulted in a build up of completed buses in June. DP was forced to go onto a four-day week and cut production to 18 buses a month.



Building bus bodies at Dubigeon Plastics





buses. Today the Putco Group has numerous subsidiaries, operates 3 412 buses (plus 90 stockpiled and 310 on order but still undelivered) and employs just under 10 000 people.

But there is more to it than that. For without the challenge that Putco presented, the Carleos might never have made it so big. Indeed, according to MD Albino Carleo, the main reason why the Carleos had to sell off the companies they established was because none of them had sufficient infrastructure to accommodate growth beyond a certain point.

"Each time an operation grew to 100 buses or more, its administrative structure was bursting at the seams and we didn't know what to do. Eventually the idea was born that we should buy Putco because by doing that we would buy the infrastructure of a bigger company," he told the *FM*. Two years of very hard work were spent putting the deal together. However, Albino Carleo confesses that it was a bit of a gamble in the beginning.

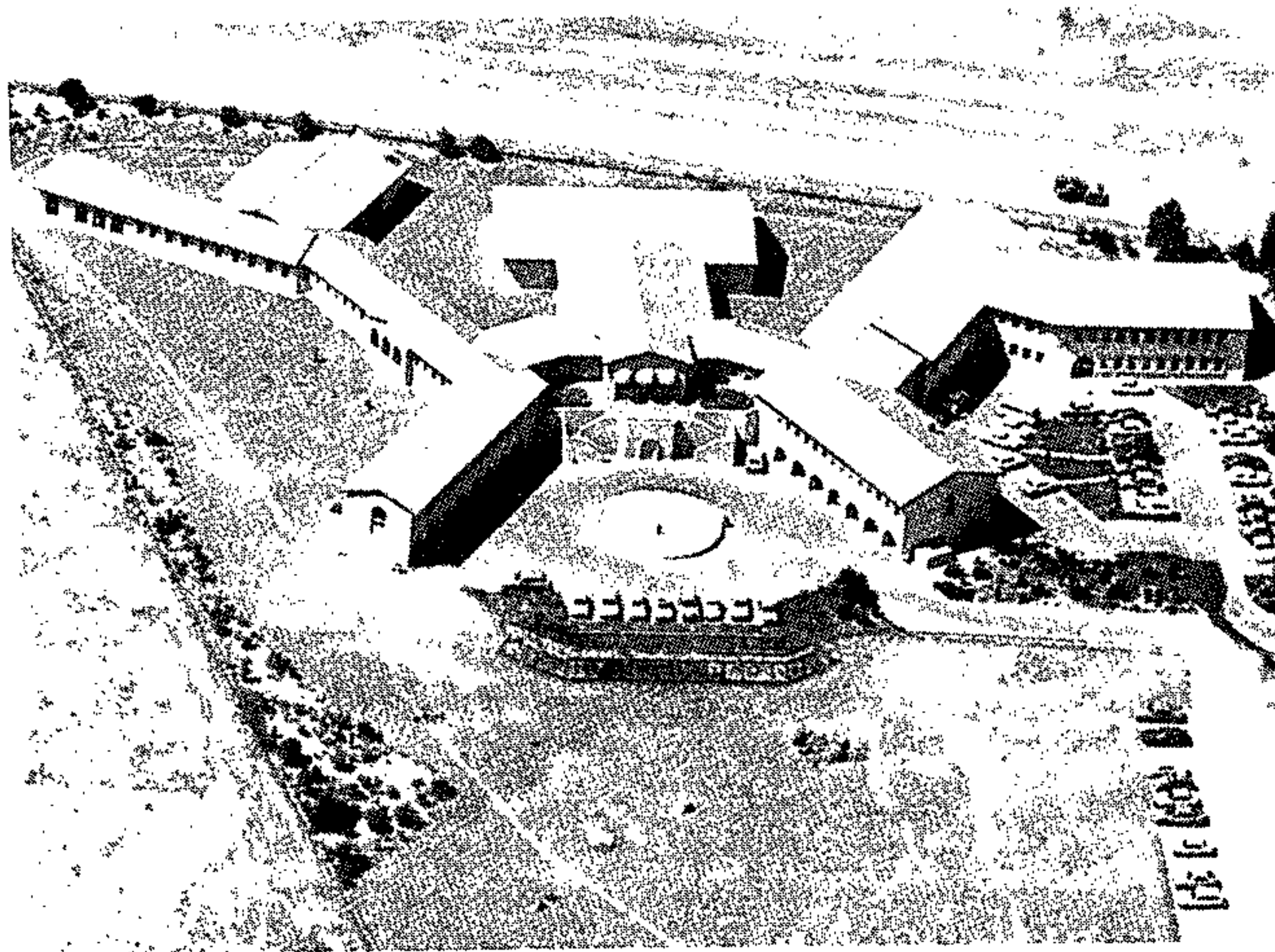
The Carleos' control of Putco is vested in Carleo Enterprises' (CE) 52,6% shareholding in the company. CE is one of four companies in the Carleo Group (CG). The others are Carleo Investments, Carleo Diesel Services and Rapid General Services.

Naturally a new ownership, with a different way of operating, had a major impact on Putco. Albino Carleo says the Carleos' influence has been to create a sense of competitiveness and productivity. "I am not saying Putco before the Carleos was less efficient, but the profit motive was pursued less vigorously."

Before Putco, Albino Carleo's management style had always been one of tight control. He prides himself on having done every job in the book connected with buses. Initially, in the new and larger Putco, he was able to maintain this. But expansion programmes funded by large loans and yet more takeovers have meant that Putco has had to decentralise.

Since 1971 Putco has taken over the Springs municipality's bus service and the small Ferndale Bus Service. But the move that finally forced Putco to decentralise management was the acquisition in 1978 of African Bus Service (ABS) in a deal worth R13m. In March of that year the Van Zyl Commission of Inquiry into black bus services in the Pretoria area had been appointed to rationalise the operations of the two local bus operators — African Bus Service (belonging to United Transport) and Putco. The decision required Putco to take over ABS. United is understood to have been an unwilling seller.

The key change that has come about in Putco's management structure since 1978 is a diversification into four autonomous operating areas (Northern, Western, Eastern and Natal), each headed by an area execu-



Where the decisions are made ... group HQ at Gallo Manor

tive. Before that, one area executive had controlled Putco's entire Transvaal operation and another Natal's. Each area consists of a number of divisions ranging in size from less than 100 buses to just under 500. There are 14 divisions in Putco all fully equipped for bus maintenance and with a number of depots falling under them.

Although the split into areas does bring top management nearer to the coal face, it also emphasises the importance of maintaining strong lines of communication with Putco's Gallo Manor, Sandton, head office. Transvaal co-ordinating executive Paul Nucci oversees activities in the Northern, Western and Eastern areas and the Natal executive flies up to Johannesburg for executive committee meetings at least once a month.

Albino Carleo says: "Diversification is a very dicey thing. I think that companies which diversify just for the sake of it usually fail. We have diversified in so far as we have kept in mind the main objective — running a bus company. Diversification has come about to serve that aim."

A key growth area for Putco in the last few years has been KwaNdebele. As noted elsewhere in this survey, Putco's growth reflects to a large extent what is happening in black communities. Large numbers of people have been resettled in KwaNdebele from Bophuthatswana and other places. Putco now supplies the transport link between their jobs and new homes.

One of the major problems with which Putco has had to contend in keeping up with growth has been a backlog of proper workshop facilities. It has tackled this energeti-

cally and, according to Albino Carleo, today has one of the best workshop networks for buses in SA.

In the 12 years since the Carleo takeover, it has built eight major depots from scratch, as well as building Voms, an automotive heavy engineering subsidiary. The new depots are at Selby and Wembley in the south of Johannesburg; Dobsonville, Soweto West and Putcoton near Soweto; Prospecton and Point Road in Durban; and Boksburg. This represents a capital investment of R50m. It has also modernised six depots — Vosloorus near Boksburg; Edenvale; and the Pretoria West, Sandfontein, Mamelodi and Atteridgeville depots in the Pretoria area.

Plans for the future include a major depot for the Pretoria area to be called Bantule, sited between the capital city's vegetable market and the Portland Cement complex. Construction is scheduled to start in the first quarter of next year and should be completed by mid-1985. It will house a workshop, parking and washing facilities, traffic departments and the area's headquarters. It is strategically sited near Putco's Pretoria depots and the new Belle Ombre railway station.

Other developments in the offing are a new depot at Nancefield, a tentative proposal for a depot at Protea in Soweto, a new parking depot at the newly opened Mabopane railway station and expansion at the Tembisa depot.

In addition, to support Putco's extension into KwaNdebele, a new depot is planned for Ekangala near Bronkhorstspuit, while the present Dennilton depot is to be enlarged.



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Putco. A corporate report. Supplement to Financial Mail September 30 1983





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Putco. A corporate report. Supplement to Financial Mail September 30 1983





In 1961 the Leyland Motor Corporation acquired the controlling shareholding in Putco. During that decade it bought up a number of bus companies run by the Carleo family. Ironically, it was the Carleos who

The companies were the product of long years of toil by Gaetano Carleo. Carleo senior had first come to SA from Salerno in Italy in 1927 as an almost penniless immigrant. He was due to spend 20 years in this

After working as a taxi driver, "palafitter" on a gold mine and construction worker on a rail line to Zululand, he struck out on his own in 1934, running a second-hand bus between Johannesburg and Sophiatown.





En route from Alexandra township to Johannesburg

prices.

The result over the decades has been innumerable incidents of bus stonings and vandalism; outcries whenever fare increases are announced; and commuter boycotts which have at times virtually crippled the company. Right now residents of the Inanda township near Durban are persevering with a boycott sparked off in December last year in response to a 13,5% fare rise.

Putco is perfectly aware of these criticisms and springs to its own defence. It points out that:

□ It has nothing to do with law making

processes in SA and cannot be held responsible for the Group Areas Act;

□ Before fare increases can be implemented, public hearings are held at which anyone who wishes to object can have a say. Transport authorities can and do appoint cost accountants to investigate its finances to determine whether increases are in fact justified;

□ Transport subsidies benefit not the company but workers travelling on season tickets (which may vary in duration). The subsidy is the difference between the economic fare tariff — as established at open fare hearings — and what government

decides the workers can pay. It is in fact a discount to the commuter recoverable by the company from the government each month on the basis of season tickets sold. Subsidy funds come from the Employers Transport Levy as well as the general taxpayer and are administered by the Department of Transport;

□ It does have a monopoly on the routes it operates. But its operations are strictly controlled by government and transport agencies whose policy is to encourage the consolidation and rationalisation of bus services. Putco also says that it is in competition with other modes of transport; and

□ Savings effected by subsidiary companies keep Putco's costs down thereby lessening the need for more substantial fare increases.

Despite strenuous attempts at getting these messages across, it's an unfortunate truth for Putco that they fall mainly on deaf ears. But in recent times it has had a small degree of success in turning the tide of public opinion. Putco is also hoping that if the recommendations of the Welgemoed Commission of Inquiry into Bus Passenger Transportation are translated into law, much of the opportunity for making political hay out of community opposition to it will be defused.

Putco's latest round of fare increases, on August 29, came shortly after government slashed the petrol price by 4c. The company has announced that it will now apply to have fares cut in consequence, but stresses that the process will take time. It was the only transport company to make such a statement. Perhaps this will help improve its image in the eyes of black commuters.

## Stop-start travelling

*Putco's road to success has been pitted with potholes*

Since it was first established on June 1 1945, Putco (initially named the Public Utility Transport Corporation) has grown into SA's largest bus company.

Transport is vital to any country's development and Putco's history in many ways reflects the economic, social and political development of SA in the post World War 2 period.

The man who started Putco was Jack Barregar, then MD of the Industrial and Commercial Holdings group (ICH). Barregar bought up most of the smaller bus companies operating in the Johannesburg and Pretoria areas, and consolidated them into a single organisation which he floated on the

Johannesburg Stock Exchange.

Putco's original fleet consisted of 147 buses operating on routes from Alexandra and Sophiatown townships in Johannesburg and Pretoria's Atteridgeville, Lady Selborne, Eersterus and Eastwood townships.

Problems soon developed. In the words of Putco's planning executive, Bill Bowen: "The idea was right but the timing was wrong." Post-war inflation had a disastrous impact on the company's economy. It started operating at a loss and continued to do so.

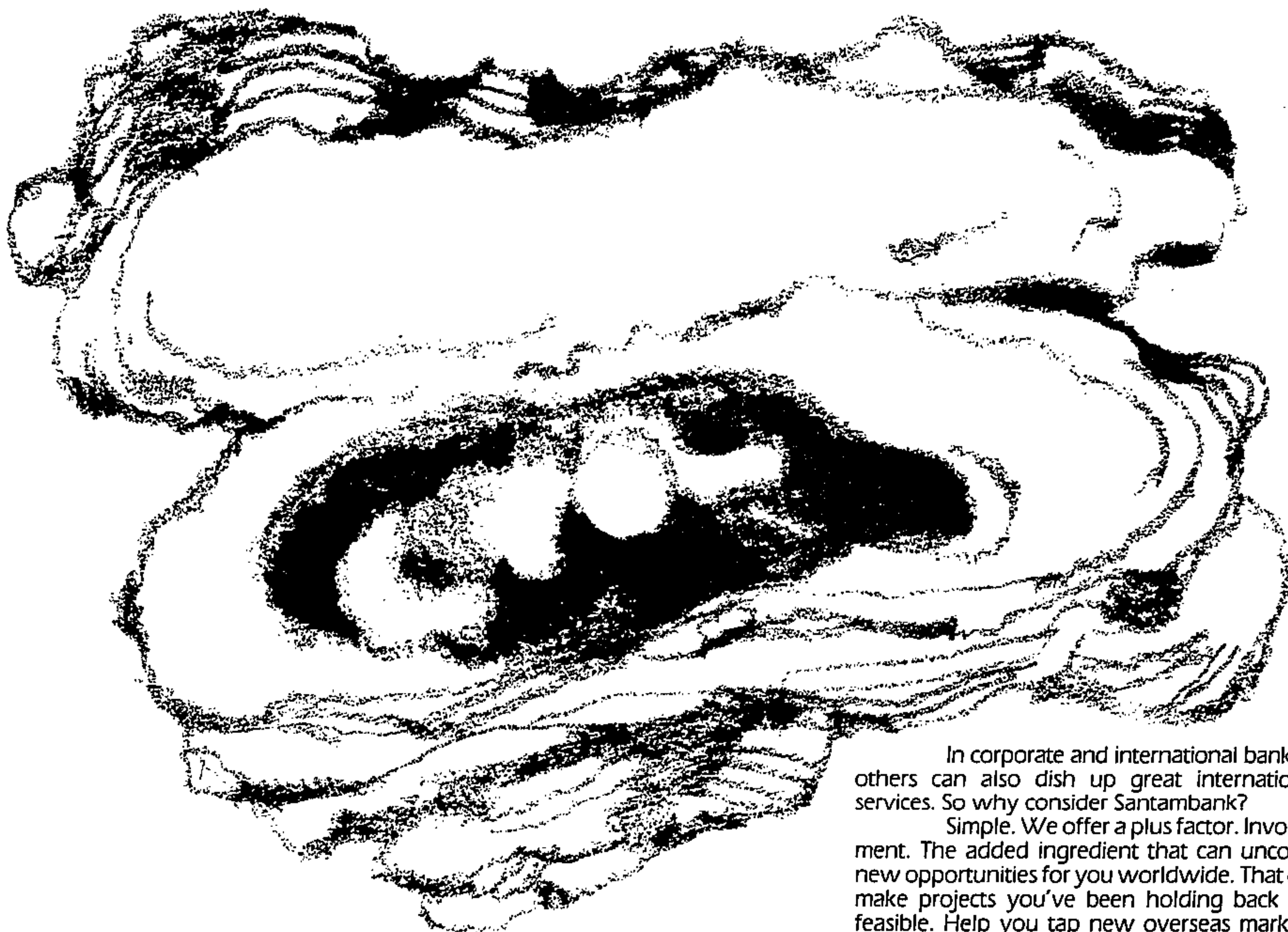
It soon became clear that survival was dependent on increasing revenue. But, as Putco quickly discovered, it was virtually impossible to put up its fares. An attempt in

1945 to have a one penny increase on the four penny (3,3c) fare resulted in rioting in Johannesburg. Fares reverted to their original level. Community protest put paid to any further attempts at increases for the next 12 years.

The effect of all this on Putco's financial position was catastrophic. Initially the company had issued £810 000 out of a £1m authorised share capital. After three years in business, it had lost about a quarter of its capital. An added strain came from the preferential shareholders who started complaining. Many of them were the small operators who had sold out to Putco in 1945, but who still held 6% cumulative preference shares. By 1949, because Putco had not declared any profits, the preferential shareholders alleged that the company had been mismanaged. They applied for and succeeded in having the company placed under



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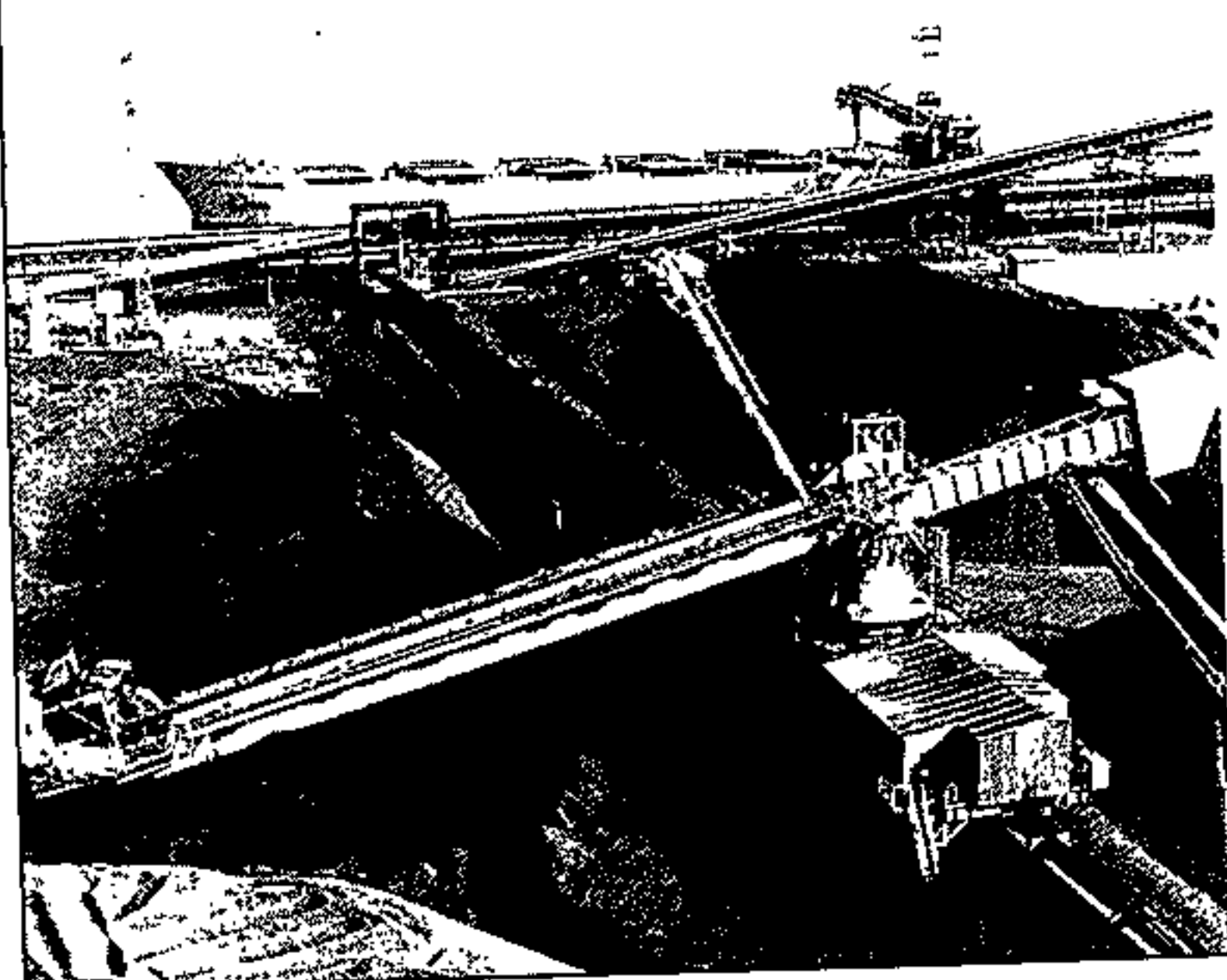


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# Consumers face bill for transport black market

269 332 RDM 5/9/83

CONSUMERS will ultimately have to pay for skyrocketing black-market prices being demanded for road transport permits, according to private sector road hauliers' representative Mr Jack Webster.

The black market in road transport permits has been created by regional road transportation boards' growing reluctance to issue them.

The boards' cutback in granting permits has taken place at the same time as the entry by State-owned, subsidised South African Transport Services into transportation markets which have been traditionally dominated by private hauliers.

Private sector transportation interests have claimed that the Government is waging deliberate war on private hauliers by restricting the issue of permits, in an attempt to drive more national freight custom to Sats.

Sats' share of national freight carriage has been falling for more than a year at the expense of the private sector's rising market share.

Official figures show the private sector's seasonally adjusted share of goods car-

By SIMON WILLSON — Industrial Editor

ried by road and rail is 64,4%, against 35,6% for Sats.

With new permits so hard to come by, the private sector spotlight has shifted to the transfer of permits.

But demand is so great that private hauliers willing to transfer their permits can almost name their price.

"The whole position has got completely out of hand just recently, and the authorities are going to have to step in if costs are not to become totally unrealistic," said Mr Webster, chief executive of the National Association of Private Transport Operators (Napto).

"As it is, operating costs for private-sector road hauliers are being driven up by the need to compete in this black market."

Mr Webster said the prices being paid by private road hauliers for permit transfers ranged from R25 000 upwards. Other sources said figures of around R60 000 had been freely negotiated.

The normal cost of transferring a road transport permit is R20 — a R10 applica-

tion fee and a R10 transfer fee.

The unit cost of transferring individual transfers can be brought down to R2 each by submitting 10 applications on a single transfer form.

"This kind of premium is bound to be passed on to the consumer of road-hauled freight in the shape of increased operating costs.

"Private hauliers are not buying road transport permits for R25 000 with spare cash they have no other use for. This money has to come from somewhere, and has to be made up from somewhere else," Mr Webster said.

He said private road hauliers had now recognised that regional road transportation boards were far more likely to grant permit transfers than they were to issue new permits.

Private hauliers were prepared to pay exorbitant black-market prices for transferred permits because the penalties for transporting road freight without the necessary authorisation had also risen steeply this year, he said.

Under the provisions of amendments to the Road Transport Act now on the statute book, the maximum fine for contravention has been increased tenfold to R100 000.

A third offence means automatic confiscation of the vehicle concerned, along with its entire load. Vehicle and load can then be sold, with the proceeds going to the State.

All lorryloads of freight are now subject to official inspection under the amended Act, and the courts' discretion in penalising offenders has been removed.

Napto maintains these dramatically higher penalties for contravening the Road Transportation Act have helped to drive up black market prices.

Even so, the association estimates that more than 22% of the goods freighted by road between the Witwatersrand and Durban are carried illegally by vehicles without permits.

Railway Police are known to be investigating allegations of falsifying transport documents in what is suspected to be a clean-up of a transportation board racket in the valuable road permits.



# Bid for 12,5 pc Mercury bus fare hike

Mercury Reporter 332 8/1/83 July 1980 to June 1983.

PUTCO yesterday applied to the National Transport Commission for a 12,5 percent increase in bus fares which would affect thousands of black commuters in Durban.

Advocate Mr A Findlay, SC, who represented Putco, told a three-man commission at its hearing in Durban that the increase was necessary because of an increase in operating costs and inflation.

The recent reduction in the price of fuel had been taken into account in the new fare structure which, if approved, would come into operation from December 15.

There had been a steady decline in the passenger-per-bus ratio from

This was due to various factors, among them the recent bus boycott in the Inanda area, the increase in traffic congestion which led to many buses making fewer trips, and an increase in the number of taxis and mini-buses — operating legally and illegally.

Mr Findlay pointed out that although the State provided a subsidy, it applied only to the passenger and not the operator.

The application was opposed by Mr R Arenstein, who represented Metro Bus Services, which also operated in the Newlands area.

The chairman of the commission, Mr H C van Zyl, reserved judgment.



ALICE Campbell, a 47-year-old  
BROOKLYN, N.Y. — Sapa-AP

## Minibus taxi owners to explain grievances

Staff Reporter

PRIVATE minibus operators on the Cape Flats are to see the Opposition spokesman on transport tomorrow and are seeking an appointment with senior government transport officials over their escalating feud with City Tramways.

"The lines have been drawn. We want to bring our battle to the highest authority," said Mr Basil Nagel, chairman of the newly-formed taxi operators' organization, Western Cape Passen-

ger Transport Services.

About 60 private operators have joined the organization, formed last month, only weeks before City Tramways, which has a monopoly on bus commuter services in the Peninsula and in the Eastern Cape, brought in a 25-seater "cut-price" minibus service in the area.

The company has made allegations of exploitation, organized vandalism and racketeering against the operators, all of which Mr Nagel has denied.



# Backlash at planned truck ban

332

Mercury

9/9/83

## Mercury Reporter

ROAD hauliers have reacted strongly to Dr Nak van der Merwe's announcement this week that the Cabinet was considering introducing laws to ban heavy-duty vehicles from the roads at weekends.

The authorities already had the power to restrict heavy vehicles on selected routes and at selected times and there was no need, therefore, for any further legislation, said Mr Mike Norris, chairman of the Public Carriers' Association and managing director of Hultrans.

The announcement by Dr van der Merwe was made on behalf of the Minister of Transport, Mr Hendrik Schoeman.

In terms of a resolution, heavy vehicles would be barred from all main routes at weekends to combat the high death rate.

'National statistics confirm that heavy vehicles are involved in less than 6 percent of all road accidents and consequently, banning them at weekends will do little to improve road safety.

'If the problem is the death rate then banning heavy vehicles is tackling the wrong aspect,' said Mr Norris.

'Before any action is taken it would be both advisable and responsible to ascertain the true position regarding the volume of traffic,' said Mr Norris.

He added that another aspect to take into ac-

count was the effect on commerce and industry and the inflationary effect of a blanket ban.

'This could serve only to disrupt essential services and our economy,' he pointed out.

## Ships

Mr Arthur Rylande, acting-general manager of Natal United Transport said: 'It will be very hard to implement. What about transport hauliers with contracts that have to meet shipping?'

He said weekend work often involved meeting ships: 'And export traffic is essential to the country. Commerce and industry won't take kindly to it.'

Mr Ian Kleynhans, managing director of Mainline Carriers said: 'I don't

believe this. There is no way that the PCA will allow this to go through without an objection.

'It will definitely not go through. The biggest long distance movement is at the weekend,' said Mr Kleynhans.

Mr Bruce Grey from Springbok Transport said he did not see how the Government could do it: 'It would really mess industry around,' he said.

## Express train

ANOTHER cheap express train service between Durban and Johannesburg was introduced this week by the South African Transport Services. The trains operate four days a week and a single fare costs R27.



## Competition Board probe could lead to amendment

Pretoria Bureau

10/9/63  
THE Competition Board's investigation into mergers, takeovers and interlocking directorships could result in an amendment to the maintenance of free competition legislation, the chairman of the board, Dr Dawie Mouton, said in Pretoria yesterday.

The board will co-opt experts to assist with investigations in what is the most complicated probe so far undertaken by it.

Earlier this week the Minister of Industries and Com-

merce, Dr Dawie de Villiers, announced he had instructed the board to urgently investigate conglomerates and the concentration of economic power.

The board is to determine the desirability of additional legal and other measures for controlling interlocking undertakings.

The investigation has been welcomed by the Association of Chambers of Commerce and the SA Federated Chambers of Commerce.

● See Page 9



# Weekend ban on lorries is not the answer, says PCA

**BANNING** heavy-duty vehicles from main roads at weekends would not necessarily reduce South Africa's high road death rate, according to the Public Carriers' Association (PCA).

The association, which represents most of the country's private sector hauliers of road freight, was reacting to last week's announcement that the Cabinet was considering a weekend ban on heavy duty vehicles using main roads.

The leader of the National Party in the Free State, Dr Nak van der Merwe, told the party's Free State congress that the Government was considering this measure as part of a road safety programme.

Mr Jack Webster, chief executive of the PCA, said any measure of the type out-

By SIMON WILLSON

lined by Dr Van der Merwe would not be tackling the root cause of the national road safety problem.

"Official figures show quite clearly that heavy duty vehicles are only involved in 6% of accidents on the roads. Any legislation along the lines mentioned by the National Party would only tackle this 6% — but what about the other 94% of accidents? What is being done about them?" Mr Webster asked.

He said most PCA members did not run their heavy freight vehicles on weekends and public holidays.

"Costs would be prohibitive because we would have to pay staff double time. Also, most of our destinations would not be open in holiday periods anyway.

"And it would not make commercial sense to run important services over peak holiday periods because the congestion caused by private holiday traffic would delay delivery to an impossible extent."

Mr Webster said the commitment to controlling heavy freight vehicles made at the NP congress seemed to be fired more by emotion than hard evidence.

"A far bigger road hazard on main arterial routes over holiday weekends is the private caravan.

"These vehicles comprise road loads taking up as much room as a heavy freight truck, but often towed by an underpowered motor vehicle. But no action has been proposed to control this menace because it is comprised of people enjoying themselves."

Mr Webster said the PCA would be happy to discuss

legislation to control the private freight operator who ran heavy duty services at peak times.

But it was not necessary to draft new legislation to deal with such operators. Existing legislation provided for the prohibition of any vehicle's operation in the interests of road safety.

He said the issue was on the agenda of the next meeting of the inter-provincial advisory committee on road traffic, which is to meet next month in Pretoria.

The committee's function is to standardise South African road traffic legislation and co-ordinate its implementation throughout the country's four provinces.

Mr Webster said the PCA had already given the Free State provincial administration its views on the control of heavy duty vehicles over public holidays and weekends.



By SIMON WILLSON  
Industrial Editor

THE GATHERING "crisis" facing road transport in South Africa is to be discussed at a trucking industry conference in Sandton next month.

Transport experts from Europe and the United States are scheduled to speak at the "Outlook for Trucks" conference, organised by Mr Max Braun, publisher of the periodical, "Transport Management".

"Against a background of escalating costs, serious inefficiency and often crippling legislation, companies which operate road transport fleets in South Africa do not even know how to draw up accurate budgets for 1984," Mr Braun said.

"We estimate that 45% of all consumer goods are moved at some stage by road.

# Trucking talks to discuss crisis

20/13/9/83

In some cases, distribution costs now rank higher in the cost of goods than either raw materials, processing or marketing."

South Africa had fallen behind the developed countries of the West in road transport efficiency and this was having a serious effect on the cost of living, inflation and company profits.

Many companies which did not realise what distribution efficiency was costing them could find themselves with serious cash-flow problems.

"We have a million commercial vehicles on our roads, representing a vast

national resource, and yet most of them are managed by people without the necessary expertise.

"Indeed, 55% of transport managers have had no formal training. Yet they control strategic assets and expenditure running into millions of rands annually," Mr Braun said.

"South Africa is recognised all over the world as having some of the best finance, marketing and production management talent available anywhere, but our transport management is woefully inadequate."



## Clampdown on illegal haulers ahead

STRICT new measures to clamp down on illegal road transportation by private carriers will come into effect early next year, the Director-General of the Department of Transport, Mr A B Eksteen, announced yesterday.

Opening a transport company's new warehouse, Mr Eksteen attacked private carriers who broke the law at the expense of legitimate operators.

He said some carriers looked for loopholes in the law and some bragged about bending the rules.

"We know who they are and no stone will be left unturned to apprehend them, even if it means approaching Parliament to pass stricter legislation," he warned.

Because private road carriers were refusing to tow the line it had been decided to give urgent attention to the introduction of measures which would eliminate the ambiguous interpretation of road carriers permits.

The permit system for the conveyance of specific goods by private road transport was being abused to such an extent that it was eroding the market share not only of the South African Transport Services but also of legitimate carriers.

A seven-day survey on the Johannesburg-Durban route indicated that as much as 22% of all freight conveyed by road was unauthorised.

Although it was difficult to police the private road carrier business, at least 12 vehicles and the freight they contained had recently been forfeited to the State.

Mr Eksteen said it was his duty to maintain a balance between transportation undertaken by private carriers and the rail and road services of the SATS.

The SATS's freight market has progressively diminished from 61.5% of the market in 1957/58 to 36.9% in March 1983. — Sapa.

## US rates to drop says Regan

NEW YORK. — The US treasury secretary, Mr Donald Regan said he expected US interest rates to be lower at the end of the year than they were now.

He declined to estimate how much rates would fall.

Mr Regan told a press conference: "If the Fed sticks to its policy and if the economic recovery continues on the same road, I can see interest rates coming down."

Asked whether federal reserve monetary policy was too tight, Mr Regan said "No, they are supplying sufficient credit."

As long as US M-1 money supply growth stays within the Fed's 5% to 9% target range for the second half of 1983, Mr Regan said he would have no quarrel with the Fed. Further moderate growth in M-1 will allay market fears and encourage interest rates to decline, he said.

The Fed chairman, Mr Paul Volcker, had told him there was no truth to rumors which circulated in US financial markets on Monday that the Fed would revise Friday's \$2 000-million decline in M-1 to show a substantially smaller decline or even a rise.

● Mr Regan said he expected the treasury will need to borrow between \$45 000-million and \$50 000-million in new cash in the fourth quarter of 1983.

The treasury in July estimated its fourth quarter needs at between \$60 000-million and \$65 000-million.

The lower financing requirements would be due to improving tax receipts and a slower rate of increase in government spending. — Reuter

## Volcker u: interest or reserve ba

WASHINGTON. — Federal Reserve Board chairman, Mr Paul Volcker recommended that Congress consider authorizing the payment of interest on required reserve balances held with Federal Reserve banks.

In testimony to the Senate banking committee, Mr Volcker said this would help offset the potential adverse earnings impact of the payment of interest on demand deposits, recently recommended to Congress by the depository institutions deregulation committee.

He said payment of market-related interest rates on reserve balances would be desirable to preserve equity

and for reasons...

Mr Volcker recommended a temporary expansion in services to give to decide on cover dereg banking indu

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Mr Volck new federal ity to imp

## Money market rate

By HAROLD FRIDJHON  
RATES in the money market acted positively yesterday after the Reserve Bank offered further help to the market which is burdened by a shortage of R1 297-million.

The Reserve Bank is prepared to advance R400-million to the banks against the pledge of liquid assets, liquid bankers' acceptances and prescribed assets. The buy-back agreement is effective from September 16 to October 6, that is after the month-end.

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# Sabta indaba

20/9/83  
Savetha  
332

THE controversial Welgemoed Commission report will top the agenda when the Southern Africa Black Taxi Association (Sabta) holds its third annual general conference in Port Elizabeth, starting today.

The commission's report, which was tabled in Parliament recently, recommends the phasing out of mini buses and kombis as taxis and recommends that permits be granted only for the five-passenger sedan-type vehicles.

The commission has

not yet been legalised by the government but already local transportation boards have implemented some of the recommendations like refusing to issue certificates allowing the taxi operators to carry eight passengers.

The conference, which will be held in the New Brighton location, will last for two days and over 600 delegates from the Transvaal, Orange Free State, Natal, Cape Province, Lebowa and Bophuthatswana are expected to attend.



# Taximen hit out at Govt

23/9/80  
DELEGATES at the annual conference of the Southern African Black Taxis Association (Sabta) being held in Port Elizabeth, have blasted the government for wanting to phase out the use of minibus taxis.

Addressing 600 delegates from all over southern Africa, the association's president, Mr Jimmy Sojane, said the taximen's very success had led the government to act against them.

"The government is like a big bulldog that sees a little fox terrier with a nice little bone, it attacks the foxie because it wants the bone for itself.

"The government has seen that we have made a success of carrying people in our minibuses, and now it wants to capture the market for itself."

He quoted from the recent Welgemoed Commission into road transportation which said that "bus services must be able to enter the seemingly profitable market operated by minibuses."

Reviewing the history of black taxi owners, Mr Sojane said that when the government first gave permission for the use of minibuses in January 1978, not one single black taxi owner could afford to pay even

the deposit on such a vehicle.

"Due to the help of banks the first minibuses were bought in November 1979 and since then we have made a success of the business and have never looked back."

He said that initially the government had issued permits for the minibuses to carry only eight passengers when they were designed to carry ten.

"We paid over R20 000 for a report on the operation of black taxis to be prepared by a firm of consulting engineers, and went to the government to ask that we be allowed to carry ten passengers.

"But as a result of the Welgemoed Commission they have said that in the future we will be only allowed to carry four passengers.

"The association has spent nearly R50 000 fighting this decision and the fight is not over yet."

Mr Sojane stressed that the minibus owners were "honest businessmen" who operated a business for their own people according to government regulations, and asked why they were being penalised for being successful at a time when the government was supposedly trying to foster small businesses among blacks.



# SABTA VOW 'KOMBI WAR GOES ON'

25/9/83 (332) City Press

THE Southern African Black Taxi Association (SABTA), this week resolved to "relentlessly" oppose the recommendation by the Welgemoed Commission into bus transportation that kombi taxis be phased out within four years — and that licences be given for four-passenger sedans only.

At SABTA's third conference — in Port Elizabeth — attended by more than 500 delegates from all over the country, it was also resolved to express disappointment about "the many unjust things" mentioned about taxi operations in the Welgemoed Commission report.

But a motion of thanks was expressed to the Minister of Transport, Mr Hendrik Schoeman, for the way he welcomed SABTA's executive to his office in Cape Town in June. Hope was expressed that future discussions — SABTA is due to meet the Minister again soon — would continue to be cordial.

In his presidential address Mr J F Sojane of Johannesburg said the Welgemoed Commission was appointed to investigate bus transport but because taxi operators had done good business with kombis between 1980 and 1983 "you must be phased out in four years time". It was a case of "a very big bulldog watching a small fox-terrier playing around with a nice piece of bone and then grabbing the bone", Mr Sojane said.

In Kimberley a bus company has already applied to make use of smaller buses and the local Transportation

Board in the Transvaal have told SABTA that from April only applications for four-passenger vehicles would be accepted.

"Don't sit restfully and think you are safe. You are no longer safe," Mr Sojane told the delegates.

The Minister had said he would give SABTA a chance to reply to the recommendations of the commission report and had also said he was not aware that any directives

had gone to local transportation boards to say that only permits for sedan motors be issued, he said.

Mr Sojane warned taxi operators that if they were arrested for anything like overloading they could have their quota of passengers brought down to four per vehicle.

Other resolutions accepted by the conference were:

● SABTA... encouraged the membership card sys-

tem and would in future deal only with card-carrying members and

● Each Province should appoint one person for co-option to each local Transportation Board.

A Ciskei delegate, Mr D Mazalini of Zwelitsha, asked SABTA to enter negotiations with President Sebe of the Ciskei, as taxi operators in his area said they were scared to become SABTA members. They were afraid of the Ciskei government.



● JIMMY SOJANE . . . big bulldog watching a small fox terrier.

By KOOS COETZEE

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# Taxi men will fight Government to keep their minibuses

Argus 26/9/83

Argus Bureau

PORT ELIZABETH. — Delegates at the annual conference of the Southern African Black Taxis Association (Sabta) here have blasted the Government for wanting to phase out the use of minibus taxis.

Addressing 600 delegates from all over Southern Africa, the association's president, Mr Jimmy Sojane, said the taximen's very success had led the Government to act against them.

"The Government is like a big bulldog that sees a little fox terrier with a nice little bone, it attacks the foxie because it wants the bone for itself.

## FOR ITSELF

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## A SUCCESS

"Due to the help of banks the first minibuses were bought in November 1979 and since then we have made a success of the business and have never looked back."

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"We paid over R20 000 for a report on the operation of black taxis to be prepared by a firm of consulting engineers, and went to the Government to ask that we be allowed to carry 10 passengers," he said.

## NOT OVER YET

"But as a result of the Welgemoed commission they have said that in the future we will be only allowed to carry four passengers.

"The association has spent nearly R50 000 fighting this decision and the fight is not over yet."

Mr Sojane emphasised that the minibus owners were "honest businessmen" who operated a business for their own people according to Government regulations.

He asked why they were being penalised for being successful at a time when the Government was supposedly trying to foster small businesses among blacks.



CAPE TIMES 26/9/83

# Luxury liner 332 fleet for SA?

Staff Reporter

SOUTH AFRICA's state-owned shipping giant Safmarine is "testing the waters" in a venture that could eventually lead to the company running a fleet of luxury passenger liners.

Its latest acquisition, the 18 000-ton Astor, bought for more than R50-million, leaves South Africa in April next year on its first crossing to Europe.

"Depending on the financial profitability on the Astor run, we might consider purchasing more of this class of liner in the future," Safmarine director Mr Mike Finlay told the Cape Times yesterday.

He emphasized that the Astor would not be run as a floating casino.

"There will be no casino on board," he said.

He said the 650-passenger liner would be making the voyage to Europe seven or eight times a year, and the rest of the year would make trips along the South African coast, to South America and to the Far East.

"We are looking strictly at the upper end of the market," Mr Finlay said. "There will only be one class, and it will be luxury all the way."

Safmarine chairman Mr M Marsh announced at the weekend that the Astor would be under the control of the company's newly-formed tourism arm, Safleisure, which would also run its airline operations and hotel activities.



*Sowetey 22/9/82*  
**Sabta  
chief  
hits back**

By JOSHUA  
RABOROKO

THE president of the Southern Africa Black Taxis Association (Sabta), Mr Jimmy Sojane, has refuted reports that he said the Government wanted to phase out the use of minibus taxis.

He was reacting to an article in *The SOWETAN* of last Friday which said delegates at the annual conference of Sabta in Port Elizabeth had lashed the Government for wanting to phase out the use of minibus taxis.

In his reaction Mr Sojane said that he had likened a recommendation by the Welgemoed Commission that microbus taxis be phased out to a bulldog grabbing a juicy bone from a fox terrier.

#### BULLDOG

He said he did not mean that the Government was a bulldog. It was not the Government that was acting against them.

He said it was apparent that the commission's recommendations had stemmed from a realisation that some microbus owners had become too rich.

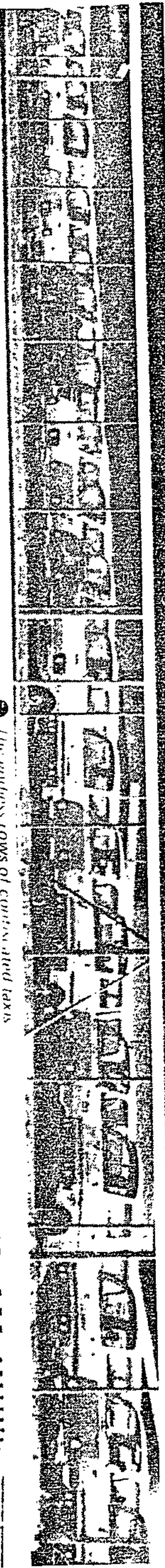
Legislation, he said, was gazetted in January 1978, giving taxi operators the right to carry eight passengers in a microbus.

#### BUS

It was like a "bulldog watching a tiny fox terrier play around with a juicy-looking bone. Then the bulldog suddenly decides that the bone belongs to him, and he lounges for it," he said.

The Welgemoed Commission into bus transportation recommended that legal microbus taxis be phased out over a period of four years, and that the term "taxi" be legally re-defined to include only cars carrying four or five passengers. This would protect bus companies.





HOW DO you bring Soweto to a stand-still?

Take away all the taxis — which is exactly what a combined team of cops, traffic cops and Transportation Board officials did yesterday, blitzing Soweto's feeder roads and confiscating 72 minibuses.

The result? Taxi commuters in Soweto couldn't get out of the township — and thousands of Sowetans in Johannesburg couldn't back in.

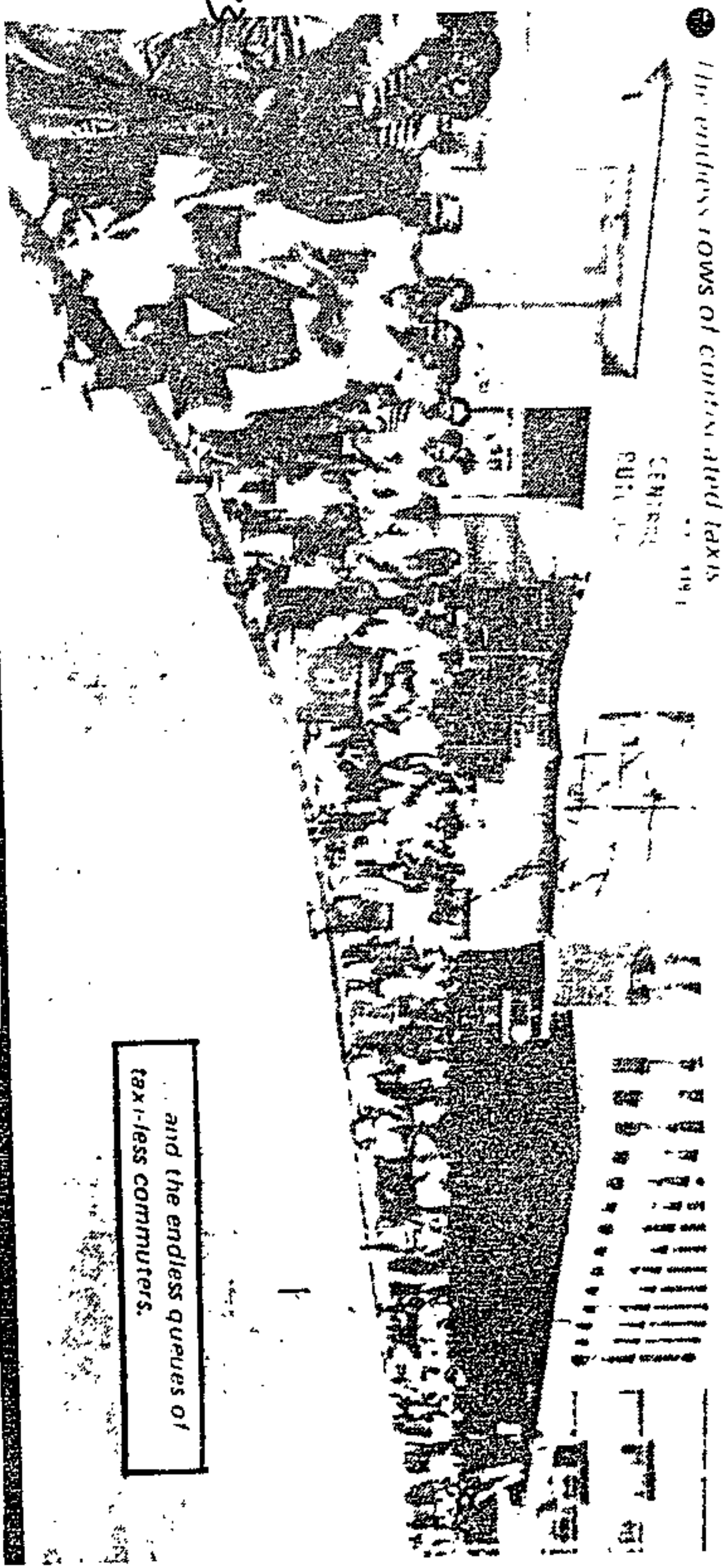
A stunned Jimmy So-  
hane of the Southern

# Where have all the taxis gone?

332 City Press 3/10/83

African Taxi Owner's Association said: "Why on the weekend, when all the Government department are closed, so we can't appeal? And

But a police spokesman said most confiscated taxis had no licenses, or were unroadworthy.



The endless rows of confiscated taxis

and the endless queues of taxi-less commuters.



# Safmarine buys R120m ships for better days

Cape Times 1/6/83 332

Own Correspondent

JOHANNESBURG. — South African Marine Corporation (Safmarine) is introducing into service five new ships at a capital cost of about R120m, says the executive chairman, Mr Mar-  
mion Marsh.

He says in his annual review the new ships are highly fuel-efficient and designed to cater for South Africa's specific foreign trade requirements.

Reviewing the year to June 30, Mr Marsh says the results were disappointing, but must be seen against the background of the volatile world shipping industry.

## Investments

"Safmarine has a large direct fixed investments and could not avoid the impact of the severe and continuing recession in world trade and shipping," says Mr Marsh.

Turnover fell to R484,2m for the year to June from R724,3m last year, and attributable profit dropped to R24m from R46,5m in the 1982 year.

Mr Marsh says resolute action has been taken to adjust fleet capacity and the group's cost structure, and "this

has ensured that our financial strength remains unaffected and indeed improved, as reflected by our more favourable balance sheet ratios".

The group's long-term borrowings fell to R198,9m at the end of June from R238m at the end of June last year, while shareholders' funds rose to R228,5m from R211,5m.

## Good timing

The improvement in the balance sheet at the end of June resulted largely to good timing of ship disposals and tighter control of Safmarine's fleet and inland operations.

Mr Marsh says that Safmarine needs to strengthen its investment base.

"We have a strong cash flow even in today's adverse circumstances and our improving balance sheet ratios are now conservative for a ship-owning company."

"The board has recently decided that it is desirable that, in addition to expanding our shipping interests, a more purposeful programme of investment in related industries should be made."

He says the development of other activities will not interfere with Safmarine's determination and national responsibility to develop South Africa's merchant marine to its maximum potential.

With this in mind, Safmarine last weekend announced the formation of its new tourism arm, to be called Safleisure.

Among other things Safleisure will be the vehicle for Safmarine's re-entry into the deluxe passenger ship market, a strengthening and development of its air interests and investment in suitable hotels.

Safmarine's investment in Sun International, Mr Sol Kerzner's new venture, should be viewed as part of the wider programme to re-introduce passenger ships and to create additional tourist facilities.

"We are confident that these exciting developments will result in enhanced and more stable profitability, while earning an increasing amount of foreign exchange. International and local tourism is today the most important industry in many countries."



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## Delay in fares <sup>332</sup> hike application <sup>C. Herald</sup>

WHATEVER happened to City Tramways' application for an 8,5 percent bus-fare increase?

This is a question that even the National Transport Commission has difficulty in answering.

NTC officials last week could not give any details on when the application would be heard. In fact, they said they had not seen it at all.

A NTC spokesman in Pretoria said late last week they had not received any details of the application from the Cape Town Road Transportation Board, with whom the application was lodged earlier this year.

A spokesman for the local Road Transportation Board said they had sent the application to Pretoria more than a week ago.

He said the NTC in Pretoria would decide on when the application would be heard.

City Tramways ap-

peared as much in the dark.

A Tramways spokesman said last week they were still waiting to hear from the NTC or the local transportation board when their application would be heard.

"The application is now totally out of our hands and we will just have to wait," he said.

The application was advertised in the Government Gazette of July 22 this year.

## Christmas Day killing

A CHRISTMAS day scuffle which Crossroads woman, had its sequel in the Supreme Court last week, when a 27-year-old woman was found guilty of murder with extenuating circumstances.

Mr Justice J Broekman sentenced the woman to six years in jail, of which three years were suspended for five years.

Evidence was that about midnight on Christmas Eve, Sihwala went to the ten Crossroads.

Sihwala said he had argued with the woman and slapped her a couple of times.

She had tried to draw her knife, and stabbed her four times. Miss Sihwala was admitted to Tygerberg Hospital.

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# Denial by Ciskei of 'brutality'

Staff Reporter

CISKEI police yesterday denied reports of police atrocities at the Sisa Dukashe Stadium outside East London, and said "criminal elements had been acting under the camouflage of vigilantes who had been assisting the police".

The denial follows a recent report in a Sunday newspaper claiming that many Ciskei citizens had been taken to the stadium where they had been tortured.

Among the alleged atrocities cited was an incident involving a 22-year-old man who had had his hands handcuffed to his feet and made to swing for hours from a rod suspended between two tables.

## 'I deny them'

Asked yesterday whether the allegations of police brutality at the stadium were true, Major G A Ngaki, police liaison officer for the Ciskei, replied: "Not from the police. I know these allegations have been flying around, and I deny them."

He said that about two months ago vigilantes assisting the police in dealing with the bus boycott had been housed at the stadium.

"But as far as I know, the stadium is once again being used for sports matches when they are scheduled," he said.

"Normal police routines" involving roadblocks and patrols were currently being used to deal with the boycott.

The report in the weekend newspaper said that when the prisons had become full of people who had broken curfews designed to end the bus boycott, they had been taken to the stadium. Many had been tortured there.

## 'Notorious gang'

The report also said Life President Lennox Sebe had called in a "notorious gang of vigilantes" who harassed motorists giving people lifts, in an attempt to force commuters back to the buses.

This had led to the gang — and members of the police force — taking things into their own hands.

Major Ngaki told the Cape Times yesterday that the group of vigilantes was not a "gang". But there had been reports that a criminal element had been acting under the camouflage of the vigilantes — knowing full well that the blame would fall back on the police and the vigilantes, he said.

These reports had been investigated and police were satisfied that this element had been taking advantage of the situation.

● Unrest in Ciskei: UDF's view, page 12



Captain G A Venter, Colour-Ensign 22 Squadron, receives the State President, Mr Marais

## President praises SAAF

Staff Reporter

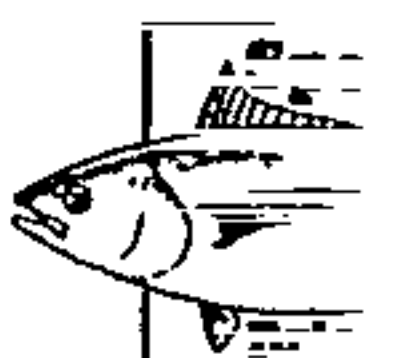
THE South African Air Force has shown that it not only possessed an iron fist but also a velvet glove, the State President, Mr Marais Viljoen, said at the presentation of colours yesterday afternoon to 22 and 30 Squadrons, stationed at Air Force Base Ysterplaat.

Addressing more than 700 guests while 200 officers and men of the squadrons paraded in pouring rain, Mr Viljoen said the humanitarian work of the Air Force

## First tunny season boat

THE first tunny of the Cape's 1983-84 summer gamefishing season has been boated and just in time for the two big inter-provincial contests which will be fished off Cape Point and Hout Bay later in October.

After an exceptionally cold and wet winter, the first fish of the new season were long in coming and it was only last weekend that Bob Busby and his crew, on the tunny boat J & B, decided to venture out in search of early shoals.



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# Boycott unfair, complains Putco

## Financial Reporter

PUTCO'S chairman, Mr I P van Onselen, is forecasting improved revenue and profit for the group for the next financial year to June 30, 1984.

In the annual report, he highlights Durban as the major problem area for the group, saying a general reduction in the number of passengers carried has been aggravated by a boycott of Putco buses since the fares increase in December.

For the whole group, the number of passengers was down 6% from 398-million in the year to June 1982 to 374-million in the year to June this year.

Mr Van Onselen says: "The boycott has been kept alive by unfair and, in certain in-

stances, illegal practices applied by some other opportunist bus and taxi operators, resulting in passenger carriage in our Durban area being reduced by 22% compared with the previous year."

The 13,5% fares increase in December was not sufficient to cater for inflationary pressure in wages and supplies (excluding fuel) and Putco applied for a further increase of 12,5% in March, which was approved and implemented in Pretoria in August.

The increase will be implemented in the Witwatersrand soon, with a decision still awaited in Durban after a hearing last month.

Mr Van Onselen says Putco has found that deliveries of buses ordered 18 months in advance has, for the first time in years, over-

taken demand due to the substantial and long-lasting downturn in the economy.

"Of the 421 new buses received during the year at a capital cost of R23m, 89 were stockpiled," he says, noting that at the end of June this year, 315 chassis were on order but undelivered. Without dramatic improvements in the economy, he says, these buses will meet Putco requirements for quite some time.

Major developments at Putco during the year were the commissioning of the new Baragwanath depot in Soweto (cost R3,5m) and a major workshop facility at Selby, Johannesburg (cost R12m).

Mr Van Onselen says Putco is one of the few companies which has not fol-

lowed the trend to cut back in staff.

During the year, the workforce actually increased from 9 597 to 10 326. Wage negotiations with trade unions in respect of the 1983/1984 financial year have ended in deadlock and the dispute referred to arbitration.

Mr Van Onselen notes that Putco is interested in the Government's response to the Welgemoed Commission recommendations, which should indicate the direction in which the passenger transport industry is heading.

Many of the recommendations promise to be of benefit to the passenger transport business, he says, foremost being the intention to streamline the lengthy procedures required before proposed fare increases can be implemented.



# 2 000 attend anti-Ciskei weekend rally

CAPE TOWN 3/10/83

1155 1155 1155 332

## Labour Reporter

GUNS and brutality would not kill the spirit of the people who had been boycotting buses in Mdantsane for almost three months, Mr Robert Gqweta of the SA Allied Workers' Union (Saawu), told an anti-Ciskei rally in Hanover Park yesterday.

About 2 000 people packed the hall to hear speakers condemn the "ongoing atrocities" in the Ciskei, where a number of people have been detained and allegedly tortured and killed by the Ciskei Government in the wake of the bus boycott.

## Cheering

The rally was organized jointly by the United Democratic Front, the General Workers' Union (GWU) and the Cape Town Municipal Workers' Association.

A plea by Mr Moses Mobotwa, an executive member of the GWU, for the "brutality to stop immediately" was greeted by loud clapping and cheering.

Mr Gqweta — the brother of Mr Thozamile Gqweta, Saawu's president, who has been in hiding for several months — outlined the course of events since the boycott began.

He said there would be negotiation with the bus company only when the Ciskei Government released the elected leaders of the people being held in detention.

Mr Gqweta said:

- Mdantsane residents had decided to boycott the buses as they could not afford the fare increase of 25 percent. However, trouble began only when a number of people involved in the boycott were detained.

- People had been chased off trains, beaten, shot and arrested by Ciskei police, army and vigilantes brought in from the rural areas.

- Many people had been held for days at the Sisa Dukashe sports stadium, where they had been tortured and women had been raped. Some men had been tied up with ropes and hung by their hands for days.

- Schoolchildren had been taken away in army trucks and forced to sing: "We like Sebe. We no longer want to burn our schools."

## Dog food

- Apart from the banning of Saawu in the Ciskei, six trade unionists had been arrested by the South African security police and handed over to the Ciskei police.

- There were door-to-door raids in Mdantsane every day and Saawu members were being beaten.

- It was impossible to estimate how many people had been killed or were still in detention. People who had been released said they had been forced to eat dog-food pellets while in detention.

- 400 people had been detained at unit eight in Mdantsane in one swoop last week after petrol-bombs had been thrown at the homes of Ciskei officials.

## Police denial

- On Friday the Ciskei Government denied reports of police brutality at Sisa Dukashe Stadium and said "criminal elements have been acting under the camouflage of vigilantes who had been assisting the police".

Major G A Ngaki, police liaison officer for the Ciskei police, said: "I know these allegations have been flying around, and I deny them."



# UDF call for boycott of buses, money to Ciskei

Staff Reporter

THE Western Cape branch of the United Democratic Front (UDF) has called for a boycott of Ciskeian Government bus companies operating from Cape Town to Ciskei and a ban on money sent to the Ciskeian Government from the Western Cape.

About 1 200 people attended a meeting at Hanover Park Civic Centre yesterday to discuss alleged atrocities being committed by Ciskeian police and army and government vigilantes against residents of Mdantsane.

A large banner in the hall proclaimed: "No to Ciskei terror".

## STRUGGLE

The UDF committed itself to supporting the struggle of the people of Ciskei against a "puppet government" and to expose the "brutal methods of the Sebe regime and its masters in Pretoria".

Speakers at the meeting included one from the Border region of the South African Allied

Workers' Union (Saawu), recently banned in Ciskei, other trade unionists, members of community organisations and representatives from Crossroads.

Speaker after speaker condemned the involvement of the South African Government in the "repression of people in Ciskei" and called on the Government to remove "its puppet Sebe".

The meeting was told that virtually all trade union leaders in the Border region were in detention and there were allegations of torture and murder being committed by the Sebe Government.

The UDF resolved to extend its solidarity to all people of Mdantsane to encourage those people in Cape Town who give money to the Ciskei Government to stop doing so immediately.

It was also decided to discourage people from using Ciskei Government buses which travel weekly from Cape Town to Ciskei in support of the people of Mdantsane who are boycotting the buses.

Mr Joe Adams, a guest speaker, said: "Sebe and his heartless gang have declared war on residents of Mdantsane."

Hundreds of people had been detained, he said.

"Workers, residents, students and trade unionists are in the hands of Sebe. Who knows how safe they are," he said.

## SEARCH

Mr Adams said President Sebe had been using his power for a door-to-door search of nearly every house in Mdantsane.

He said that the only people who had benefited from Ciskeian independence were President Sebe and his supporters.

"For the people of Ciskei, independence has meant poverty and hunger so serious that there is starvation all over," he said.

The resettlement plans of the South African Government had meant that people were dumped all over Ciskei in places where there was no work or food, he added.

(News by B Gordon, 122 St George's Street, Cape Town).





were disturbing the peace. Mr Botha, a police- at the time, arrived to bring order to the area returned soon to take Ann out. They married Johannesburg, where they have lived ever since. They have three children.

● Picture by Philip Littleton.

# Taxi drivers pack court after swoop

About 300 Soweto taxi drivers and friends and relatives crowded the corridors of the Johannesburg Magistrate's Court today as scores of taximen faced charges under the Transportation Act.

Court officials were hard-pressed preparing paperwork for the 92 taxi drivers due to appear in court today.

Yesterday 12 taxi drivers were fined between R100 (or 50 days' jail) and R300 (or three months' jail) for offences of overloading and conveying commuters beyond prescribed areas on their permits in terms of the Transportation Board regulations.

The men were arrested at the weekend when police and Johannesburg Traffic Department officials manned roadblocks at various points in Soweto.

During the court hearings today the magistrate, Mr L S du Toit, frequently stopped proceedings and told orderlies to clear the court and let only those charged remain inside.

In Soweto today taxi drivers came out on strike in support of their colleagues who had been arrested at police roadblocks.

## Big jewel theft at coast hotel

Own Correspondent

DURBAN — Jewellery valued at R23'000 was stolen from the Umhlanga hotel room of a Johannesburg woman at the weekend.

Police said Mrs Ann Muriel Reynolds (50) and her attorney husband Peter returned to their hotel room just before 11 pm on Friday. The jewellery was stolen later while they were sleeping.

The jewellery comprised a gold watch, two strings of pearls, four gold bracelets, a pair of diamond earrings, three gold necklaces and a sapphire ring.

Trade unions have announced their support for the striking taxi drivers.

The national organiser of the Insurance Assurance Workers Union of SA, Mr Jeff Lengane, said commuting to work by taxi should not be regarded as a luxury.

Taxi drivers should be seen as performing an essential service. Because of the efficient service provided by taxis, users got to work on time, he said.

The Divisional Commissioner of Soweto police, Brigadier D J D Jacobs, said police had set up roadblocks again on all roads leading from Soweto into the city to combat illegal taxi owners "who have become a nuisance."

"We are looking for other offenders as well as stolen property," he said.

## Docket opened on dog attack death

Pretoria Correspondent

Police investigating the dog-pack killing of a Pretoria worker are trying to establish what the man was doing in the back

Hendrik du Plessis, said that although a murder docket had been opened no formal charges had been laid.

The future of the three

dents who were not satisfied with their latest results demanded their scripts back.

The students, all at the department of anatomy, claim that results on the notice board did not tally with those in the scripts. — Pretoria Bureau.

## Welder dies in hospital

Mr John Charles Holloway (65), of Swemmer Street, Rietfontein, died in the H F Verwoerd Hospital yesterday.

He was found unconscious next to a welding machine at his house on Friday.

A post-mortem will be conducted today. The possibility of electrocution is being investigated. — Pretoria Correspondent.

## Injured biker is identified

A young motor cyclist who was critically injured in a collision with a taxi in Vereeniging at the weekend, has been identified.

He is Mr D Slabbert (18) of 30 Oripi Place, Leeuwhof, Vereeniging.

Yesterday he was transferred to the Sandton Clinic in Johannesburg. He is in a critical condition. — Vereeniging Bureau.

## Dead woman found in veld

An unidentified woman has been found dead in open veld near Claremont, Pretoria, yesterday. She had apparently been battered to death.

● Mr David John Hudson (25), of Pretoria, died in the H F Verwoerd Hospital yesterday after a motorcycle accident in Wierda Bridge at the weekend. — Pretoria Bureau.

## TED row: school body resigns

The school committee of the Verwoerburg English-medium Springvale Primary School has resigned as in a dispute with the Transvaal Education Department over school boundaries.

The committee said it had no power as the department was 'did not consider the school

## our titled

● Metal and Allied and a preparedness Court has resulted

## Dancer to have spine op

Barry Martin, the young Hot Gossip dancer who was admitted to the H F Verwoerd Hospital last week after a car acci-



# Taxi drivers pack court after swoop

SAW 6/10/03  
330

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"We are looking for other offenders as well as stolen property," he said.



1332  
HWS 1/10/83

By Themba Molefe

Altogether 125 taxi operators have appeared in the Johannesburg Magistrate's Court since Monday charged under the Transportation Act.

Thousands of rands in fines have been imposed.

The appearances are a sequel to arrests at road blocks manned by the South African Police and the Johannesburg traffic department throughout Soweto.

Those convicted were fined between R100 (or 50 days' jail) and R300 (or three months' jail).

Yesterday 69 people

# One of 125 taxi men is acquitted

were convicted and today the trails of others continued.

Only one driver so far, Mr Moses Tshabalala, has been acquitted. He was charged with conveying commuters be-

yond a prescribed area without a proper permit.

Mr Tshabalala said that when he was arrested on Saturday he did not have the permit in his possession. He produced it in court.

## After the blitz, drivers pledge to avoid overloading

In the wake of the blitz on Soweto taxis over the past four days, the Soweto branch of the South African Black Taxi Association (Sabta) has resolved that taxis running to and from the township should not be overloaded.

The president of Sabta, Mr Jimmy Sojane, said after an emergency meeting in Orlando East yesterday that "for the sake of peace, we are going to avoid overloading".

More than 100 taxis have been impounded for various offences — including overloading — during the blitz which began on Saturday.

Mr Sojane said it was "tempting" for taxi operators with zonal permits limiting them to the township to travel the Johannesburg route because the demand for transport was great.

"The buses, trains and taxi operators with magisterial certificates allowing them to take commuters to and from the city cannot cope with the demand during the morning and afternoon peak periods.

"We are going to put a request to the Transportation Board to make concessions for zonal permit holders during peak periods. Bus companies have buses on standby and the train service also has standby trains to cope with the demand during peak periods.

"We would like to have the same concession for these periods."

Mr Sojane said the Soweto taxi fleet was not on strike on Monday. "We cannot strike because we sympathise with the needs of commuters."

A second special court was arranged yesterday to accommodate all the accused.

Mr EPH Olivier presided over this court and Mr LS du Toit in the other.

One of the prosecutors, Mr BD Groen, said impounded vehicles would be returned to their owners.

About 100 mini-buses were confiscated. They were being kept at Moroka police station in Soweto.

The courts yesterday convicted 69 drivers of overloading or conveying commuters beyond the areas prescribed in their permits in terms of the Transportation Board regulations.

Those who were convicted were fined between R100 (or 50 days' imprisonment) and R300 (or three months' imprisonment).

The majority of those convicted were given sentences of R250 (or 75 days' jail) for contravening the regulation which limits a mini-bus taxi to carrying eight passengers.

Others were fined R300 (or three months' jail) for conveying commuters without proper permits.

The magistrates ruled that the drivers who had paid their fines should recover their vehicles from Moroka Police Station.



# Police to continue Sowetan taxi blitz

By SELLO RABOTHATA

POLICE in camouflage uniforms and traffic officers yesterday set up roadblocks in a continuation of the blitz against taxi operators in Soweto.

And yesterday Brigadier J J Viktor, the Soweto CID chief, said the police would still man roadblocks at various points to check on road offenders.

He said police would not be intimidated and the people must understand that as in any other country, there were rules and regulations to be obeyed. Action would be taken against anyone breaking them but those who complied need not fear, he said.

While the roadblocks were in operation, executive members of the South African Black Taxi Association (SABTA) were engaged in a four hour long emergency meeting at the Orlando DOCC. A number of other members of the police force were also seen in the vicinity of the hall while the meeting was underway. More than 100 taxis have been taken off the road since the operation started on Saturday.

SABTA president, Mr Jimmy Sojane, in a statement after the meeting said: "We called this meeting because of the mass arrest of our members over the weekend. We were discussing what to do to avoid being victimised so easily and we found that one of the reasons leading to the arrests is overloading."

He said taxi drivers were tempted to overload by the number of passengers but the meeting resolved to avoid this practice. The other reason why so many taxis were taken off the road was because they were outside areas prescribed by permits. There are presently two types of permits, the zonal and the magisterial.

"Those with zonal permits are tempted to go to town when those with magisterial permits cannot cope with the number of passengers. The buses and trains also have a problem of coping with the transport demands of the people. We have now decided to request concessions from the Road Transportation Board for the zonal permit holders to assist the others during peak hours.

"If we could have such concessions then we can avoid what has been happening. Our members were also not on strike, we are too responsible for that, but were attending the court hearing in sympathy with their colleagues. We did not want to inconvenience our passengers. If in reality we did not have so many commuters, we would not be in this situation," Mr Sojane said.

Mr Sojane said the existing transport facilities were inadequate hence the problems faced by taxi operators. He pointed out that Putco and the railways had buses and trains on stand-by for peak hour needs.



# Railways Police <sup>5/10/83</sup> call taxi meeting <sup>332</sup>

Mercury Reporter

THE Railways Police are prepared to meet black taxi owners to discuss grievances following last week's roadblock at Isipingo at which 150 taxis and 38 buses were damaged.

Two people were injured and three of the buses were completely burned out when violence flared. A crowd, which gathered at the roadblock, attacked the taxis — legal and pirate — and the buses.

Col Johan Arpin, of the South African Railways Police, said: 'I am prepared to meet the taxi men and also investigate any complaints against the Railways Police.'

Mr T J Ngcoya, chair-

man of the Natal branch of the South African Black Taxi Association, said yesterday that although they had met the South African Police after last week's roadblock their grievances were not levelled against them but against the Railways Police.

'We cannot understand why the Railways Police are taking action against taxis because we act as a feeder service conveying passengers to and from railway stations,' Mr Ngcoya said.

He felt a meeting with the Railways Police would iron out many problems and also would serve to bring about a better relationship between taxi owners and the Railways Police.



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# Report false, claims Ciskei

*CME Times 7/10/83 332*

**Own Correspondent**  
PORT ELIZABETH. — A claim that 90 people had died at the hands of Ciskeian authorities in the Mdantsane crackdown aimed at breaking the bus boycott was an "ut-

ter fabrication", Ciskei's security chief, Colonel Z Makuzeni, said yesterday.

He was reacting to a report containing charges of widespread violence by supporters of President Lennox Sebe against Mdantsane residents, compiled by Mr Nicholas Haysom, a researcher for Wits University's Centre for Applied Legal Studies.

Colonel Makuzeni said yesterday that only seven people had been killed by police, who had opened fire "in self-defence".

Mr Haysom's report alleges that vigilantes have detained scores of residents in the Sisa Dukashe sports stadium, where up to 80 people have been tortured at a time, and locked in a change room for several days without toilet facilities, food or water.

Colonel Makuzeni said: "There was no action at the stadium when we were first told about these allegations and went there. These 'atrocities' were not known to the police."

The vigilantes who have been operating in Mdantsane since the outset of the boycott in July are said to have been recruited from the rural areas with promises of government rewards for their support.

They have been accused of rape, pillage, and numerous assaults. Justice Minister Mr David Takane said during the early stages of the boycott that the vigilantes had Ciskeian Government sanction.

According to Colonel Makuzeni, Mr Haysom's report contains several "wild allegations".

● East London employers were sympathetic to workers who had suffered as a result of the Ciskei Government's reaction to the Mdantsane bus boycott, and were working behind the scenes to secure a settlement, the president of the Border Chamber of Industries, Mr David Saunders, said yesterday.

Mr Saunders was reacting to charges in Mr Haysom's report which alleged that many employers in East London were "indifferent" to the plight of workers.

Mr Saunders criticized the action of the Ciskei Government against boycotters.

He confirmed there had been violence against boycotters by President Chief Lennox Sebe's supporters and said the Chamber "strongly objected" to this. He added that the Chamber had made representation to the Ciskei Government three days after the boycott began.

"Some employers had provided transport for their workers, but these vehicles were turned back by Ciskei authorities. All attempts to help workers with transport have been thwarted by them", he said.

He said most workers were now travelling to work by train and employers were arranging a feeder bus service from stations, as municipal transport could not cope. He added that in spite of the boycott, worker absenteeism was low.

● Mdantsane — Ciskei township of terror, page 6

## Words on Wine

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222 MAIN ROAD, WYNBERG

**Call for equal pay for teachers**

Education Reporter  
THE South African Teachers' Association (Sata) and the Suid-Afrikaanse Onderwyser-sunie (Saou) have declared the principle of equal salaries for men and women teachers to be "non-negotiable" and

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## Warning on skin lighteners compulsory

PRETORIA.— The Department of Health and Welfare has ordered the manufacturers of skin lighteners to label warnings on their products.

Skin lightening or skin whitening agents have come under sharp criticism from beauticians and doctors alike in recent months because they can damage the skin.

According to regulations in Friday's Government Gazette, a label must now be attached to these products warning the consumer that they contain hydroquinone, that if skin irritation develops, use should be discontinued or a doctor consulted and if no lightening is seen after two months of treatment, use of the product should be discontinued.

#### WARNINGS

Among further warnings that must in future be on the label is that depigmentation may not be noticeable when used on a very dark skin and that prolonged exposure to the sun must be avoided.

Manufacturers are also forbidden, in terms of the new regulations, from claiming that the use of the product results in "healthier, younger or rejuvenated skin," or that it "helps skin look brighter, clearer or younger", that the use of the product gives an "even, wholesome complexion" and it helps fade spots.

The sale of cosmetics which contain ingredients, such as skin lightening agents which contain any active or potentially active lightening agent other than hydroquinone have been prohibited, according to the notice.

## 'Government wants minibus business'

THE powerful South African Black Taxi Association (SABTA) has hit out at the Government for wanting to scrap minibuses or combi taxis.

Addressing 600 delegates from all over Southern Africa at SABTA's annual congress in Port Elizabeth, Mr Jimmy Sojane, the association's president, said the Government was trying to capture the minibus market for itself.

He quoted the recently released report of the Welgemoed Commission which studied the road transportation situation, as saying that bus services must be able to enter "the seemingly profitable market operated by minibuses."

One of the main recommendations

of the commission was that no new permits be issued for minibus taxis.

Mr Sojane asked why taxi operators were being penalised for being successful when it was government policy to foster small businesses among blacks.

#### WAR

A minibus war started last month in Cape Town with taxi operators in Retreat charging City Tramways with trying to eliminate them by introducing its own minibuses at half the normal fare.

The company, which enjoys a monopoly in the Western and Eastern Cape responded by claiming it introduced the minibuses and lower fares as a service to the community.

## ined literature

journalist's  
deal postponed

deal of a senior Sowetan reporter, Joe, against his 30-month sentence for col- literature published by the banned Pan- ist Congress (PAC), has been postponed Pretoria Supreme Court, for further

Ngcobo who, sentenced to 30 imprisonment on the charge, has pleaded against his

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Collecting the documents did not, however, constitute active participation in the banned organisation's activities, but was a passive situation which should be mitigatory, their counsel, Mr C R Mailer told the

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# PLANS ITS OWN MINI BUSES

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city Press

9/10/73

**IN A MOVE that is bound to send shockwaves through the already embattled ranks of black taxi operators, the giant Putco bus company has announced its intention to introduce mini-buses on certain routes.**

Although a spokesman for the company said yesterday that "nothing specific" had been decided and that no mini-buses had been purchased, Putco's plans are spelt out in the company's latest corporate report.

Managing director Albino Carleo says the company will certainly introduce minibuses if there are routes where

they are cheaper to run than buses.

There is little doubt that Putco, which has notched up multi-million losses, has numerous unprofitable routes where the use of mini-buses could result in substantial savings.

Mr Carleo says that the role of mini-buses envisaged by Putco should "not be construed as a vehicle to usurp the taxi's role".

But the experience of Cape taxi drivers with the City Tramways bus monopoly which recently introduced a fleet of mini-buses has shown that taxi operators face a real threat.

City Tramways immediately undercut the fare, forcing taxi drivers to either drop their prices or go out of business.

President of the SA Black Taxi Association, Mr Jimmy Sojane, said his association would "wait and see" what Putco's next move would be.

Both Putco and City Tramways — which receive enormous Government subsidies — are members of the SA Bus Operators' Association which took a hardline stand against minibus taxis when it testified before the Welgemoed Commission of Inquiry into urban transport.

And the commission has called for a ban on minibus taxis.

If its recommendations become law, it will effectively kill off the minibus taxi trade and open the way for the bus companies to dominate this lucrative market in both the urban and rural areas.

# PUTCO



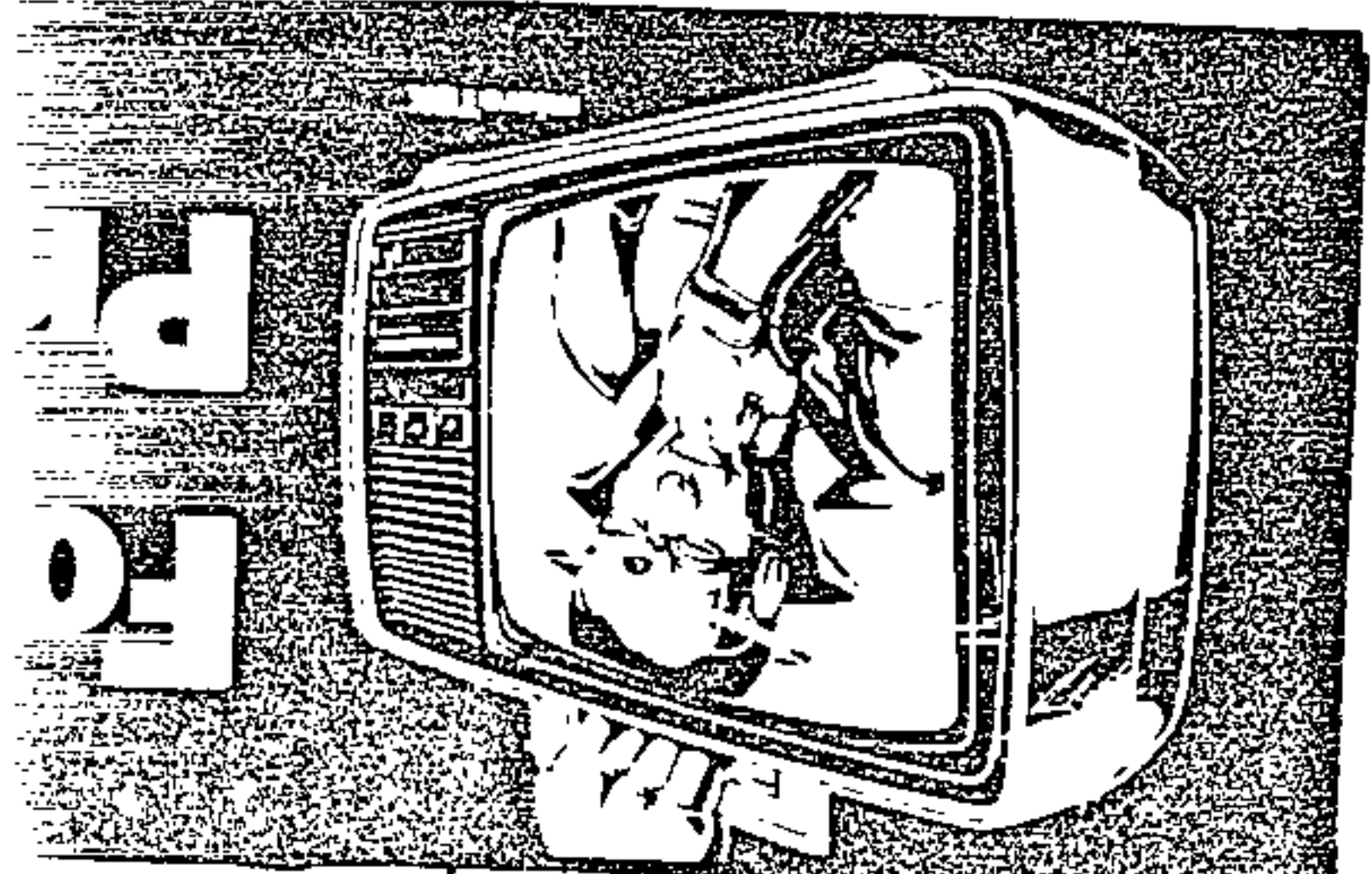
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# PUTCO WANTS ITS OWN MINIBUS SERVICE

City Press 9/10/83  
 CP Reporter  
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IN A MOVE that is bound to send shockwaves through the already embattled ranks of black taxi operators, the giant Putco bus company has announced its intention to introduce mini-buses on certain routes.

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But the experience of Cape taxi drivers with the City Tramways bus monopoly which recently introduced a fleet of mini-buses has shown that taxi operators face a real threat.

City Tramways immediately undercut the fare, forcing taxi drivers to either drop their prices or go out of business.

Local taxi association chairman Mr Basil Nagel told City Press that the introduction of the minibus service by the bus giant was a serious threat to the livelihood of about 750 taxi operators and drivers in the area.

President of the SA Black Taxi Association, Mr Jimmy Sojane, said his association would "wait and see" what Putco's next move would be.

Both Putco and City Tramways - which receive enormous Government subsidies - are members of the SA Bus Operators' Association which took a hardline stand against minibus taxis when it testified before the Welgemoed Commission of Inquiry into urban transport.

And the commission has called for a ban on minibus taxis.

If its recommendations become law, it will effectively kill off the minibus taxi trade and open the way for the bus companies to dominate this lucrative market in both the urban and rural areas.

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# Ecab ends probe into roadblock incident

By SHIRLEY PRESSLY

THE East Cape Administration Board (Ecab) has completed its investigation into an incident in which a senior East Cape Administration Board official allegedly threatened to shoot a freelance photographer and a newspaper reporter.

The Chief Director of the East Cape Administration Board, Mr Louis Koch, said a departmental commission of inquiry found no grounds to bring departmental charges against the official.

The incident allegedly happened at a roadblock in New Brighton on March 26, manned by officials of Ecab's Traffic Department, at which about 20 mini-bus owners were bundled into police vans.

It was reported that Mr J Bezuidenhout, superintendent of the Ecab traffic police, hurled abuse at the passengers and drivers of the mini-buses.

It was reported that he threatened to shoot a freelance photographer who took pictures of the arrests and he was also asked to "cool it" by a member of the police riot unit as he prepared to draw his firearm from his holster.

Mr Koch said the reporter did not go to the police and lay a charge of unlawful pointing of a firearm, nor had he been abused and sworn at.

The commission had affidavits from police and public "and they did not see that he (Mr Bezuidenhout) pointed a firearm".

"On the weight of the circumstances, such as the failure of the reporter to go to the police and report this, weighed up against the affidavits, we do not have sufficient evidence to proceed with departmental charges," said Mr Koch.

This would be the position until such time as people could be produced who could make sworn affidavits to the contrary.

"We have had great difficulty in getting people to come forward and give sworn affidavits," said Mr Koch.

He said if Ecab employees used firearms it was accepted that the victims should report these things to the police.

"It is important that we don't let things rest, but in this case we only have the reporter's affidavit and he did not lay a charge. On the weight of all the evidence we are unable to take this matter further," said Mr Koch.



6 The Cape Times, Thursday, October 13, 1983



Mr Nicholas Haysom

THE report by Mr Nicholas Haysom tells of a soccer stadium in Mdantsane township, near East London, has been turned into a prison where residents are held and physically assaulted.

Accounts of torture, overcrowding and insanitary conditions in the changing rooms — where up to 80 people at a time were held — are contained in the report.

It says the stadium is used by vigilantes loyal to President Lennox Sebe's Ciskei National Independence Party as a "reception area" for detainees.

The detainees are, says the report, often ordinary residents of Mdantsane who are not politically active, but have angered the vigilantes in some way.

One man was allegedly detained and assaulted for asking a vigilante not to beat his son.

The vigilantes are mostly middle-aged men from the rural areas who dress in overcoats

## Soccer stadium becomes a

### The Haysom Report

and are armed with sjamboks and knobkerries.

They were brought into Mdantsane in government combis to help quell the bus boycott a fortnight after it began and have been used to quell unrest before, the report says.

Their job has been to enforce the curfew and to "roam the streets at night... preventing commuters reaching the station" and thus catching trains rather than buses.

At times, it says, wearing a South African Allied Workers Union T-shirt has been sufficient to incur a thrashing from the vigilantes.

On arrival, the vigilantes took up residence in changing rooms in the stadium. Initially, they handed over their charges to the police, the report says. They manned the high brick

wall around the stadium, armed with shotguns and pellet guns.

Many of those held in the stadium seem to have been arrested arbitrarily, often simply because they could not provide documents at a roadblock.

In many cases, those detained in the stadium have been charged without being released. Some have been charged and acquitted.

One young woman says she was held in the stadium after vigilantes received a report from a neighbour with whom she had had an

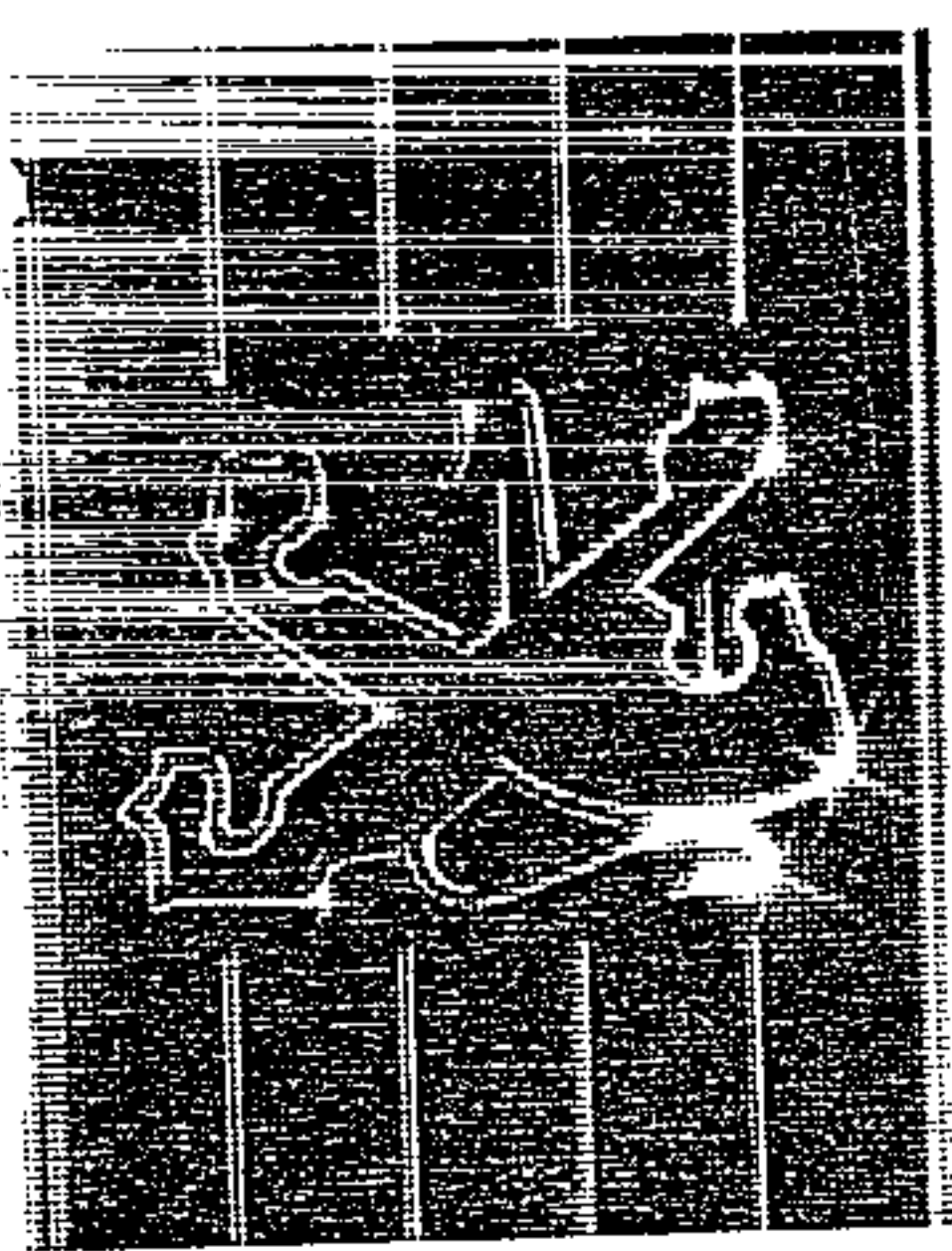
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But, the report says, Mrs Mbola indicated "power" vigilantes in

The couple's child turning from work to assaulted by a leac Three days later lante why he did no of hitting children.

Later that night rounded by vigilantes doors and windows "Mr Mbola opened ately vigilantes ru began to strike Mr sticks and sjambok

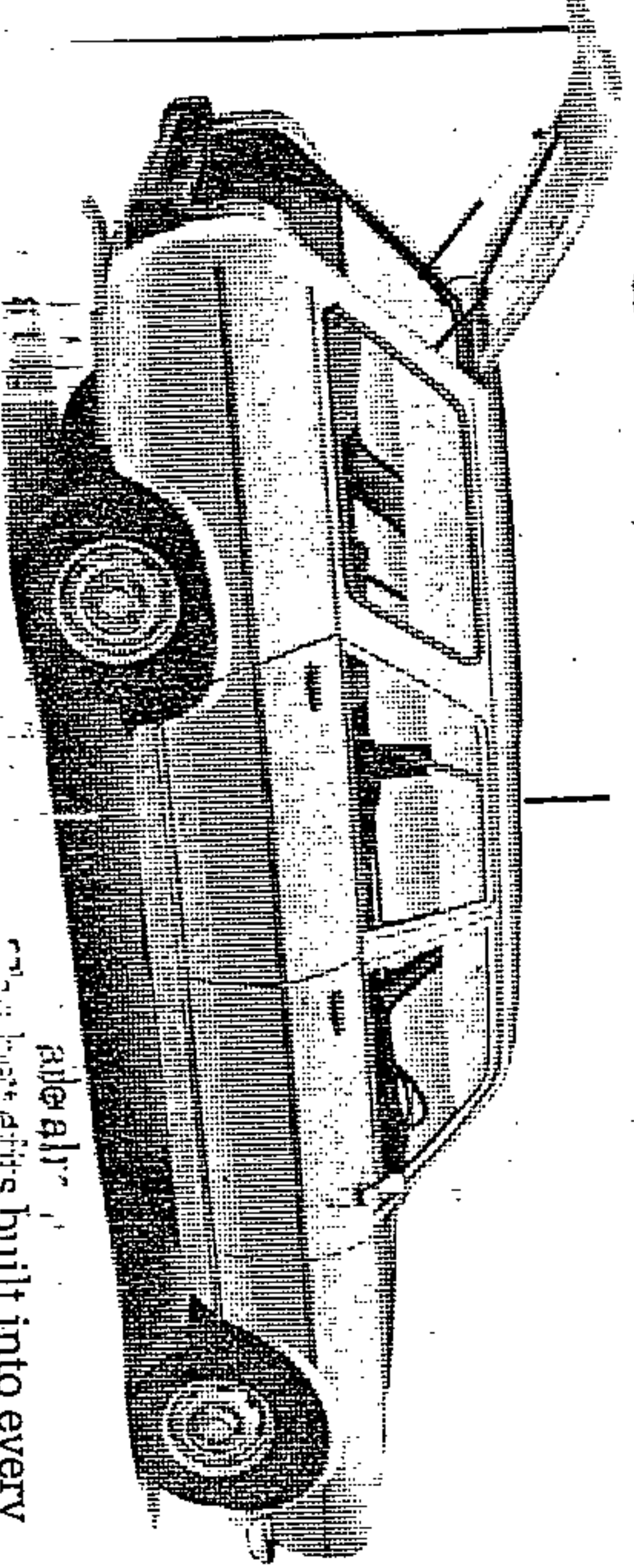
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# Soccer stadium becomes a prison

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## The Haysom Report

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argument. But, the report says, the story of Mr and Mrs Mbola indicates best the "unchecked power" vigilantes have exerted. The couple's child, who is about 15, was returning from work one evening when he was assaulted by a leading vigilante. Three days later Mr Mbola asked the vigilante why he did not approach adults instead of hitting children. Later that night the Mbola home was surrounded by vigilantes, who banged on the doors and windows. "Mr Mbola opened the door and immediately vigilantes rushed into the room and began to strike Mr Mbola and his wife with sticks and sjamboks. They thrashed the two

of them through the house and into the official van outside." Mrs Mbola was covered in blood and Mr Mbola was unconscious.

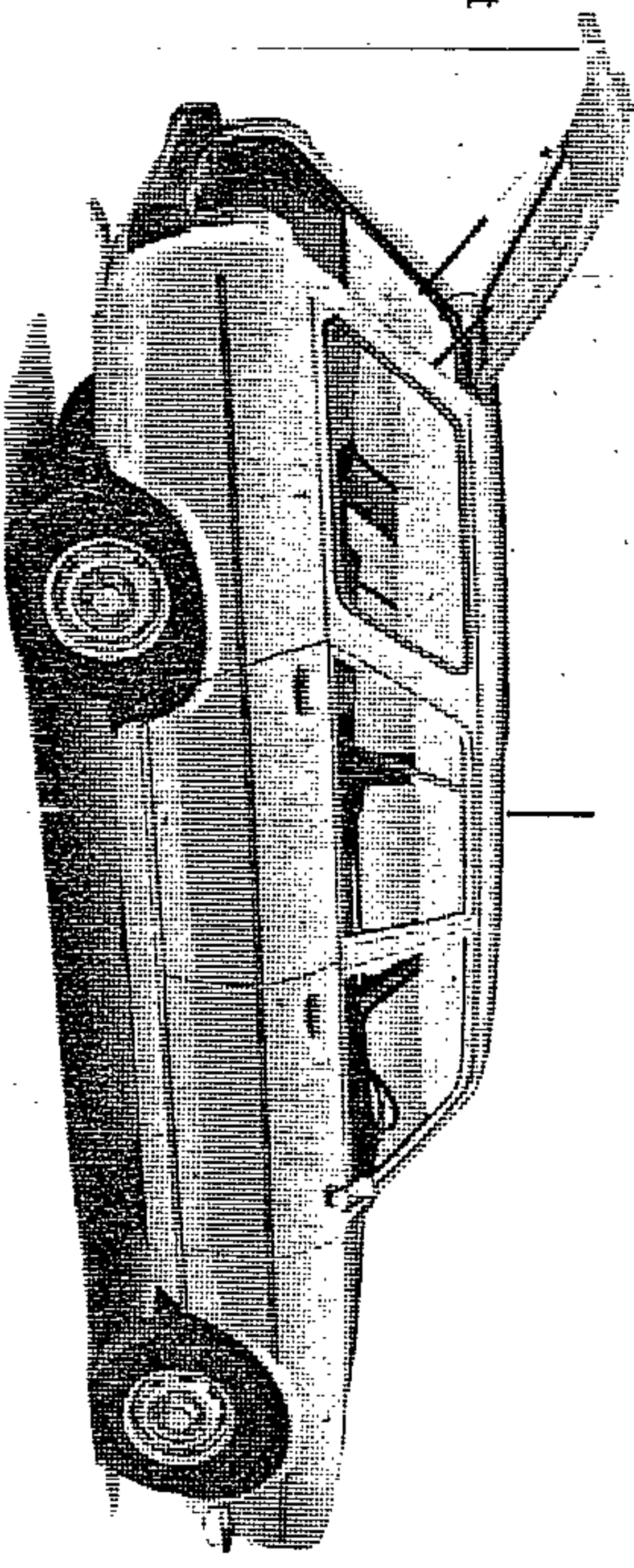
There were two policemen among the vigilantes and the couple were taken to a police station and released the next morning.

Two weeks later, however, the vigilantes returned, to say: "We didn't hit you properly last time." They then assaulted Mr Mbola again and threw him into the boot of a car with a government registration.

On the advice of friends, Mrs Mbola sought her husband at the stadium. There she was told the vigilantes would not release him yet. He returned five days later and "cried tears when he saw her".

He said he was handcuffed and suspended from the ceiling by a rod, a practice referred to by Ciskei security police as the "boeing" or "helicopter".

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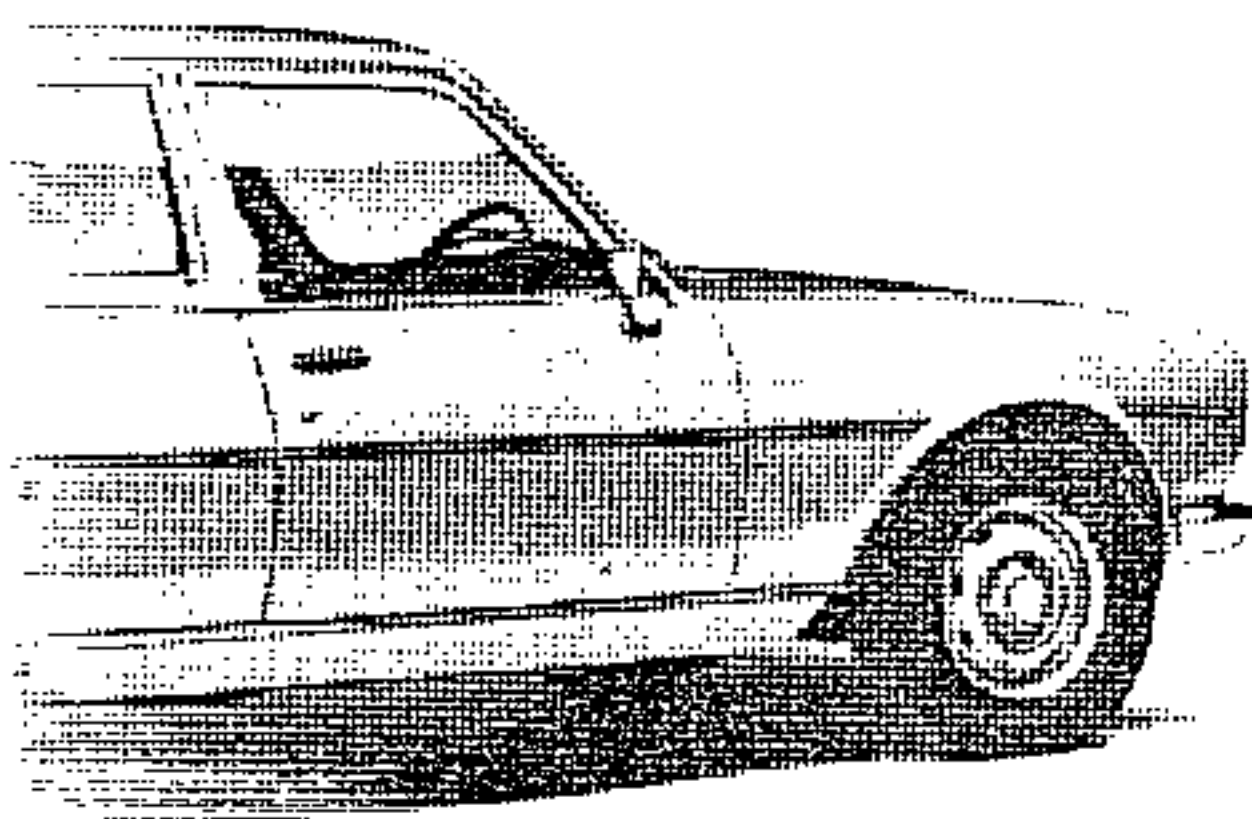
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A group of alleged vigilantes at a bus terminus in Mdantsane

## Bodies on a train platform

RESIDENTS estimate that up to 90 people have died as a result of police and vigilante action against Mdantsane bus boycotters, according to Mr Nicholas Haysom's report.

The deaths are the result, it says, of police action against residents who have boarded trains in preference to the buses, which they are boycotting.

On occasions, police have fire on residents attempting to board trains, and one eye witness reports seeing bodies lying on the platform of a station in the Mdantsane area.

In one case, Ciskei police killings are alleged to have occurred at a station which is across the border and is, therefore, in South Africa, not Ciskei.

Residents allege the official death toll is lower than their estimate, because figures released by the Cecilia Makiwane Hospital are sanctioned by the Ciskei government.

They also allege that some residents are afraid to go to the hospital because police raid it, searching for residents who have allegedly been assaulted.

According to the report, both private mortuaries in Mdantsane were full during the second week of August, and one private mortuary owner alone said he was holding seven people who had been killed, five of whom were not identified.

The report also reports numerous accounts of serious assaults on residents by police or vigilantes because they were travelling in private cars rather than buses.

It includes incidents in which a man, who had used trains all his life, had to have his ear stitched back after being assaulted for not using buses.

A woman had her arm broken by Ciskei police, who several days later assaulted her again on her injured arm.

In many cases, it says, vigilantes and police are stopping residents and demanding documents which residents do not have to carry, or which have never been issued to them.

If they cannot provide them, they are assaulted and arrested.

The report says that residents claim any resistance to the demands made of them by vigilantes can result in the protester being shot out of hand.

In some cases, residents are detained and assaulted for not paying a development tax imposed by President Sebe's government.

However, some are civil servants who have the tax deducted from their

### Haysom Report

pay and therefore cannot produce a receipt to prove they have paid.

Police also engage in frequent raids on residents' homes, searching for "political" literature.

In one case, police dug up a resident's entire garden, claiming they were searching for subversive documents.

In some cases, it says, vigilantes are using their position for personal gain by demanding money from residents in exchange for not arresting or assaulting them.

In some cases, women have been sexually assaulted by vigilantes.

Since a schools boycott began in Mdantsane, secondary-school children have also been subject to police



# A car ride can mean arrest

TO ride in a private car is to risk assault or arrest. To encounter armed vigilantes who roam the streets is to invite incarceration in a soccer stadium, where 80 people at a time are held in a dressing-room without food or water. Even to walk to work is to risk arrest or assault.

That, according to a research document, is the reality of life in Mdantsane township, outside East London, as President Lennox Sebe's Ciskei government desperately attempts to crush the bus boycott there.

The document, compiled by Mr Nicholas Haysom, a researcher for Wits University's Centre for Applied Legal Studies, runs to some 90 pages, many of which are filled with allegations of torture against residents by police and by "vigilantes" loyal to President Sebe.

He concludes that President Sebe is resorting to "desperate measures" to control his

A bus boycott in the Ciskei township of Mdantsane has led to widespread violence in the area. Allegations of torture and beating of boycotters by Ciskei police and vigilantes have been made in a report on the situation compiled by a Wits University researcher, Mr Nicholas Haysom. **STEVEN FRIEDMAN** reports.

subjects and that law and the administration of justice have almost ceased to operate in Mdantsane.

Instead, says Mr Haysom, the township has become the scene of a battle of wills between the Sebe government and Mdantsane residents, in which the government is using widespread violence to impose its will.

But, he says, the crackdown has strengthened, rather than crushed, resistance to the Sebe government.

The bus boycott President Sebe seeks to crush continues, as does a schools boycott in support of it.

And there are signs, he says, that opposition to the Ciskei government is spreading to groups previously

friendly to it.

And Mr Haysom insists that events in Mdantsane — the biggest black township in Ciskei and the second biggest in South Africa — are not simply the result of "excesses" by a foreign black government.

They are, he argues, a direct result of Ciskei government policy. And at times the Ciskei authorities are being assisted by their South African counterparts.

The document is a report on human rights violations in Ciskei prepared for the Legal Studies Centre, Lawyers for Human Rights and the Detainees' Parents' Support Committee.

It is based on published reports, sworn statements to lawyers and interviews with



President Lennox Sebe of Ciskei

wards and control over the distribution of social welfare grants.

This gives chiefs and headmen a direct interest in the political system from which they benefit. Mr Haysom says that is not surprising that the chiefs and headmen play a vital role in recruiting CNIP vigilantes.

## Security laws

In addition, the Ciskei has, says Mr Haysom, built up a formidable security force with South African assistance and operates in terms of security legislation which is almost identical to South Africa's.

Ciskei and South African police have co-operated in handing over detainees and allegations about torture methods used by Ciskei police are similar to allegations of torture made in South African courts.

Thus, Mr Haysom argues, the South African government has given the Ciskeian authorities real powers to curb internal dissent.

Because they rely on continued financial and security support from Pretoria, they have used these powers to crush opposition to South African government policy and themselves and to back up decisions which are resisted by Ciskeians. \* \* \*

Mdantsane residents.

It details action against residents since the beginning of the bus boycott, which brought to a head simmering tensions between the Ciskei government and its subjects, in particular trade unions and community groups.

It contains chilling accounts of assaults by police on residents who travel by train or car, rather than by the buses of which the Ciskei government owns a major share.

It also contains details of mass detentions, overcrowded prisons, assaults on detainees and raids on private homes.

Perhaps the most disturbing aspect, however, is the account of how armed vigilantes loyal to President Sebe's Ciskei National Independence Party have roamed Mdantsane acting indiscriminately against residents and taking them to the Sisa Dukashe soccer stadium, where they are assaulted.

But the report also places events in Mdantsane in a wider context ... and lays the blame for them at the door of the separate development policy.

## Reserves

Independent homelands like Ciskei, suggests Mr Haysom, serve as reserves for blacks who are not needed in white South Africa.

The homeland is independent, so Pretoria no longer has to provide jobs or social security for those who are forced to live in them.

He also quotes commentators who argue that areas like Ciskei play a key role in canalizing political, economic and social discontent.

In other words, the homeland government takes over unpleasant functions which would otherwise be undertaken by Pretoria and black anger is diverted against the homeland authorities and not white officialdom.

The report points out that power in Ciskei is not held by elected leaders.

The area's rulers are largely chiefs (seven out of eight cabinet ministers are chiefs), who do not rely for their authority on black tradition or democratic support (less than half the Ciskei Parliament is elected), but on laws passed by the South African government.

These laws, which also allowed Pretoria to appoint chiefs, gave them extensive powers as well as financial re-

Mr Haysom quotes statistics to indicate the poverty which is rampant in Ciskei.

More than 350 000 people have been moved to the area by the South African government and average land allocation per person is not enough, according to experts, to feed one person. Jobs are virtually

Continued on page 6, col 8



W/E ARGUS  
15/10/83 (232)

## R55-m LINER DEAL SIGNED

Weekend Argus  
Reporter

SAFMARINE today clinched the purchase of the 19 000-ton German cruise liner Astor, with which it intends to revive the regular mailship service between South Africa and Europe in April next year.

Safmarine paid about R55-million for the Astor, which is at present on a South American cruise and due to be serviced and refitted later this year for delivery in February.

Safmarine chairman Mr Marmion Marsh said booking for the Astor's first voyage would open "in a matter of weeks" as soon as the sailing schedule and fares had been determined.

### 650 passengers

He said Safmarine was planning to enlarge the Astor's cabins and upgrade both the cabins and the public areas.

The Astor, which will carry about 650 passengers, will bring the number of berths on the popular South Atlantic run to about 1 270.

Six years ago the SA Vaal sailed from Cape Town to end the 100-year mailship operation.

But in 1979 the rugged little 3 150-ton "mini-mailship" St Helena came into the breach with a regular run between Avon, St Helena and Cape Town for 76 passengers.

The St Helena is due to resume the run again next month



## Fares hike hearing date to be set

(332) C. Herald  
THE National Transport Commission is to decide this week when it will consider City Tramways' latest application for a busfare increase.

An NTC official said from Pretoria that the commission would meet on Tuesday to decide on a date to hear the application by Tramways for an average 8,5 percent increase.

The application was published in the Government Gazette of Friday July 22 and reached the NTC's office last week.

### OBJECTIONS

Officials at the Local Road Transportation Board refused to say how many objections had been filed against the application, but it is believed that a number of major

15710783  
organisations have decided to object.

These include civic organisations like the Cape Areas Housing Action Committee (CA-HAC) with 20 affiliates, and the 10 000-strong Cape Town Municipal Workers' Association.

The Ravensmead coloured management committee have also objected.

City Tramways received an overall increase of 12 percent in May this year.

Community-based organisations did not object officially to the last application. They said the NTC was a Government-created body which could not take a decision to benefit the commuters.

Representatives of community-based organisations walked out of a previous hearing into a City Tramways application



*Swetlan 21/10/13*

## Bus service cut angers commuters

THOUSANDS of commuters in the Mabopane district have expressed their anger at the government's decision to phase out the existing Putco bus services between Mabopane Station and Pretoria.

This, they said, would force them to have to use train services between the new Mabopane Station and the city of Pretoria.

Putco's main route between Mabopane Station bus station has already been phased out since the introduction of the multi-million rand rail service at Mabopane and Belle Ombre Station in August.

Ministerial approval is now being awaited for the withdrawal of Putco services between Mabopane Station and the Caledonian Grounds and between Mabopane Station and Edmund Street, Pretoria.

About 2 000 commuters, in a petition submitted to Putco recently and subsequently discussed by the local Transportation Board, have rejected the decision.

In a statement released yesterday a spokesman for the commuters, Mr Ronald Phalama lashed out at Mr H J Claasens, chairman of the special transport committee who in their recent discussions said commuters should use trains because Putco buses are more expensive.

"The question of commuters paying high fares when they are using Putco buses, is none of his committee's concern nor worry. The people are very much interested in travelling safely under the protection, convenience and comfort offered by the bus services," Mr Phalama said.

Mr A B Eksteen, the director general of transport said he had received complaints from commuters about the intention to phase out the service completely. The matter, he said, was being attended to to seek an amicable solution. Although his department had mooted the idea of the switch from bus to train services, the department did not wish to inconvenience anybody who preferred to travel by bus.

Mr Pat Rogers, Putco public relations chief said: "We are concerned about the commuters' interests and would like to see they get their choice."



A survey. Supplement to Financial Mail. October 21 1983

332

# TRUCKS & trucking

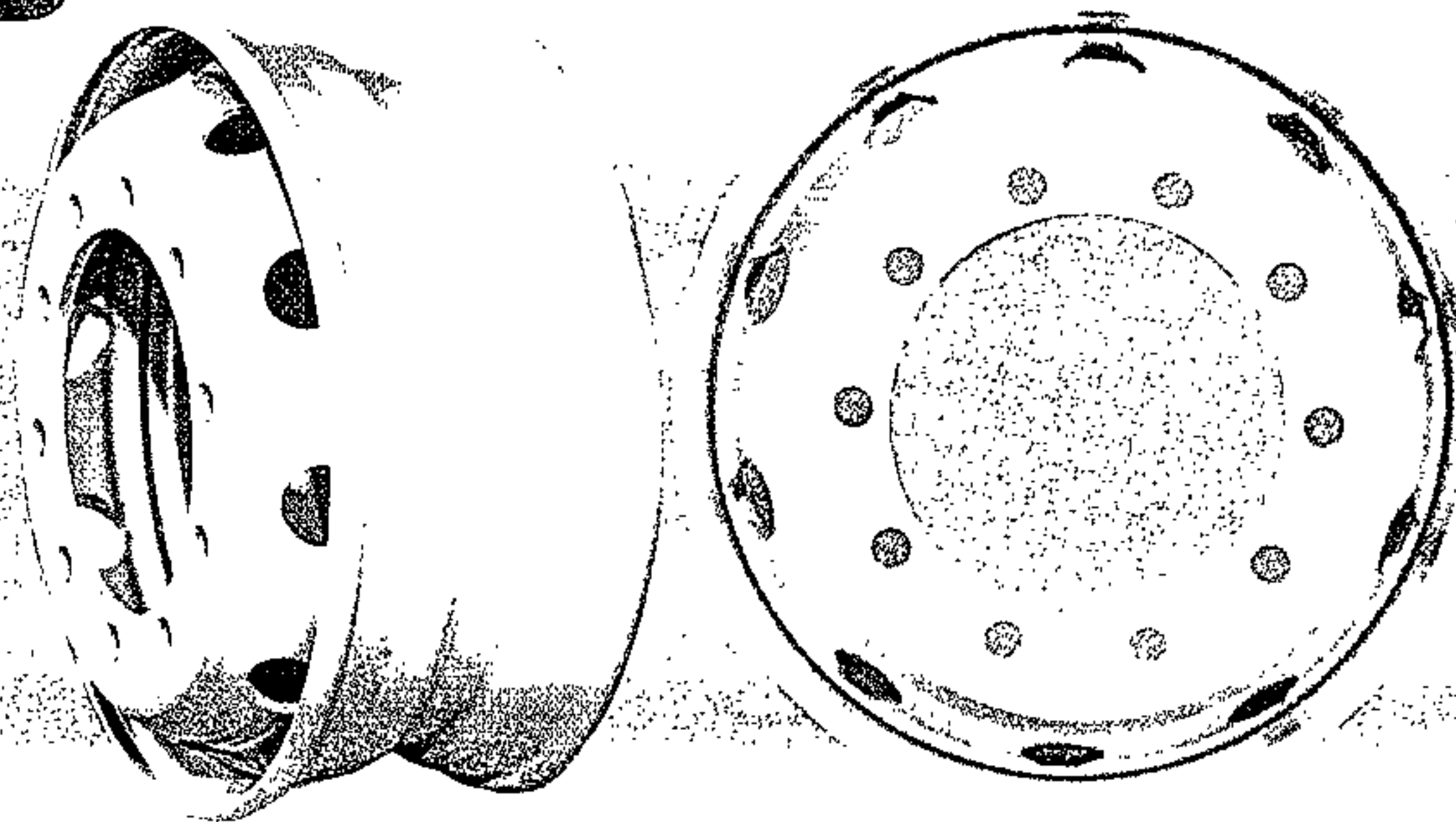




# NOUVEAU PRODUITS



operators. This wheel, fitted with tubeless truck tyres, has a 100% local content and comprises a single piece drop centre rim with a 15 degree taper bead seat fitted with a special valve. It has resulting in increased payloads; highly improved safety factors and operators are enjoying increased profits and longer tyre life.



S (PTY) LTD





# Contents

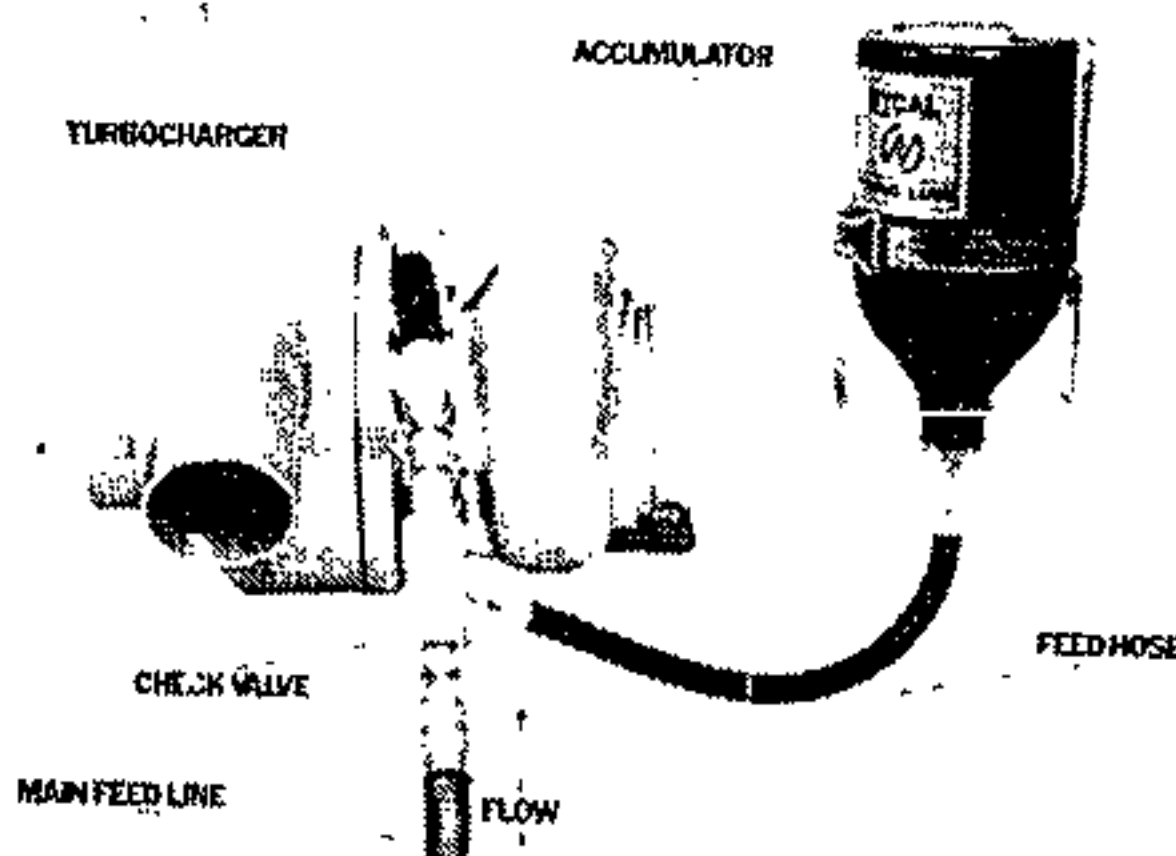
Could it be Vee? .....	5	Out of control .....	21
Not a commercial success .....	9	Glimmer of light .....	22
On the buses .....	10	'May I see your permit?' .....	30
An industry divided .....	14	Power train problems .....	31
An end to co-operation? .....	17	Tariff troubles .....	32
Officially speaking .....	19	Trucks for hire .....	36
All wrapped up .....	40		

## PREVENT STOLEN VEHICLES



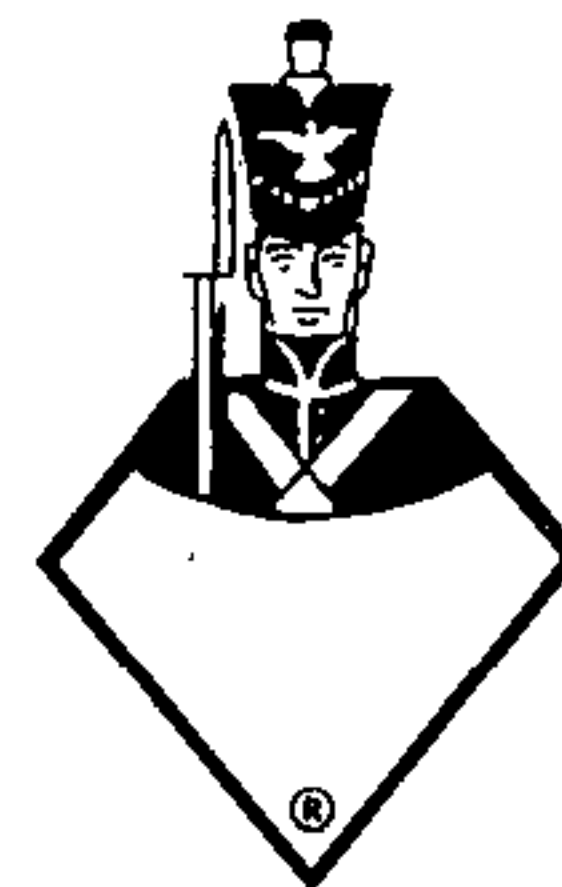
The well proven Cooper Universal Fuel Lock — now available in South Africa is fully mechanical, no electrics, easy installation, vehicle immobilised by turn of key.

## PREVENT DAMAGED TURBOCHARGERS



Provides lubrication to the turbocharger for lengthy period after engine shut-down. This allows for dissipation of turbo heat during run-down period, which is the most vulnerable period for turbo damage.

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The largest fleetowners and operators in South Africa follow LLOYDS of LONDON and so ensure engine protection against loss of low oil pressure, overheating or sudden loss of coolant. This device is approved by major engine manufacturers and sentinel units are to be found on all diesel applications covering road transport, stationery plant and off-road and marine equipment. You can't afford to be without it — with repair costs as exorbitant as they are.

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No other truck cab in the world resists rust as effectively as the ERF "B" series.

Yet like all the benefits of an ERF, the cab's corrosion resistance is based on simple principles.

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Even two-year olds can look long in the tooth, with some five-year old cabs often decomposing merrily.

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# Could it be Vee?

*ADE is going ahead with Vee-series engines, and this has upset the plans of certain truck manufacturers*

The formidable task of re-engineering SA's commercial vehicles around engines produced by Atlantis Diesel Engines (ADE), is all but complete.

The FM asked manufacturers to list each

of their models featuring the local engines and the results are listed in the accompanying table.

Millions of rands have been poured into development work which, for some, is still

not finished. Only in certain instances have Vee engines been included, even though it is predicted that these will account for an appreciable volume in the years to come. Some will have to re-think their model ranges to incorporate them, suggesting that there is a further two years of engineering development ahead before ranges are complete.

Many manufacturers had expected, wrongly as things turned out, that ADE would confine itself to the in-line six cylinder models.

ADE explains that its apparent preoccupation with the in-line sixes was attributable more to the fact that the Board of Trade (BoT) did not until recently approve the Vees for full duty rebate. It points out that the Vees have always been on the list of available models. Manufacturers should have had the courage of whatever convictions they held as to their suitability.

For those who have no Vee plans, the programme is complete. But two newcom-

## THE ADE VEE ENGINE LINE-UP (Commercial vehicles)

Model		Power	Torque
ADE 422 (derated)	(V8)	184 kW (250 hp)	932 nm at 1 200 r/min
ADE 422	(V8)	206 kW (280 hp)	1 040 nm at 1 200 r/min
ADE 422 T	(V8)	243 kW (330 hp)	1 402 nm at 1 200 r/min
ADE 422 TI (new)	(V8)	276 kW (375 hp)	1 550 nm at 1 200 r/min
ADE 423	(V10)	261 kW (355 hp)	1 304 nm at 1 200 r/min
ADE 423 TI (new)	(V10)	368 kW (500 hp)	2 001 nm at 1 200 r/min





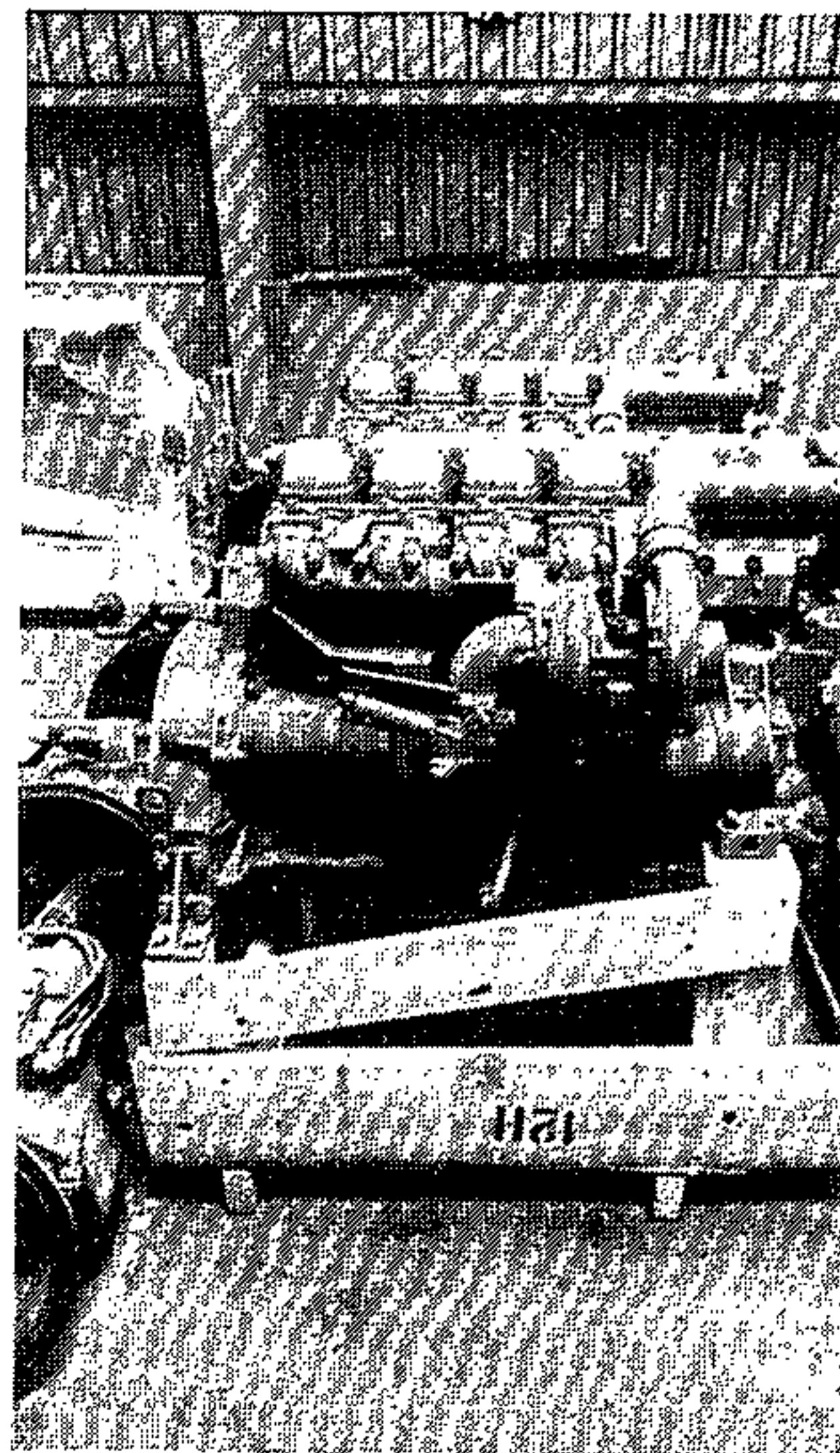


could satisfy these demands.

"We also feel that, depending on the

operation, the naturally aspirated Vees, turbocharged and inter-cooled Vees, are need-

Make	Model	Type	ADE engine
MAN .....	14.130 FK (planned)		354 C/352
	14.130 FL (planned)		354 C/352
	14.170 FK (planned)		354 T/352 T
	14.170 FL (planned)		354 T/352 T
	14.170 FAK 4x4 (planned)		354 T/352 T
	14.192 HT		409
	14.192 HL		409
	15.192 FT		409
	15.192 FT/S		409
	15.192 FL		409
	15.192 FL/S		409
	16.240 FT		407
	16.240 FT/S		407
	19.280 FT		407 T
	19.280 FT/S		407 T
Mercedes-Benz .....	19.301 FT (planned)		407 TI
	19.301 FT/S (planned)		407 TI
	NG1213/42 + 48	FC	352
	NG1213K/32	Tip TT	352
	NG1413/48	FC	352
	NG1413K/32	Tip TT	352
	NG1417/48 + 52	FC	352 T
	NG1417K/32	Tip TT	352 T
	NG1417A/36	FC Tip	352 T
	NG1517/42	FC	409
	NG1419/48	FC	409
	NG1419S/32	TT	409
	NG1924/48	FC	407
	NG1924K/38	Tip	407
	NG1924S/32	TT	407
	NG1928/55	FC	407 T
	NG1928S/32	TT	407 T



## THE CARGO FILE: Aerodynamic advances

**CARGO'S DESIGN MINIMISES VEHICLE OPERATING COSTS. LIKE THE CAB WITH ITS SUPERIOR AIRFLOW MANAGEMENT. IT'S GOT A UNIQUE SPOILER COLLAR AT THE REAR OF THE CAB, NO EXTERNAL DRIP RAIL, DOUBLE CURVATURE WINDSCREEN WITH A 17 DEGREE RAKE, FLUSH FITTING DOOR HANDLES AND LOUVRED GRILL SLOTS.**

**THE RESULT?...**

**AN UNDISTURBED LAMINAR AIRFLOW OVER, AROUND AND UNDER THE CAB. CARGO SAVES FUEL. AND YOU SAVE MONEY.**

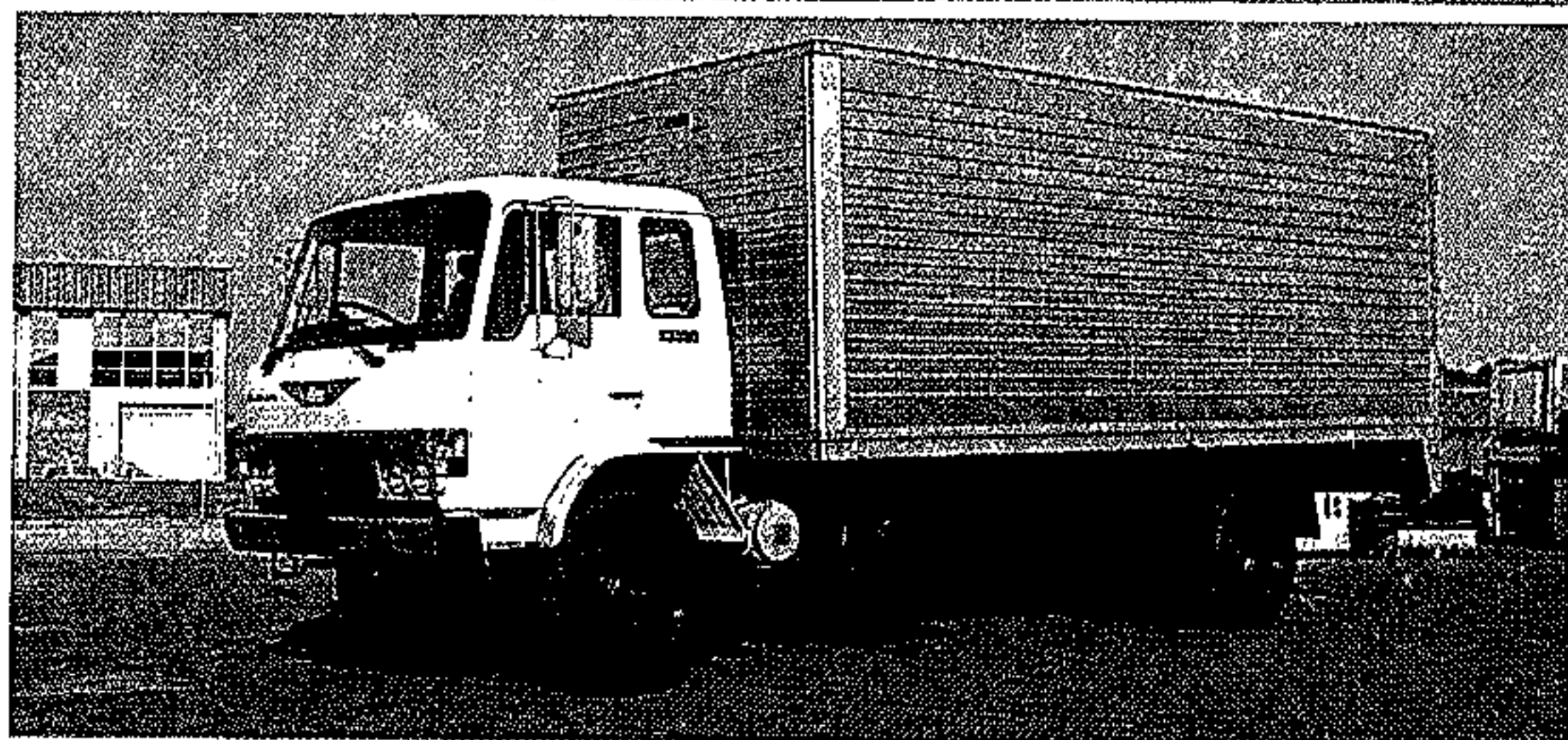
ONE REASON WHY FORD CARGO IS EFFICIENT ON THE MOVE.

**IT'S MORE THAN A TRUCK. IT'S A FORD.**

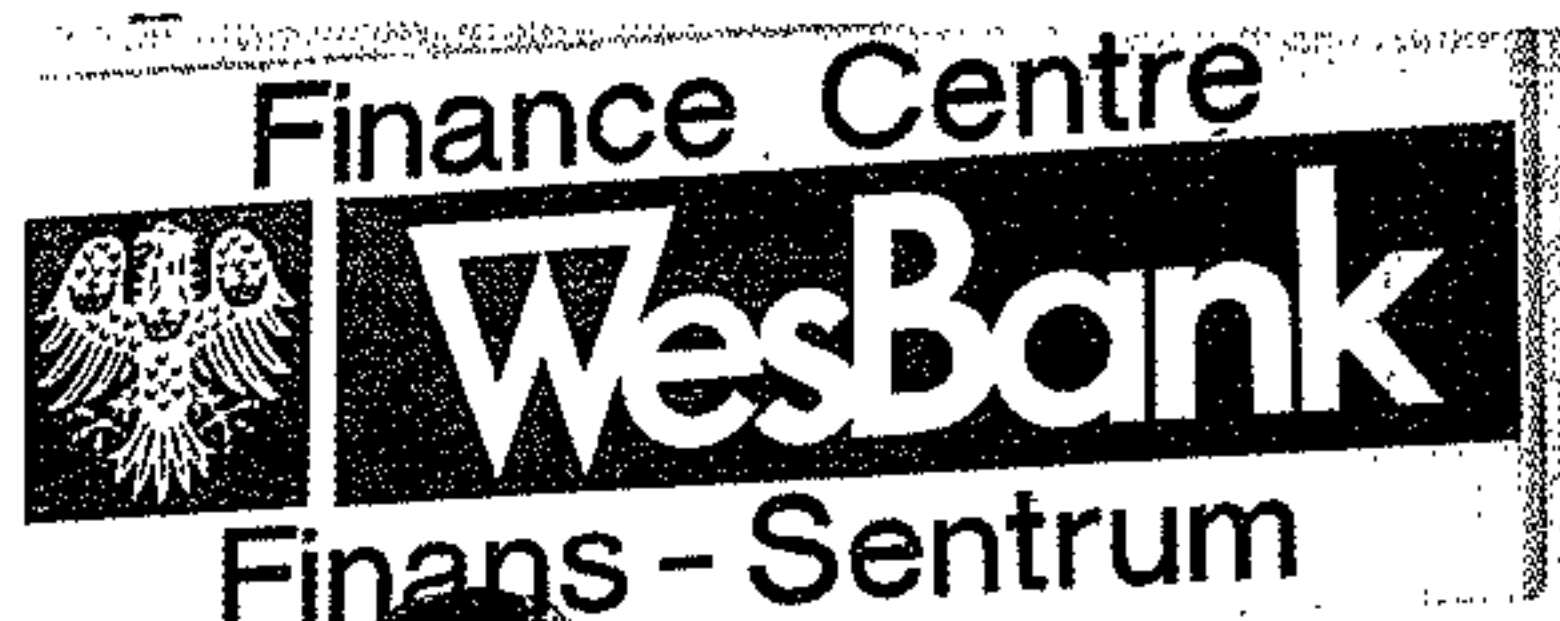
F/CARGO/2/1/E



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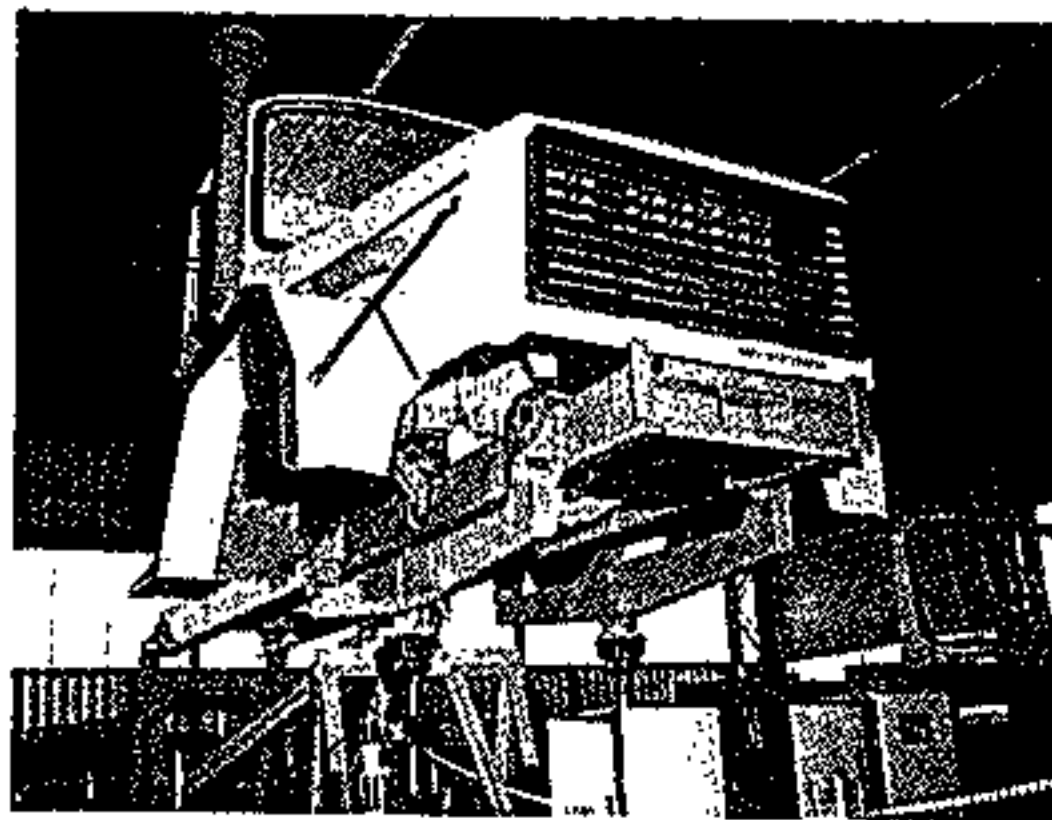


Built in South Africa by the Magnis Truck Corporation, Samag is a direct descendant of the all-terrain Samil military truck. With a pedigree inherited from the finest technical features of four top international truck manufacturers, this Bull of a Truck is nothing short of sheer muscle and brute driving force.



## SAMAG DEVELOPMENT AND TESTING

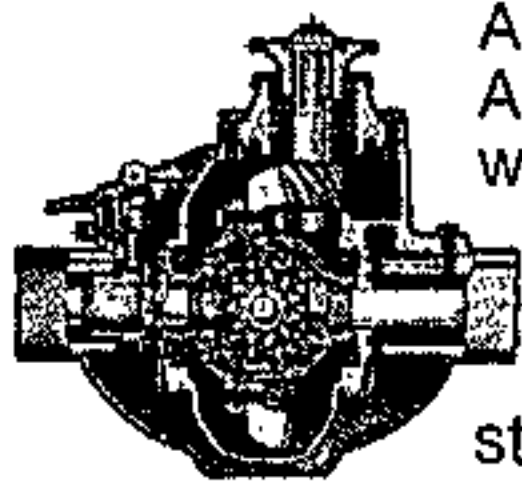
Every component and feature is subjected to a series of rigorous tests. These include special chassis



and cab rigs – the only ones in Africa, and a purpose built torture track for final testing.

## SAMAG ENGINE AND TRANSMISSION

Power is provided by a choice of two Atlantis Diesel Engines – the



ADE 352 and the ADE 407, both of which have the option of turbo-charging. Specification is a 4-stroke six-in-line configuration with

direct fuel injection and water cooled block.

Highly reliable ZF and Eaton-Fuller gearboxes with five and six

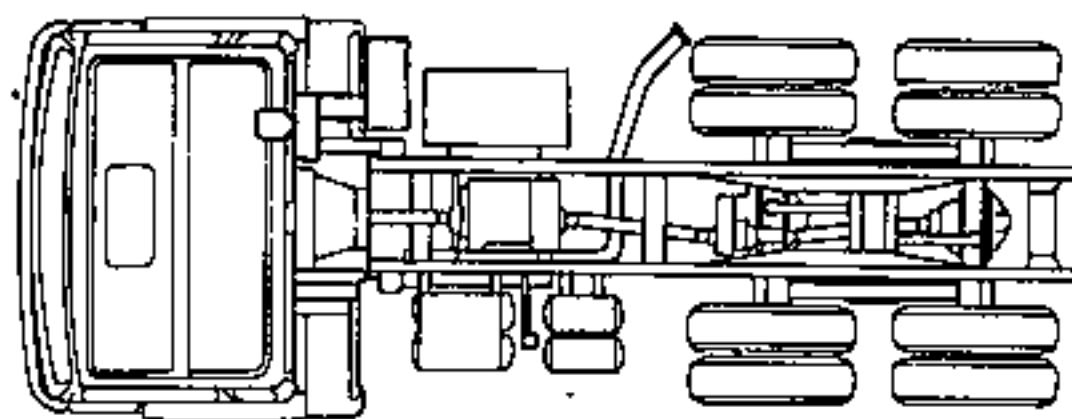


speed synchromesh, or nine speed constant mesh, provide full coverage for the many different applications Samag is designed for.

Similar components are used throughout the Samag range to ensure rationality of spares. Samag axles incorporate hub reduction designs and fully support the use of differential locks when required.

## SAMAG CHASSIS AND SUSPENSION

High grade, fine grained steel is used in the chassis design to permit

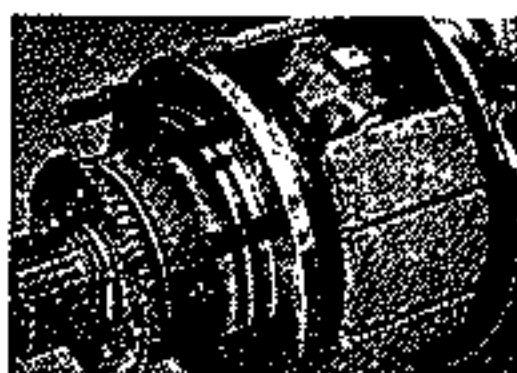
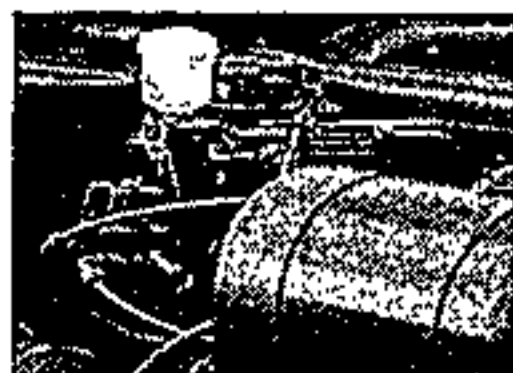


a high degree of flexure without affecting longitudinal rigidity.

Suspension is of the low friction, long leaf design, assisted with hydraulic dampening. On heavy duty vehicles the springs and shackles are mounted in needle bearings to ensure trouble-free life.

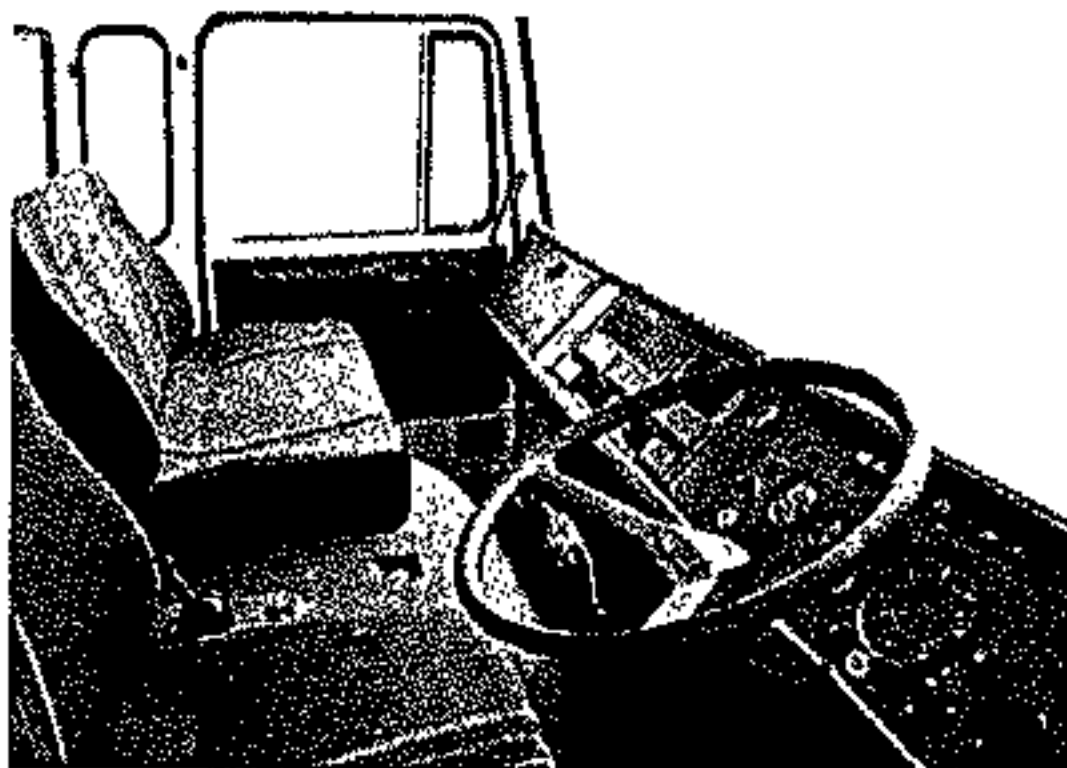
## SAMAG BRAKES

Two types of wheel brakes are used, hydraulic-air and full air. Both systems have a performance in excess of the S.A.B.S.'s Code for Braking Practice (SV 1051).



## SAMAG CAB

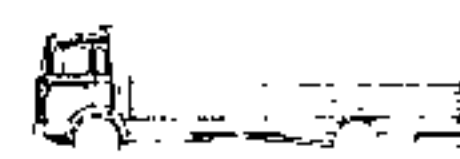
Both the forward and normal control cabs are suspension mounted and meet all the requirements of modern driving comfort.



## SAMAG PARTS AND SERVICE

Over 120 dealers have been trained on Samag by the Magnis Truck Corporation. Covering every metropolitan area and major trucking route, these dealers are equipped with on-line facilities to central spares to get a part in the shortest possible time. Over 8 000 line items are held in stock.

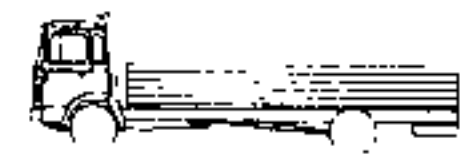
## SAMAG RANGE



Model 130 – 12 FL  
4x2  
Engine Type ADE 352



Model 130 – 12 FK  
4x2  
Engine Type ADE 352



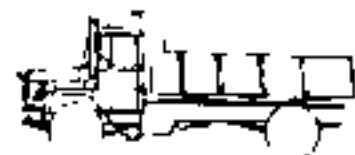
Model 168 – 14 FL  
4x2  
Engine Type ADE 352T



Model 168 – 14 FK/S  
4x2  
Engine Type ADE 352T



Model 168 – 16 L  
4x2  
Engine Type ADE 352T



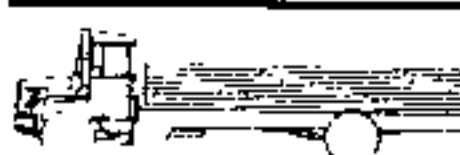
Model 168 – 16 K  
4x2  
Engine Type ADE 352T



Model 240 – 16 FL  
4x2  
Engine Type ADE 407



Model 240 – 16 FS  
4x2  
Engine Type ADE 407



Model 240 – 16 L  
4x2  
Engine Type ADE 407



Model 240 – 16 S  
4x2  
Engine Type ADE 407



Model 240 – 26 FS  
6x4  
Engine Type ADE 407



Model 240 – 26 K  
6x4  
Engine Type ADE 407



Model 240 – 26 L  
6x4  
Engine Type ADE 407



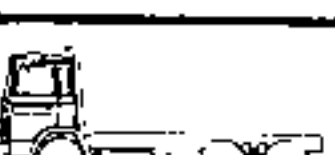
Model 280 – 16 S  
4x2  
Engine Type ADE 407T



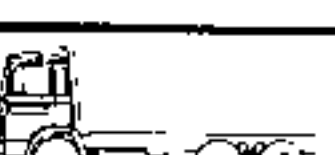
Model 280 – 16 FS  
4x2  
Engine Type ADE 407T



Model 280 – 26 S  
6x4  
Engine Type ADE 407T



Model 280 – 26 FS  
6x4  
Engine Type ADE 407T



Model 320 – 26 FS  
6x4  
Engine Type ADE 407Ti

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# SAMAG

**MAGNIS**  
TRUCK CORPORATION





#### BUSES — CURRENT AND PLANNED

	Model	ADE
Erf .....	Trailblazer 4x2	407
	Trailblazer RE 4x2 Rear Engine	407
Leyland .....	Trailblazer 4x2	354 T
	16.14 (planned)	409
	Tiger (planned)	409
Mercedes-Benz.....	Victory ZA	407 H
	L508D/35	314
	L608D/41	314
	L613D/41	352
	OF 1113/44	352
	OF 1419/51 + 60	409
	OF 1619/60	409
	OF 1624/60	407
Sigma .....	0305	407 H
	"Q" Bus	407

engine problems. Vee engine adaptations could delay our model launch for up to a year.

"Our 4 x 2 rigid truck tractors are generally equipped with engines of 130 kW to 139 kW of power. ADE offer a five cylinder in-line engine — the 409 — and the supplier of Allison transmissions has given no engineering approval to match its automatic transmission to this engine. It appears that there are vibration problems. ADE's alternative offer is a derated 407 engine, which seems uneconomic considering price and weight," he says.

## Not a commercial success

*Commercial sales in 1983 could be 25% down on last year, and importers who stockpiled before the advent of local content are seeing their trousers around their ankles*

Structural distortions often invalidate statistics that might otherwise be valuable to economists and others reading the business cycle. Figures on the sales of commercial vehicles, published by the National Association of Automobile Manufacturers of SA (Naamsa), have, in the opinion of many, long

suffered this defect.

Naamsa's monthly returns, reported in impeccable detail, are faulty not for what they don't report as much as for the picture they reveal.

Commercial vehicles are classified in two groups — light and heavy. The former are

commercial vehicles below 5 000 kg gross vehicle mass (gvm). Anything over 5 000 kg is classed as heavy. This means that certain vehicles used in retail, small building and industrial applications are recorded as heavy commercials.

The classification is confusing and not necessarily in the best interests of Naamsa's own membership. Most manufacturers work out their own classifications for purposes of establishing market shares, but the task is not an easy one for those unfamiliar with the industry's workings.

By being included in the heavy commercial sector, figures for these light commercials distort the apparent demand for truck tractors, freight carriers and heavy tippers that keep heavy manufacturing and the construction industry on the move.

These are the vehicles that involve heavy capital investment, and tell the story of economic well-being among those using long distance transport. When capital investments are being held in check, sales of heavy commercials reflect that picture. When capital is injected into the manufacturing process, heavy commercial sales take off.

Current distortions in reporting are demonstrated by the month of August, when Naamsa reported a demand for 1 727 heavy commercials. Only 990 — or 43% fewer — had a gvm rating of 7 500 kg.

Of course, by over-reporting heavy commercials, Naamsa is also under-reporting light commercials. Demand in August was 10 755, says Naamsa, excluding those 737 units reported under heavy commercials that probably went for bread and other local deliveries.

But whichever way the picture is painted, Naamsa's figures give little cause for celebration. From the commercial vehicle manufacturing sector's point of view, 1983 is turning out to be little short of a disaster.

The FM analysed commercial sales from 7 500 kg upwards, and found that some man-

### MARKET SHARES FOR HEAVY COMMERCIALS OVER 7 500 KG

Manufacturer	1981	1982	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD
Erf Units.....	172	144	12	17	6	4	9	9	8	13	78
% .....	0,7	0,8	1,8	2,0	0,5	0,4	0,9	0,8	0,9	1,3	1,0
Foden .....	145	152	6	8	5	1	4	4	2	—	30
% .....	0,6	0,9	0,9	1,0	0,4	0,1	0,4	0,3	0,2	—	0,4
Ford .....	2 533	1 218	51	105	113	121	91	110	92	85	768
% .....	10,4	7,3	7,5	12,5	8,7	11,9	8,9	9,4	10,1	8,6	9,3
GMSA .....	4 211	2 544	108	132	187	201	163	164	132	131	1 218
% .....	17,3	15,2	16,0	15,7	14,3	9,7	15,9	14,0	14,4	13,2	15,3
IH .....	1 104	672	18	29	37	48	35	27	34	35	263
% .....	4,5	4,0	2,7	3,4	2,8	4,7	3,4	2,3	3,7	3,5	3,3
Leyland .....	1 157	956	56	50	167	82	131	126	66	66	844
% .....	4,8	5,7	8,3	5,9	20,5	8,1	12,8	10,8	7,2	6,7	10,6
Man .....	768	671	33	45	59	58	48	81	30	44	398
% .....	3,2	4,0	4,9	5,3	4,5	5,7	4,7	6,9	3,3	4,4	5,0
Mercedes-Benz.	4 186	3 781	141	260	215	208	221	285	267	261	1 858
% .....	17,2	22,6	20,8	30,9	16,5	20,4	21,6	24,3	29,2	26,4	23,4
Nissan/Magnis.	3 211	2 424	116	83	216	125	175	185	121	66	1 087
% .....	13,2	14,5	17,1	9,9	16,5	12,3	17,1	15,8	13,2	16,8	13,7
Oshkosh .....	301	266	2	5	11	6	3	11	12	11	61
% .....	1,3	1,6	0,3	0,6	0,8	0,6	0,3	0,9	1,3	1,1	0,8
Scania .....	225	225	14	17	23	27	22	13	14	11	141
% .....	0,9	1,3	2,1	2,0	1,8	2,6	2,1	1,1	1,5	1,1	1,8
Sigma .....	2 461	1 517	25	27	44	41	32	35	47	65	316
% .....	10,1	9,1	3,7	3,2	3,4	4,0	3,1	3,0	5,1	6,6	4,0
Toyota .....	3 609	2 058	87	59	98	79	86	118	90	188	805
% .....	14,8	12,3	12,9	7,0	7,5	7,8	8,4	10,1	9,8	19,0	10,1
Vetsak .....	228	96	7	5	23	15	4	3	1	13	71
% .....	0,9	0,6	1,0	0,6	1,8	1,5	0,4	0,2	0,1	1,3	0,9
VSA .....	18	13	—	—	—	2	—	1	—	1	4
% .....	0,1	0,1	—	—	—	0,2	—	0,1	—	0,1	0,05
Total .....	24 329	16 737	676	842	1 304	1 018	1 024	1 172	916	990	7 942





Action is building up in the off-road end of the truck market as two manufacturers, the smallest and the biggest in this category, pursue ambitious local content programmes.

The bigger, Premier Metals, has been producing 170 t Euclid dump trucks since 1977. It has developed assembly capability at its Boksburg North plant to the point where it now ships in CKD kits of engines, transmissions, axles and frames, for assembly with its own bodies and cabs.

Average demand is about 30 units a year, a relatively low volume which puts a limit on the amount of local content that is possible, says David Ellen, sales director.

"We can take local manufacture and assembly further, but are not in a position to disclose plans. Should we run into any difficulties regarding special materials, such as steel, we will obtain import permits.

"We have gone from fully imported units in 1977 to SKD and then to CKD

today. The dumpers are used in opencast mining operations, and the range in-



cludes rear dumpers with payloads of 25 t, 35 t, 50 t, 75 t, 85 t, 100 t, 120 t and 170 t. Then in bottom dumps, we go from 30 t to 50 t, 70 t and 110 t.

"Coal hauliers feature 120 t and 150 t payloads, and articulated hauliers go from 35 t to 70 t."

Engines range from a 180 kw Daimler-Benz unit for the 22 t truck, through to a 1 194 kW unit powering the 154 t payload unit. Trucks are fitted with either Cummins, GM, MTU or Daimler-Benz engines, depending on size and application of machine.

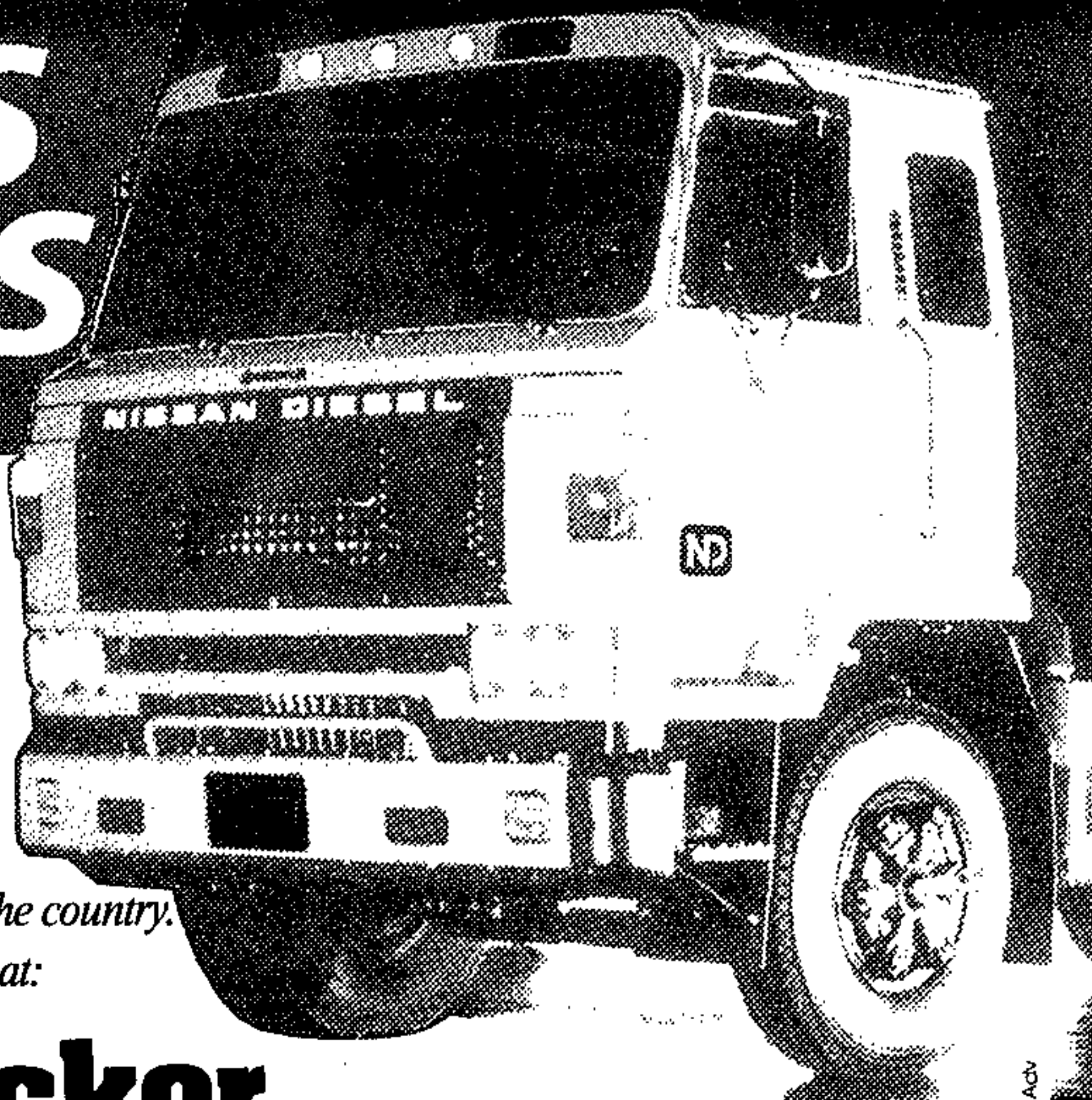
A newcomer to the off-road market, Brandt-Traco, exhibited the Astra international range it will be producing, at the International Transport Exposition and Convention.

Brandt-Traco, an off-shoot of Brandt Holdings Ltd, will assemble and market the heavy duty trucks, probably at the Hekro Engineering factory in Isando.

The off-road trucks are intended for specialised construction, mining and military use.

## BIG DEALS ON BIG WHEELS

- 15 NEW BUSES AVAILABLE with both 50 and 60 Seater Standard and Semi Luxury Bodies.
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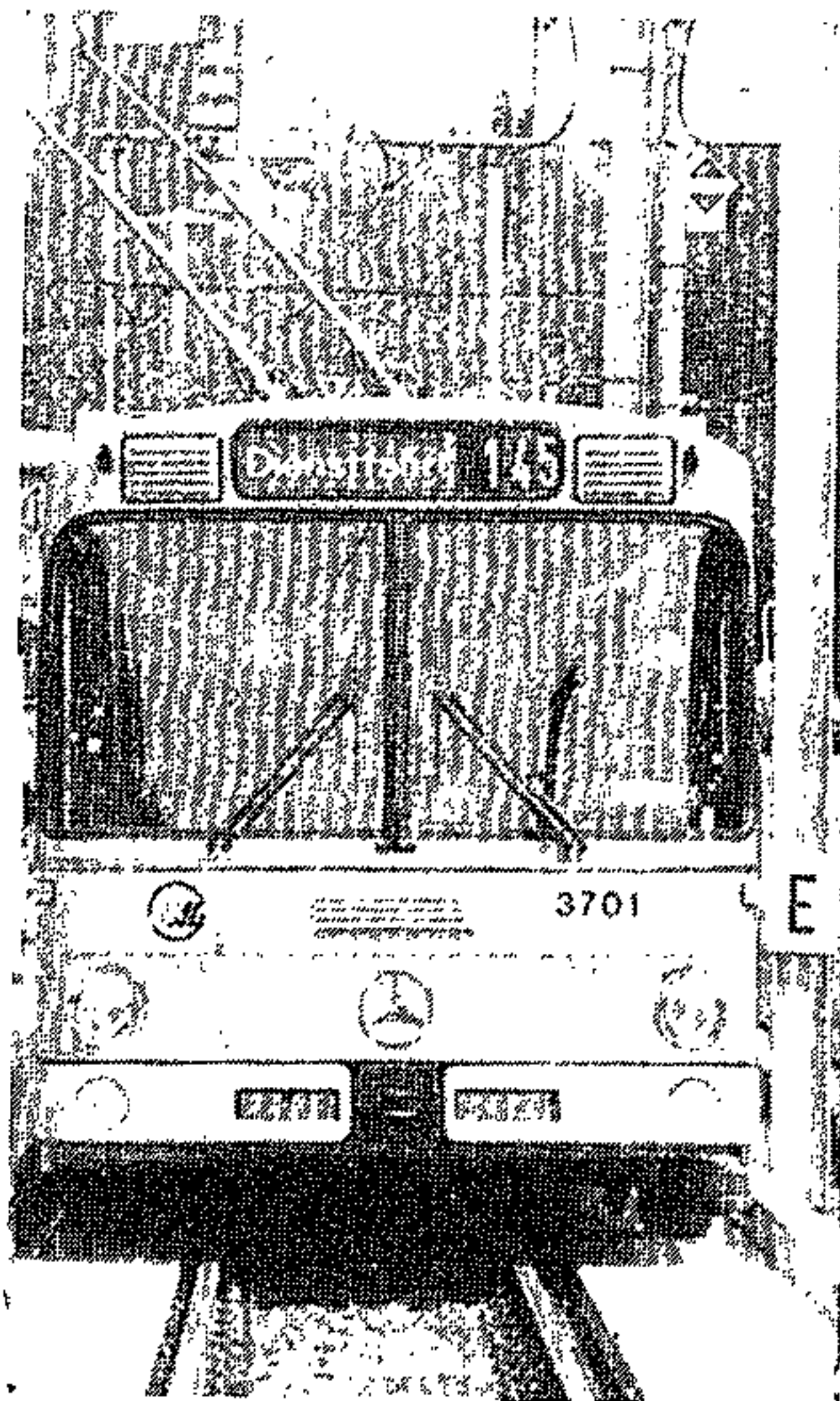
the bus market alone. The volumes just aren't big enough. Ecomats go from 600 Nm right up to 1 350 Nm ratings, which means that they can be used with the ADE 407 engines, and above," says Dickomeit.

"With the exchange rate standing at R2,35 against the DM, and firming, the climate is very good for importing right now. We will meet price competition from all quarters and are confident that local assembly will quickly lead to a local content of about 30%. Casings are sophisticated, and so are the electronics, but a lot of the remainder can be produced locally."

Allison Automatic Gearboxes is the third major contender in the transmission market and its advantage, as with SCG, is that it has a substantial bus park in SA already.

There is still an open door for imported technology, in spite of previous notice by government that it would carry through to completion standard designs that would reduce the costs of local bus production. Manufacturers question this and are still going ahead with local content plans for their own designs.

One notable potential newcomer is Neoplan which, it is understood, will soon start local production of its luxury buses. Another company, with start-up plans at an ad-



**O-Bahn ... a bus challenge for light rail**

vanced stage, is Dennis Buses which in the past year severed its association with Foden SA, shortly before a merging of interests.

One technological development demonstrated at the International Transportation Exhibition and Convention (ITEC), could elevate bus transport alongside light rail systems in rapid mass transit from suburbs to city centres.

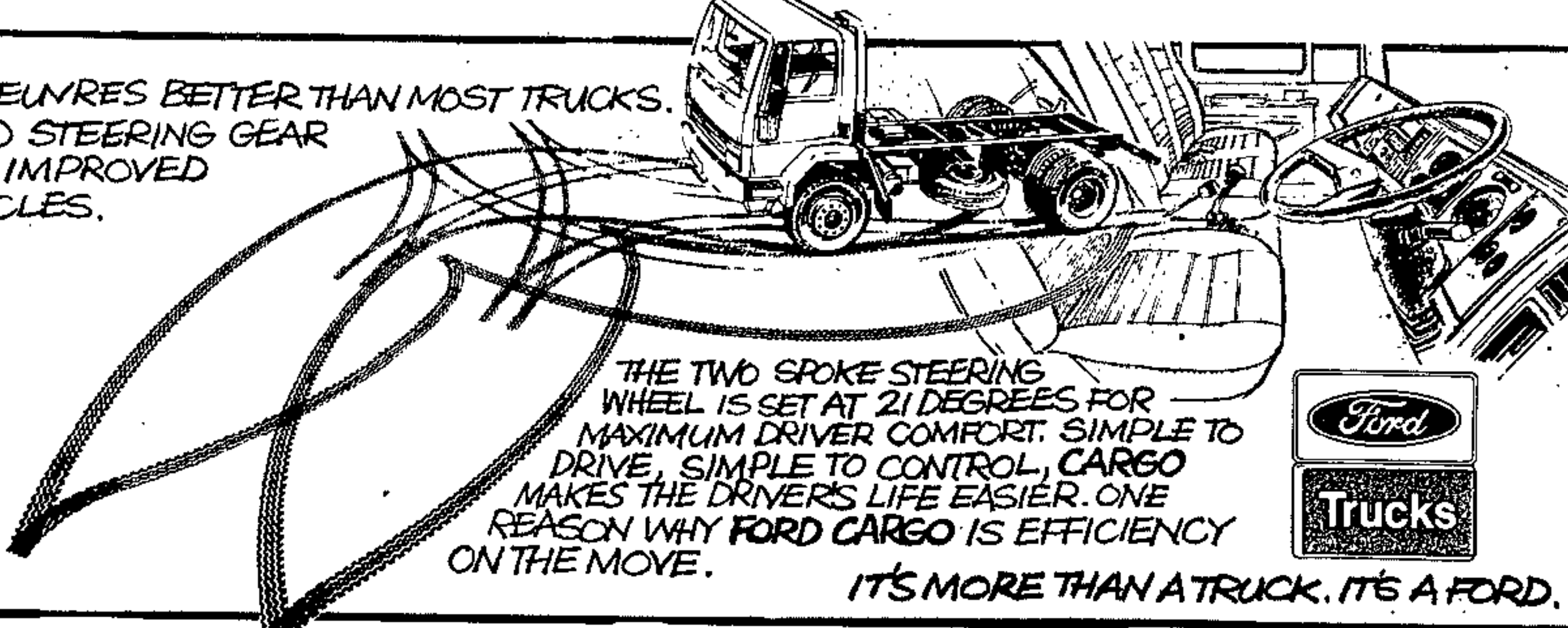
Launching the Mercedes-Benz O-bahn system, Hubertus Christ, director of research at Daimler-Benz, reported that the guided bus system has been demonstrated to representatives of government and metropolitan transport authorities.

"Buses are environmentally more acceptable than rail systems, are quieter, more comfortable and flexible in terms of user convenience," he said. "The second phase of an O-bahn system has just been commissioned in Adelaide, South Australia, with cost savings of at least 45% over a comparable light rail system."

"The Adelaide system cuts 15 minutes off journey times on the more than 12 km run into town from the north-eastern suburbs and delivers 80% of passengers to where they want to be without any need for connecting services. The light rail alternative would only have delivered 13% of passen-

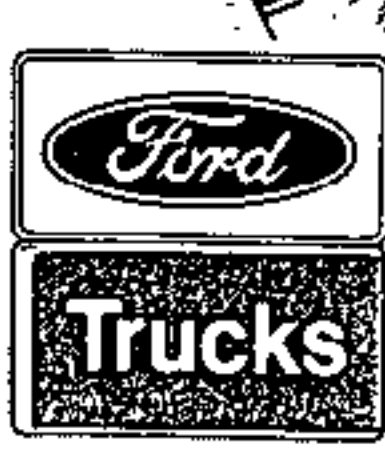
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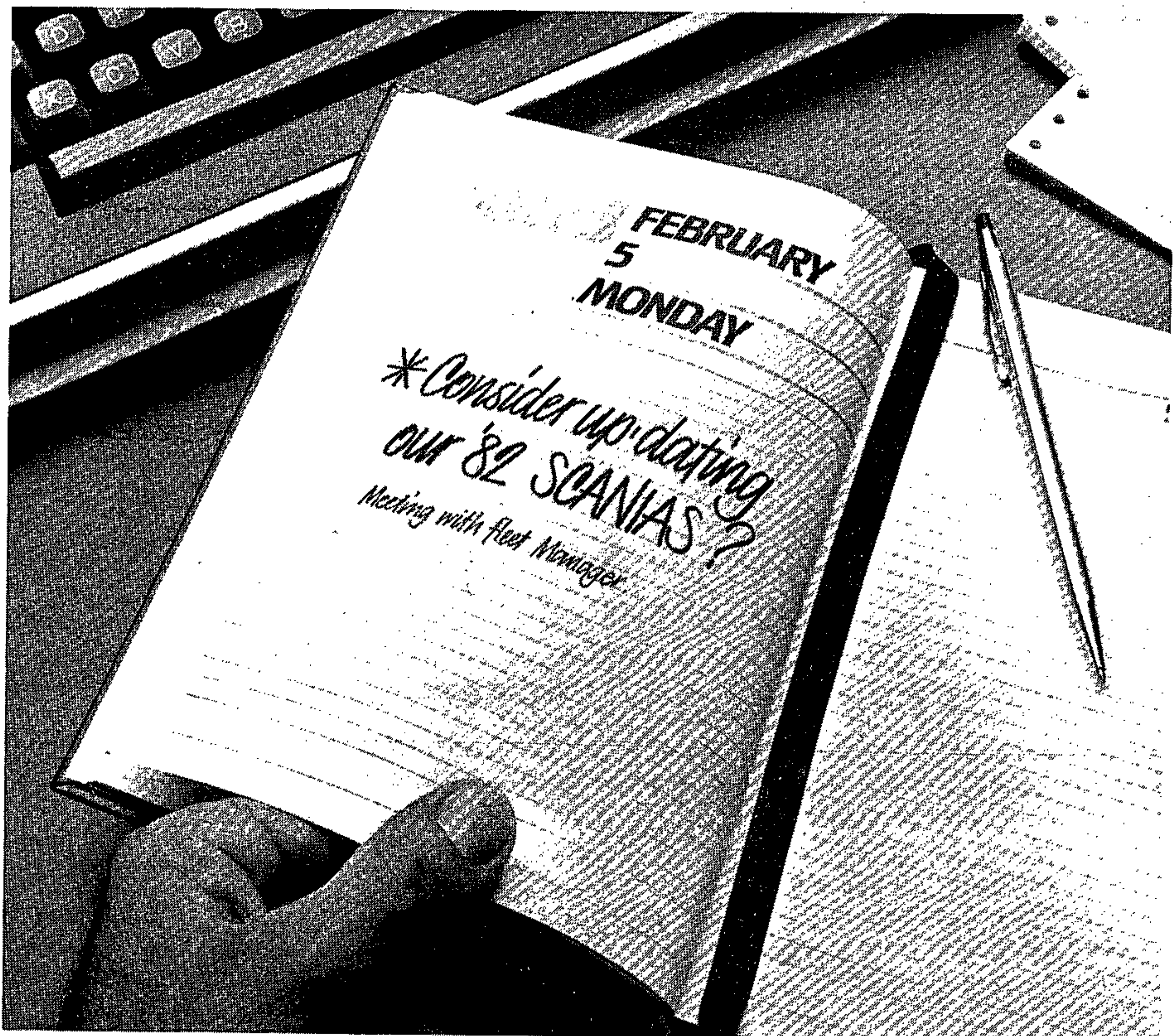
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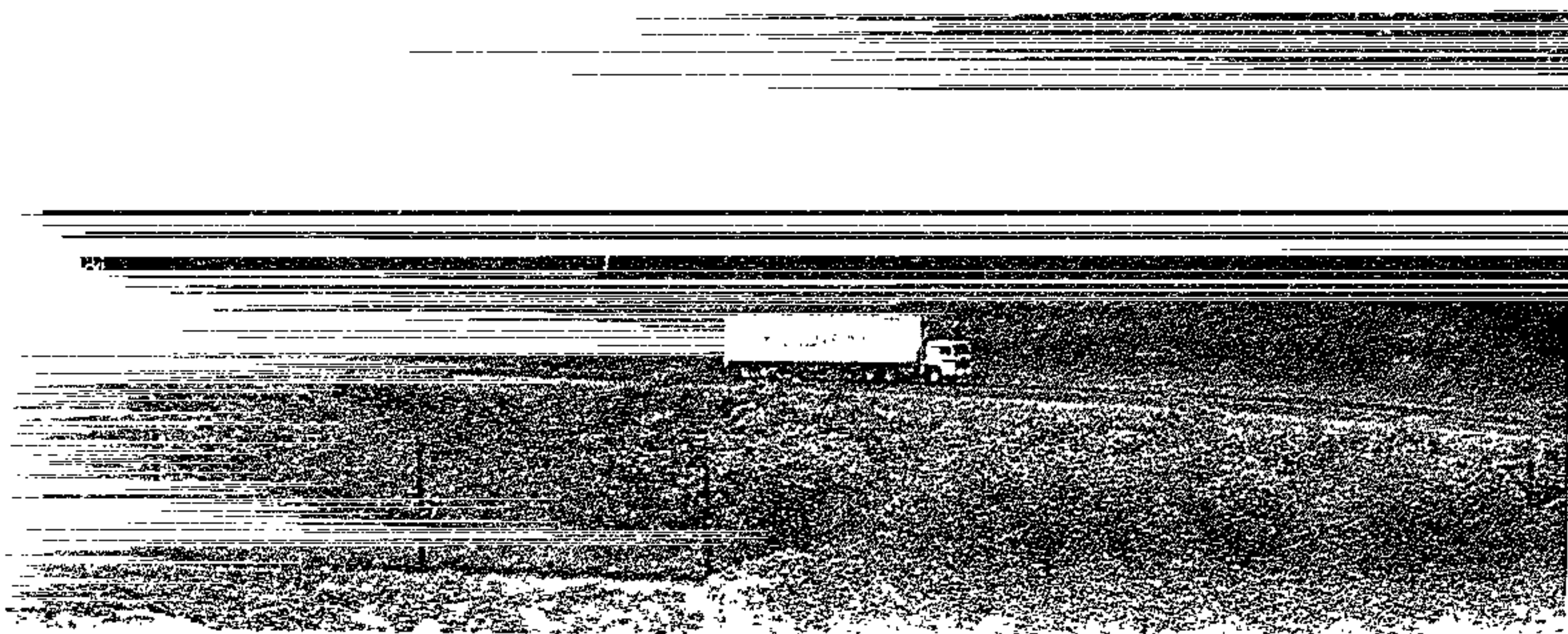
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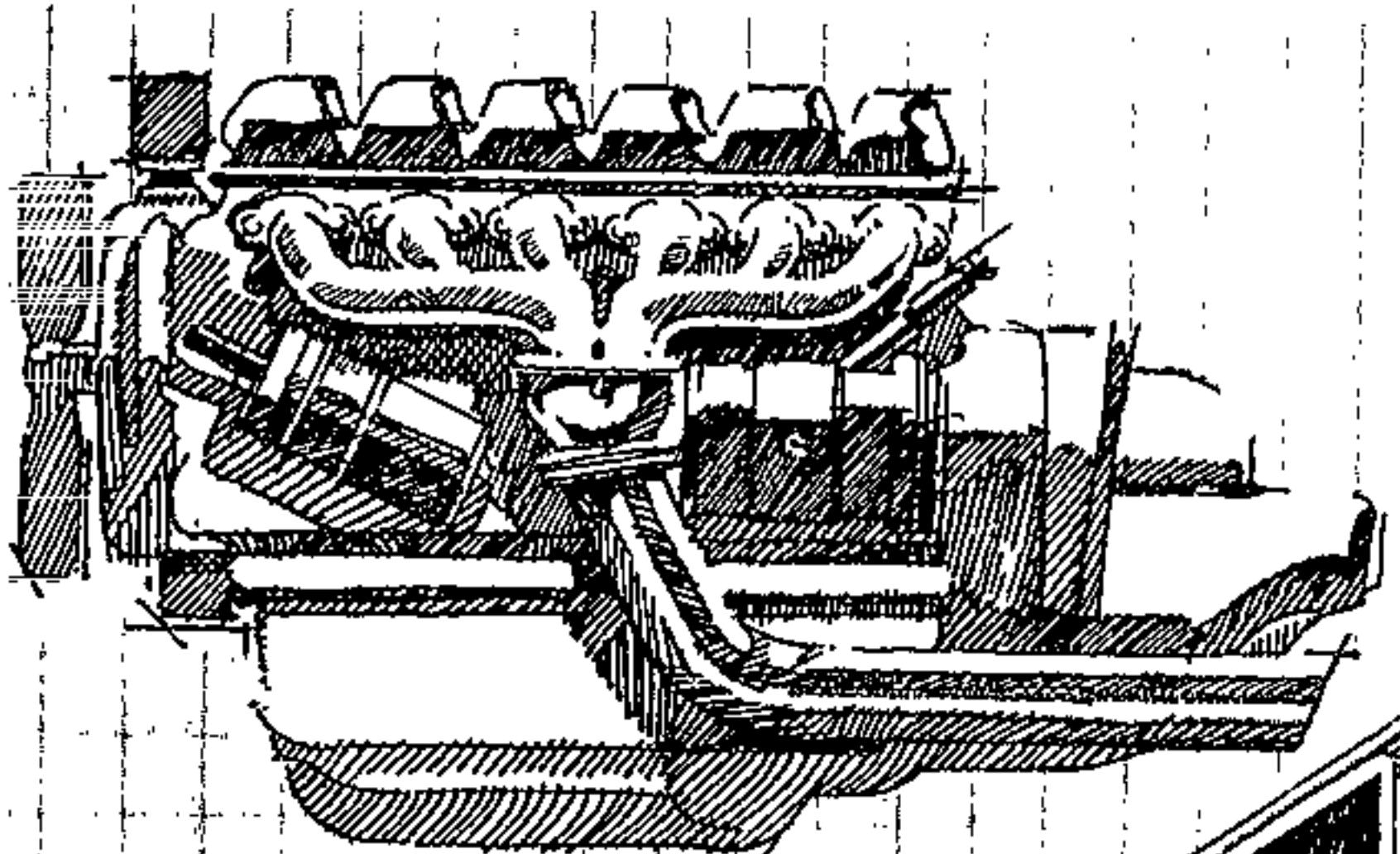
## MUSCLE ON THE MOVE

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# GUIDE TO SEL ENGINES

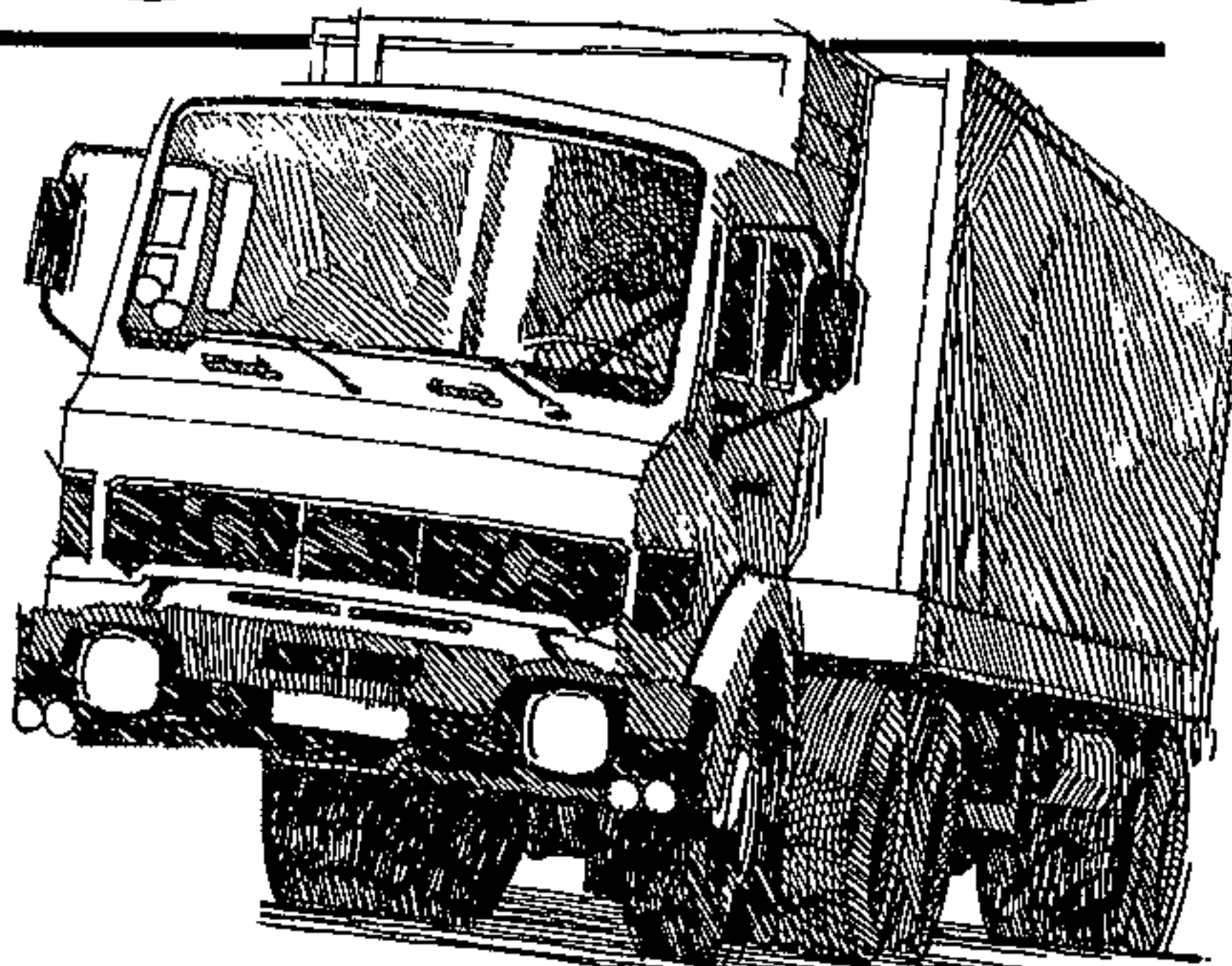
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we are pressing them for an answer. Once we know what the position is we will have a general meeting and take a vote on whether we should join the PCA, and on what grounds, or carry on with the PHA."

Said Webster: "Indefinite (permanent) permit holders and the SA Railways are handling the traffic and therefore the need for temporary permits as contemplated in Section 20 of the Act does not apply. Those PHA members who based their business on temporary permits bought new vehicles without any security. If more temporary permits were issued what would happen to the existing indefinite period permit holders who have built their businesses around the security of the indefinite period permits?"

"And what would happen to the road transport industry in total and its influence on the general economy?"

Asked to comment, Eksteen told the FM: "According to section 20 of the Road Transportation Act, No 74 of 1977, which provides for the issue of temporary permits, such permits are issued for use on a particular date, or in connection with a particular occurrence. The necessity of such road transportation must be proved by the applicant."

"Temporary permits were introduced to fulfil a special requirement in the industry. It was never, and I stress never, the intention to allow prospective carriers to start and develop a road transport business on the strength of temporary permits."

"To allow a freer basis of issuing temporary permits would be to the detriment of

existing carriers."

Commenting on past discussions with the PHA, Webster said: "We invited those belonging to the PHA to join the PCA long before their association was formed. The door is wide open to all, irrespective of race, colour or creed, and always has been so long as they are *bona fide* transport operators. Our membership bears this out."

"The impression has been created that we are in some way discriminating against these particular operators, but this is not so. There is no special case to be made out for them. So far as the issue of permits is concerned, they are in the same position as the PCA members. If they prove a need they will get their permits. They are road transport operators and are welcome to join the PCA with the same status as its other members."

"The request by the new PHA for direct representation on the PCA is totally and irrevocably unacceptable. The PCA enjoys the membership of several Indian carriers and we find no reason whatsoever for any splinter association to demand representation on our board as an association. In any case, our constitution does not allow it, and Mr Panday has been informed accordingly on several occasions."

Replies Moonsamy: "The decision as to whether we join the PCA will have to be taken by PHA members themselves at the next general meeting. At the moment the mood is in favour of some form of power sharing so that our membership has repre-

sentation on the PCA executive."

"The position regarding permits has improved since the PHA was first formed, but our members are still not as busy as they were when temporary permits were readily available."

"Their businesses have been established on legally issued temporary permits and it is no good saying that we are illegal, or pirate operators — some are very old family businesses and have overheads that are just the same as other more privileged operators who have obtained permits."

"In this situation the only fair thing to do would be to withdraw all permits and have operators apply for temporary permits against the loads they want to carry. Everybody should be treated in the same way."

(Elsewhere in this survey, Eksteen confirms that all permits are to lapse, and to be reissued in some form free of ambiguities).

According to Moonsamy, only five out of 100 PHA members have indefinite period permits. "In my own case I used to have no trouble in obtaining temporary permits to carry CKD kits for motor manufacturers, spare parts, major Sasol contracts, and other business for major manufacturers. When the government clamped down I had only permits related to carrying my own materials, for packaging, and so on," he said.

The PHA is preparing details relating to each of its members, including size of operator, business transacted in the past, and business currently available to them in the event of permits being available.

## An end to co-operation?

*The transport clash between the State and private enterprise heads for crisis point. An independent trucker sums up the prevailing mood.*

The private trucking industry has taken a wrong turning somewhere, with strong prospects of a mass lapsing of permits and the possibility of stricter control of the industry.

The record of co-operation between private road transport operators and government, at official level, has until now been virtually without blemish. That includes the permit system which, despite the best attempts to make it work, has very few champions among the road transport operators themselves.

More and more people see this past co-operation as a serious mistake. The FM asked one operator, who is close to the

Public Carriers Association (PCA) board and has an intimate knowledge of what goes on within the PCA think-tank, about the current mood.

"Along with many others, I am particularly sceptical about any further co-operation with the Department of Transport (DoT) because I believe that our company is far better looked after by the courts and the Appellate Division than by some bureaucrat in Pretoria who doesn't have our interests at heart."

"He doesn't operate according to ideals of justice or fair play and is merely trying to implement, under instruction, the withdrawal or rewriting of authorities so that SA

Transport Services (SATS) can convey the traffic."

"This is the closest one can get to nationalising the industry without actually observing the formality, and private sector representation does not seem equipped to handle this worsening situation," he says.

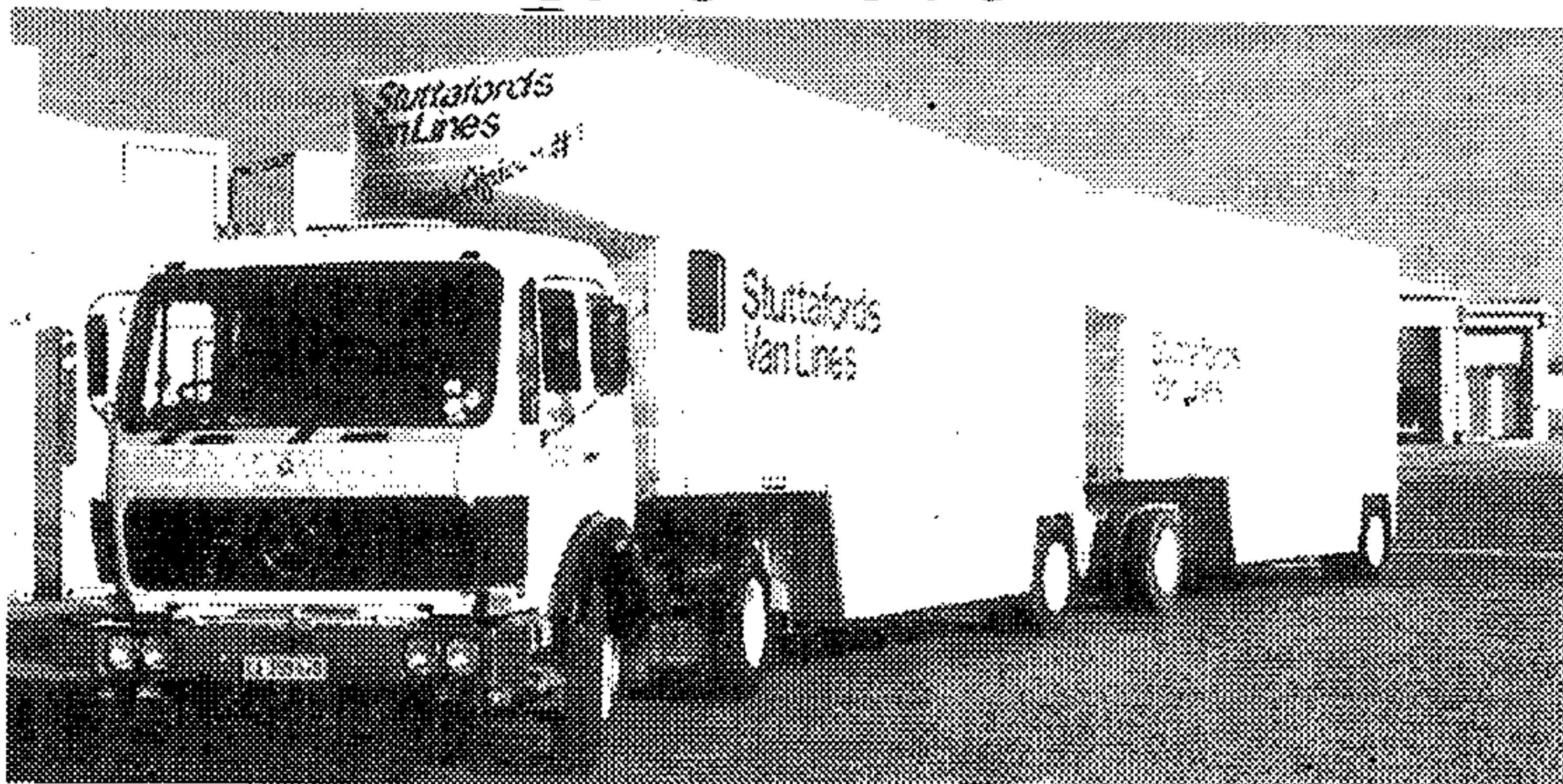
"The Public Carriers' Association (PCA) tries very hard to be objective, but having said that, the composition of the PCA makes it difficult to pursue a truly free market approach. One's membership status is dictated entirely by the number of wheels that you have on the road. As a result, the bigger operators have what amounts to a block vote so that it's always the big operator policies that are reflected at board level."

"There are some big operators in the PCA who do not, in fact, have many permits. They specialise in exempted business. But there are those whose business depends totally on permits and the PCA has in some way been painted into a corner where it appears to be devoted to protecting their interests and, therefore, the permit system."



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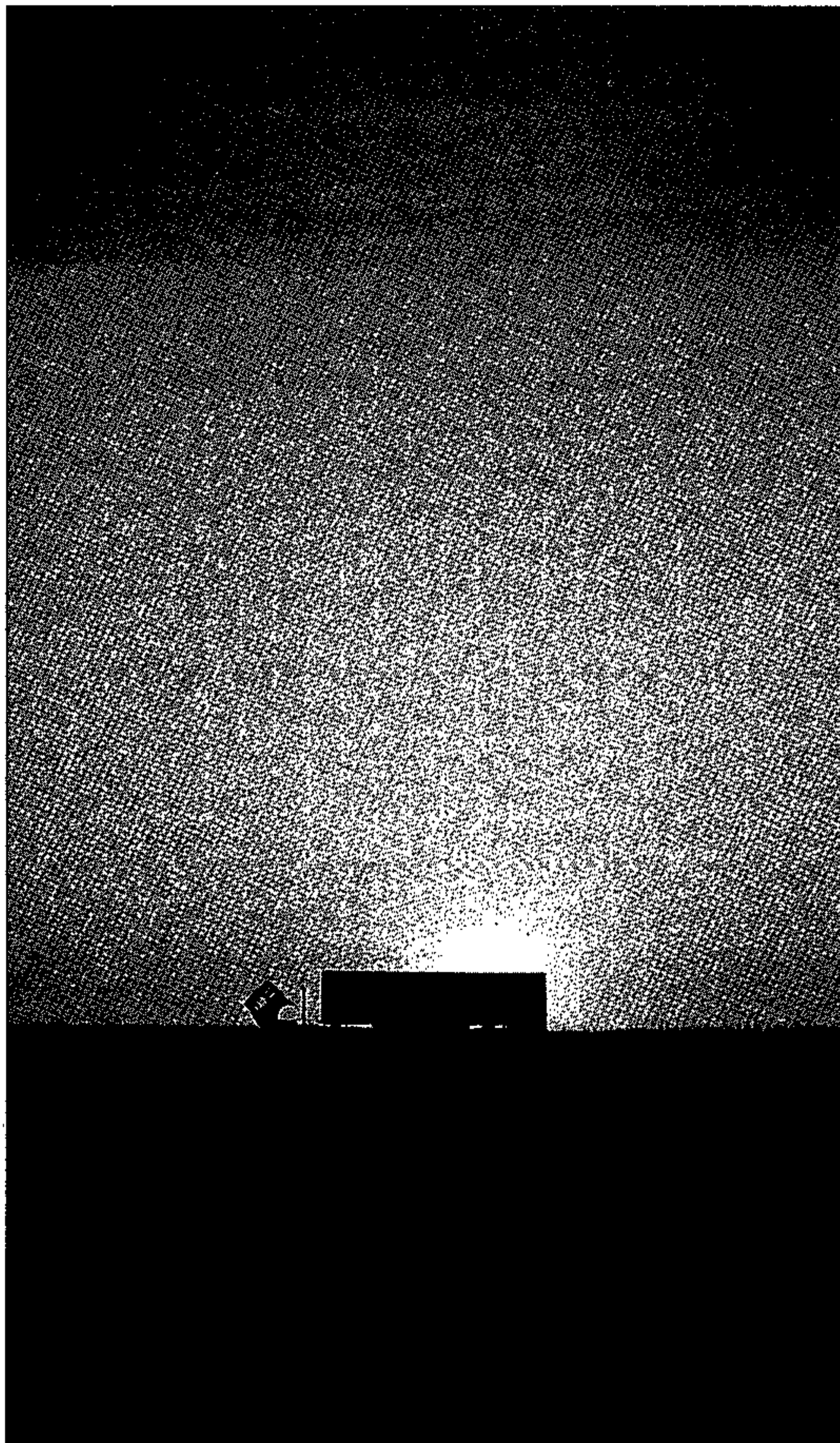
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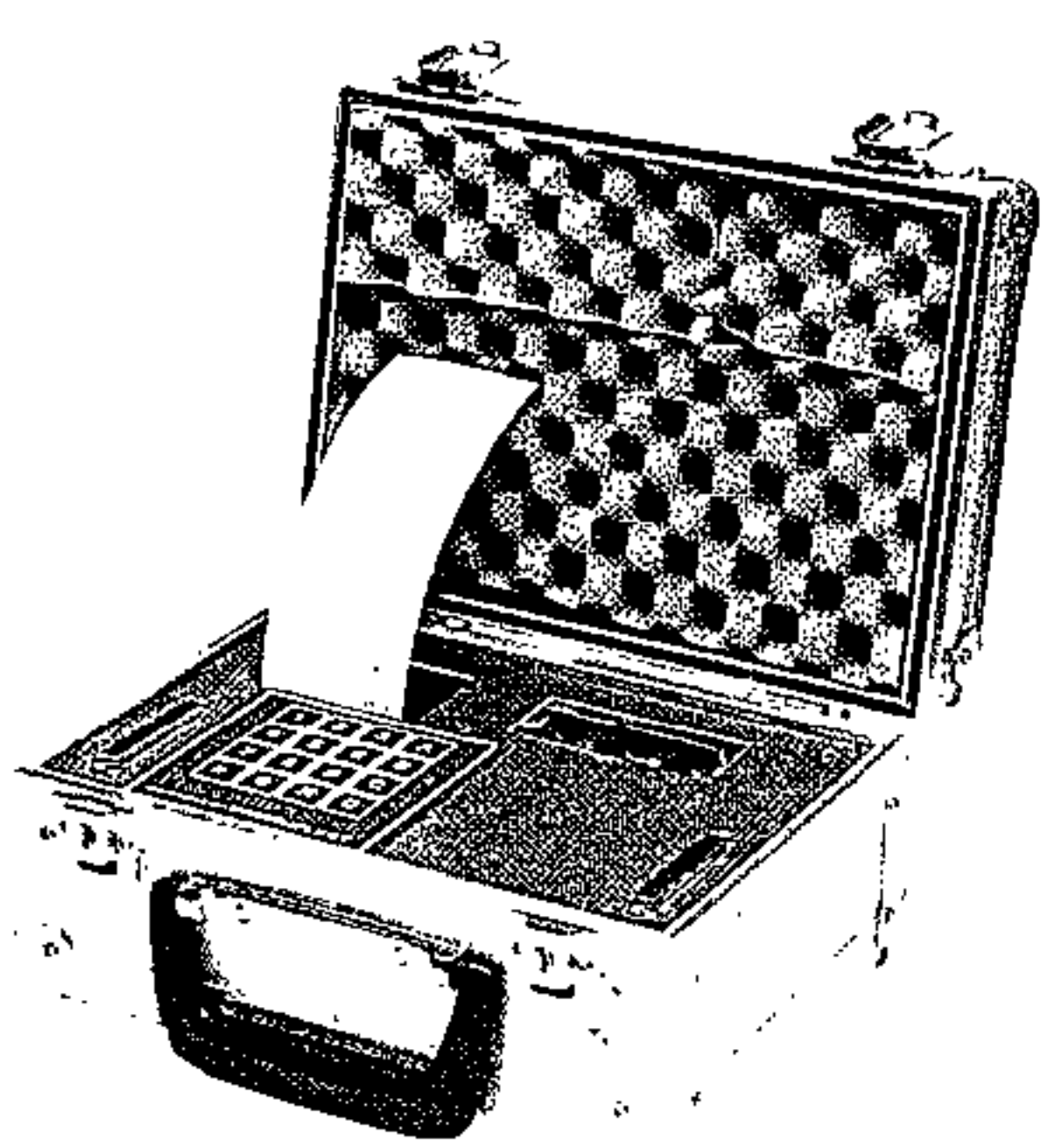
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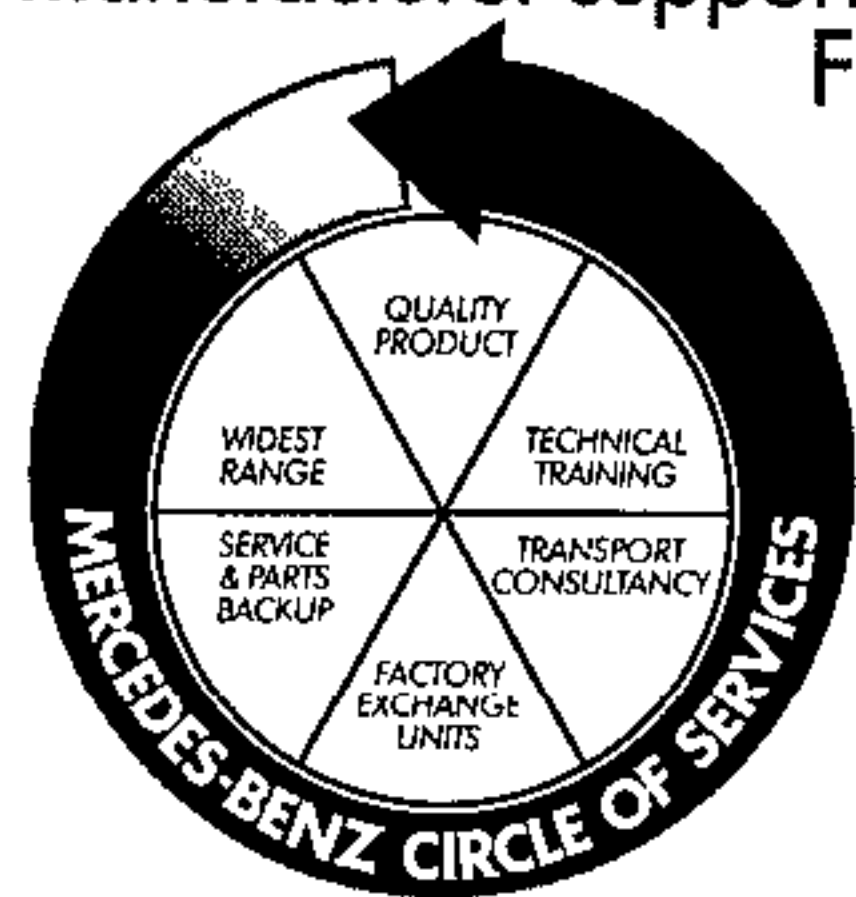


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# OF 2000 PARTS, WHO CARRIES ONLY 100? THE RIGHT CIRCLE.







aware of any split within the road transport industry.

The current permit system protects a favoured few transport operators against others who are unable to obtain them. This is one cause of a growing rift among operators. Is it not possible to pursue a fairer method of regulation, without favour?

No operator can be favoured as far as permits are concerned. The provisions of Act 74 of 1977 are very clear in this regard and amounts to the fact that the services already rendered by existing carriers must be taken into account when consideration is given to an application for a permit. Is it possible for the road transport industry to grow within the permit system, as it is

intended to be applied? Operators, including permit holders, say that this is not possible, in spite of government's commitment to the principles of free enterprise.

There is no reason for the road transportation industry not to grow within the permit system. This is evidenced by the fact that new permits are issued regularly, and applications for additional authority and/or additional vehicles are granted. This must of necessity be construed as contributing to the principles of free enterprise.

Finally, you refer to regulation being necessary for the road transportation industry, within the context of inter-regional co-operation. Does this mean that neighbouring territories will be participating in SA's

future studies into transport rationalisation? Would such co-operation be restricted to territories located within SA's borders?

Section 44 of Act 74 of 1977 has recently been amended and now puts the Minister of Transport Affairs in a position to enter into an agreement with any country or territory. This implies that SA's future studies into transport rationalisation are not limited to neighbouring states. As a matter of interest, attention is drawn in this regard to one of the terms of reference of the commission of inquiry into bus passenger transportation in the Republic of South Africa, namely, the effect of traffic increases within interstate areas.

## Out of control

*The road transport industry has been built not on competition but on permits, which have led to corruption and black marketeering. What does government plan to do?*

The impending lapsing of all road transport permits, as part of a purifying process that will remove all ambiguity from current authorisations, has really set the cat among the pigeons.

Some operators have paid in excess of R100 000 for permits on what amounts to the black market, mainly because of an inherent ambiguity that enables them to transport goods to which they would not normally be entitled.

The black market, not yet dead, will produce even sharper practices until the authorities realise that unrealistic restraints on trade are not only counter-productive, but too costly and difficult to administer.

That stage has already been reached in the opinion of many transport operators. But it is questionable whether the industry as a whole is prepared for the shock it is about to receive.

The Department of Transport is quite clear as to its intentions. Permits, says the Director-General, Adriaan Eksteen, will be lapsed and then re-issued with codings for goods that will be more clearly specified, and regions within which the permits will be valid.

Bigger operators will fight the move through the courts, as did Rauties when government attempted to withdraw its permits under the newly-enacted Section 25 of the Road Transportation Act, 1977 (Act 74 of 1977). Under this section the Minister of Transport can personally amend or with-

draw any permit, and the permit holder has no recourse to law or appeal. The Department withdrew its case, although one suspects that this is not the end of the matter.

Eksteen says that no further amendments to Section 25 are envisaged "at this stage."

Permits, no matter how questionable in their interpretation, can be upheld in law and are accepted as tangible assets, freely transferable and tradeable between companies. What right does the government have, ask operators, to take away those assets, especially when it is likely that they will be substituted by something far less valuable?

Many feel that government is misreading the current situation. The permit battle, and

G.P.S. (2)

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A. Besonderhede van houer van permit/Particulars of holder of permit:

Naam  
Name: J.S. Breitenbach

Besigheidsadres/Business address: P.O. Box 539  
Postadres/Postal address: Germiston

B. Geldigheidsduur/Period of validity:

Hierdie permit is geldig vanaf  
This permit is valid from: indefinite

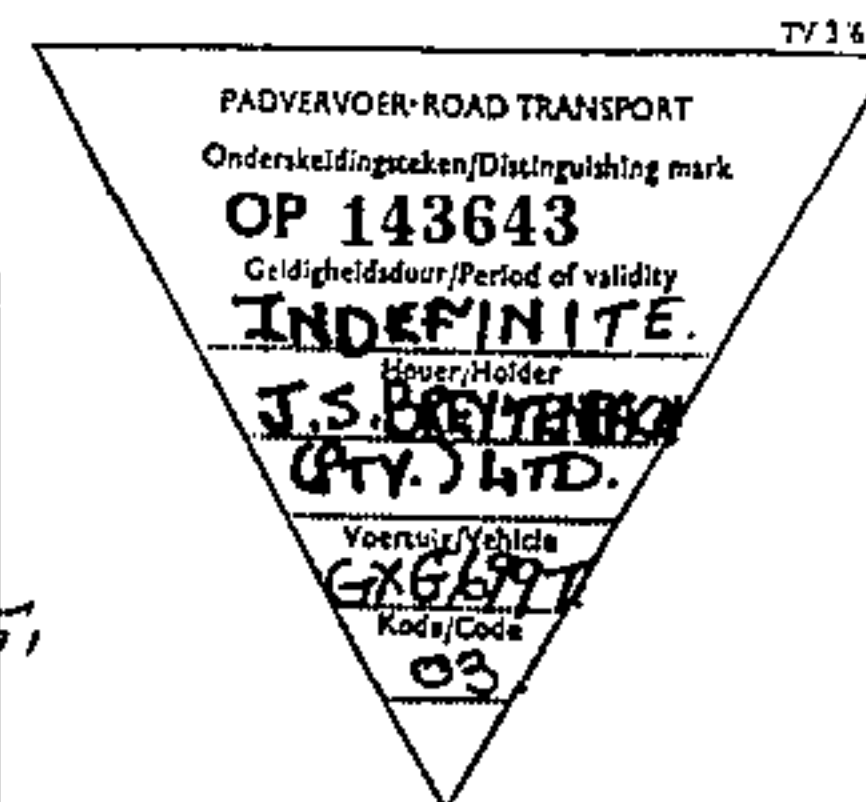
C. Magtiging/Authority:

Hierdie permit verleen magtiging vir die vervoer van goeder in die aangehegte bylae N.  
This permit authorises the conveyance of goods in the attached annexure No. "X" & "C"

D. Motorvoertuig waarmee die vervoer wat in C gemagtig word, onderneem moet word:  
Motor vehicle with which the conveyance authorised under C must be undertaken:

Registrasieno./Registration No.: EXG 6997  
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Draermag/Carrying capacity: 17,200 kg Jaar van vervaardiging/Year of manufacture: 1977

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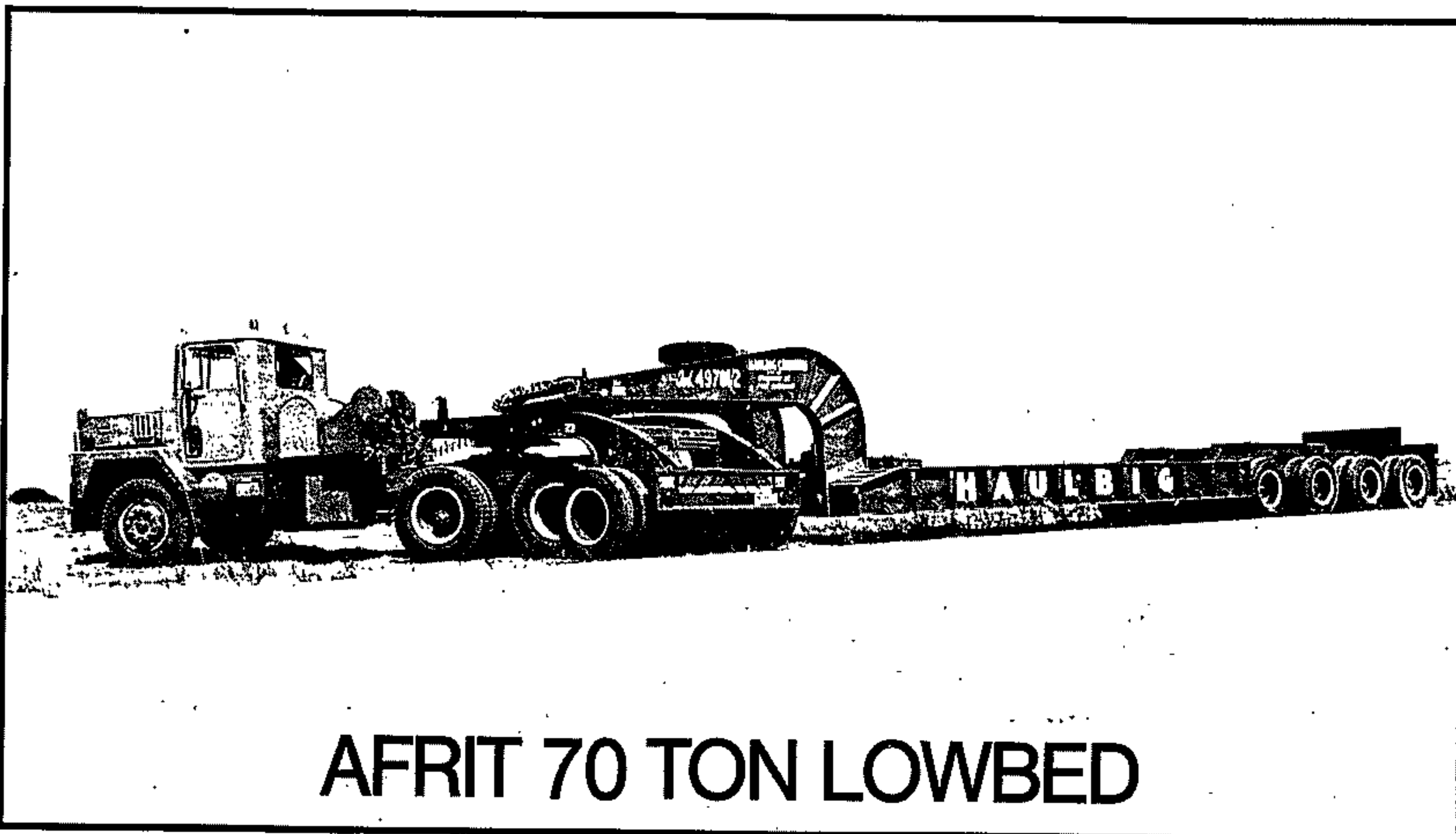


Road transport permits ... does government have right of recall?





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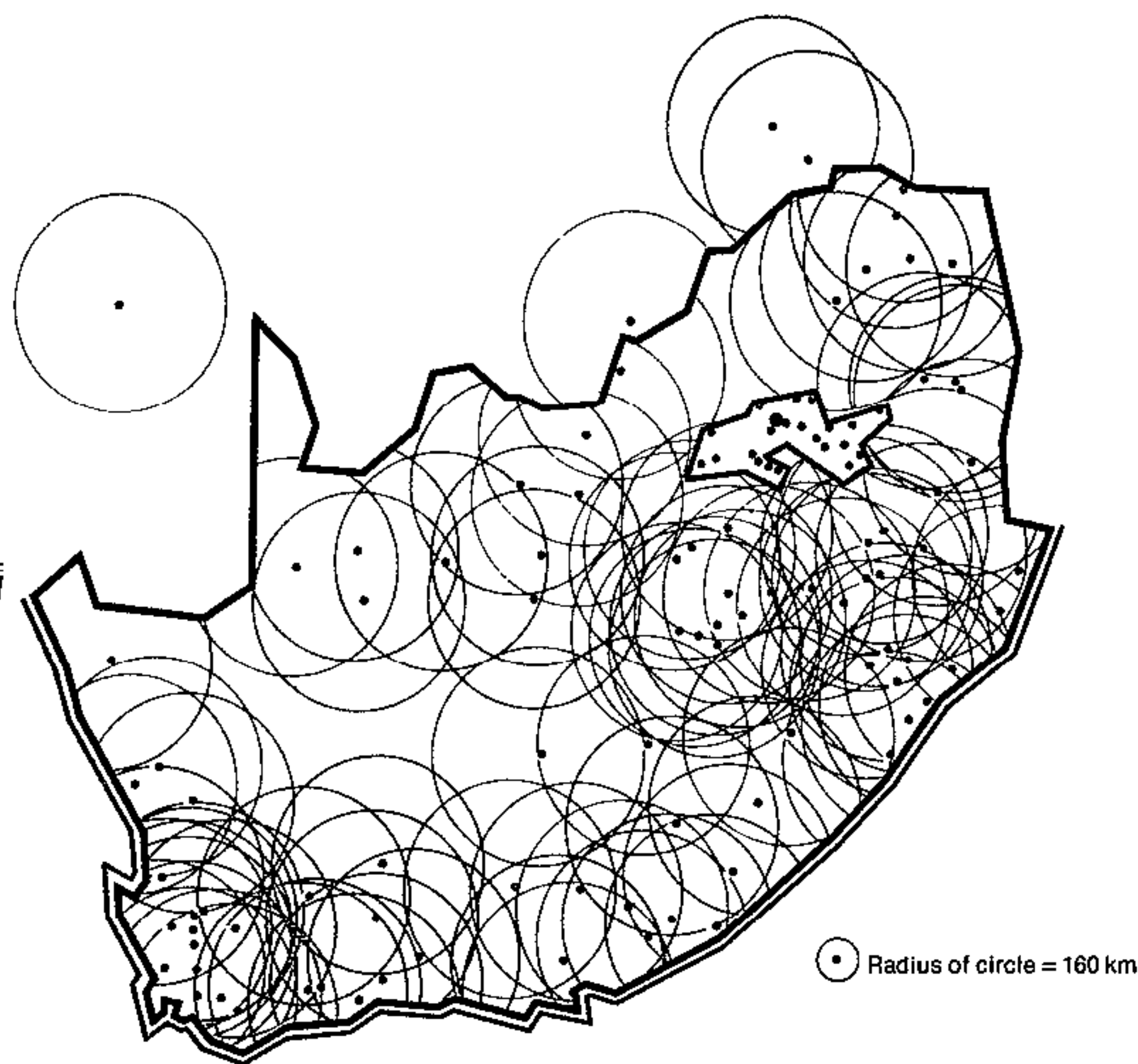
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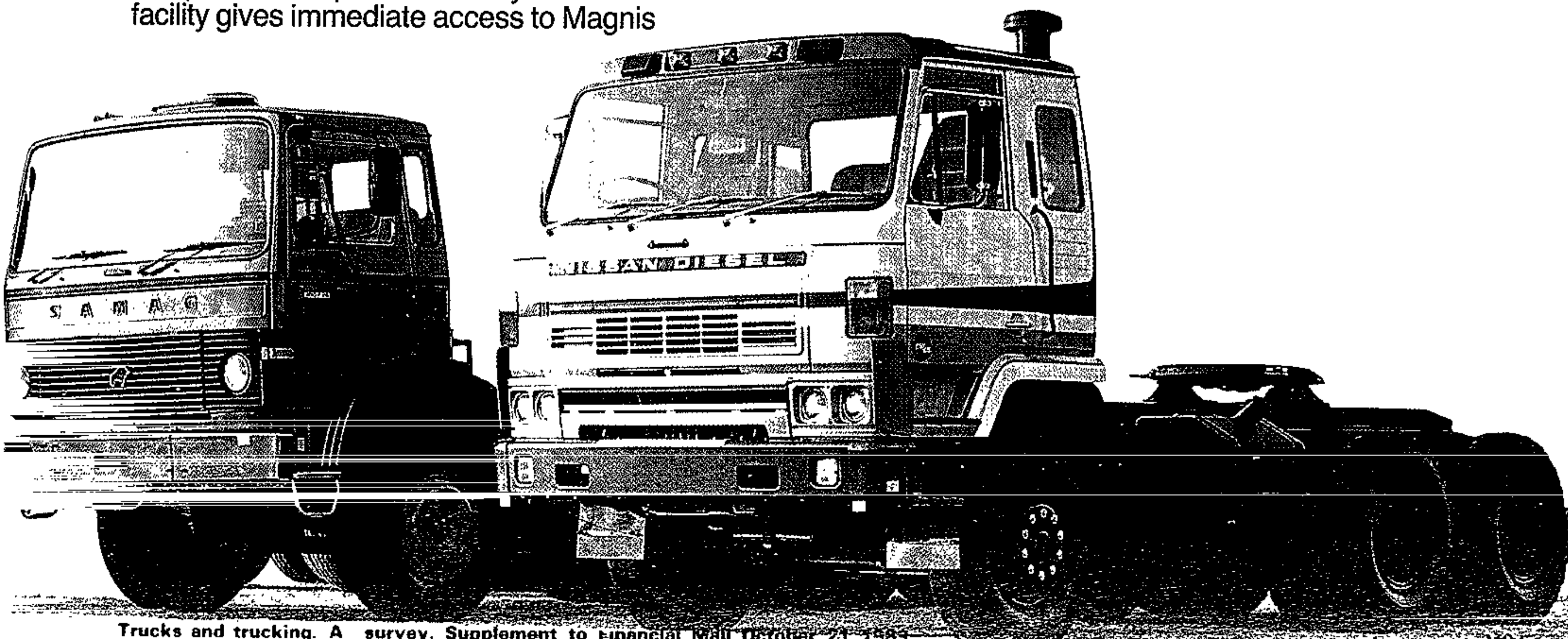
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"We already have our teams in there and find that a lot of the technology we are using for the grey iron foundry is comparable to what we need on the aluminium side. We will be able to produce advanced castings, including the large thin wall products that present the biggest challenge.

"The IDC has kept this operation separate so that it can pass into private hands when things have settled down. We are talking to companies wanting Atlantis Aluminium to handle work for them and, as with the grey iron foundry, we have complete technological assistance from our overseas principals, Daimler-Benz and Perkins," says Beckurts.

The new crankshaft, camshaft and conrod machining lines for Daimler-Benz and Perkins engines will call for another 200 recruits to the ADE payroll, which currently numbers 1 840 hourly and monthly employees, with an extra 210 for the foundry.

"The new additions to staff will virtually replace the 220 people we had to retrench in

December last year, when the market turned against the industry. "We have been in an invidious situation because of the extensive forward buying that took place before ADE came to the market. Original equipment manufacturers (OEMs) bought ahead, placing orders with us as well. We imported according to the indicated demand and all the usual economic indicators, only to find that the cancellations came rolling in after we were committed.

"That was a very unhappy experience for us, but those imported engines are now quickly disappearing, certainly in the 60 kW to 230 kW range.

"Our market penetration at present is around 60% and should increase rapidly from now on. Our weakest ranges have been from 5 001 kg to 7 500 kg, and over 20 001 kg, where in June we held 9% and 19% of the market, respectively.

"The Board of Trade introduced the additional 20% excise duty on all commercial

vehicles fitted with foreign engines in June and we expect that this will help to increase our market share in the 5 001 kg to 7 500 kg category.

"Market shares in the other ranges are: 82%, for the 7 501 kg to 10 000 kg category; 90%, 10 001 kg to 12 500 kg; 75%, 12 501 kg to 15 000 kg; and 78% in the 15 001 kg to 20 000 kg category," says Beckurts.

Production of the Vee series engines, including the recently announced Daimler-Benz 422 TI and 423 TI, will amount to 400 units over the next 12 months — if current market conditions hold.

"In a normal year we should sell 1 000 Vees. Over the next three years we are budgeting for 2 500 Vee units altogether, representing between 3% and 5% by number, and between 12% and 15% by value."

Uncertainty still surrounds the Vee protection issue, and ADE has been given no clear indication as to whether the Board of Trade will introduce satisfactory protection

## NOT DRAWING REINS

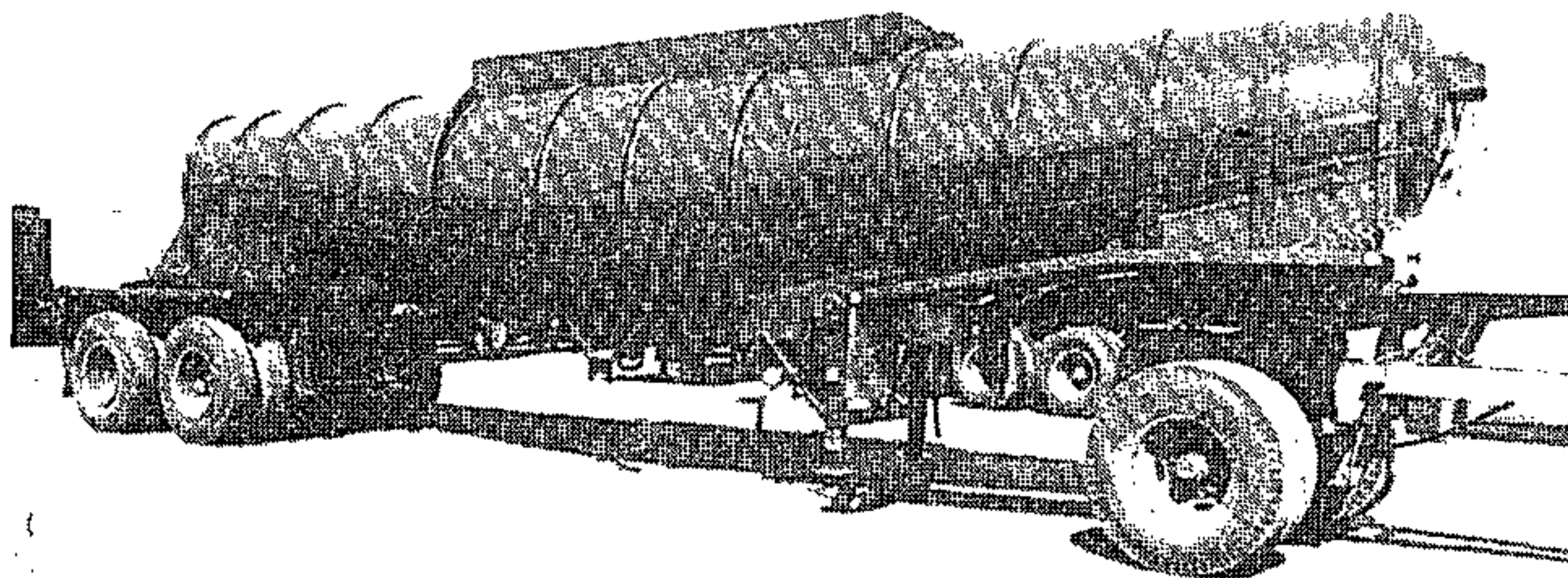
Innovations in trailer design have not been lost on transport operators. Some of the impact has been dulled by recession, but two recent launches by Henred Fruehauf — the aerodynamic, integrated tractor and trailer combination, and the "bathtub" tipper trailer concept — create hope for major improvements in transport efficiencies when the economy recovers.

Standardisation of trailer specifications still gives cause for concern and, although the SA Bureau of Standards (SABS) has played its part in establishing what is needed, there is little hope of implementing standards when rigs are operated on the "mix and match" principle.

New technology, therefore, is arriving at a time when basics need to be reviewed and placed on a firmer footing. Manufacturers are now stepping in with their own rule books as to how their vehicles should be fitted with bodies. Truck tractors are independent units whose operational efficiency can be seriously impaired if a poorly designed trailer combination is hooked up.

The integrated, streamlined concept has much going for it, on these grounds alone. Not everybody will be able to follow suit, nor do they have to. But the PET concept, as it is known, is causing a stir and is undergoing some modifications before being formally handed over to SA Transport Services (SATS).

Although the new combination looks like a specialised vehicle, it will be used essentially to transport general cargo,



says Henred Fruehauf. The unit conforms to the latest transport ordinances and is 14 m long. No plans have been made for mass production.

Another hard-learned lesson is that not all overseas designs work well in SA. Labour resources also influence what can be produced, compared with what is manufactured by foreign work forces. These factors minimise the advantages some companies have with their large, overseas parents and result in an industry that still has a distinctly home-spun flavour about it.

Tony Ricci, engineering manager at Henred Fruehauf, puts it this way: "Our

research and development team has to avoid falling into the trap of believing that because a concept or design works elsewhere it will work in SA. We constantly have to research ideas which fit our needs and labour capabilities.

Local trailer manufacturing is becoming more sophisticated, for all that. Says Ricci: "Research and development is an expensive affair, involving design and field engineers, computer programmers, market researchers — even artists are involved. The bathtub tipper programme cost about R600 000 and was worth every cent. This is the latest innovative design to go into full-scale production."





above the existing 11,4 l capacity 407 TI unit, which produces 235 kW.

Says Beckurts: "We are expecting protection for the full ADE programme as originally gazetted — 22 l — so that users of ADE engines can compete against imported products. The Board of Trade has not been keen to implement a blanket 22 l level and as a compromise we suggested a sliding scale. They said this would be difficult to implement, so we have now decided to go ahead with our full manufacturing programme, as originally intended, and trust that the Board of Trade will decide to come to the party."

Some manufacturers criticise ADE for not announcing its intentions regarding the Vee series earlier. The first Vees were produced in July last year but it was only at the beginning of this year that it looked as though ADE was serious about manufacturing them for general consumption.

Due to the lack of protection for Vee engines, ADE has initially concentrated on the in-line six cylinder engines, for which it could be perhaps excused in view of the pressure exerted upon it by OEMs, who preferred the sixes. The Vees found little favour then, but are gaining in popularity among truck operators who are expressing a growing interest, according to manufac-

turers.

Some manufacturers approached by the FM confirmed that they would still have considerable difficulty in fitting the Vee engines into their chassis, although there is industry gossip that Fiat (Vetsak), Erf, Oshkosh and International Harvester will go for the Vees in a meaningful way.

Mercedes-Benz has already launched two models powered by the 422 T, and has indicated others in the pipeline. MAN likewise confirms Vee commitment, as does Magnis.

Another, who asked not to be named, says: "We feel a bit let down by ADE because they have left it a bit late to start offering Vee engines after we have done our engineering for the in-line sixes. In some cases we would have done engineering for the Vees instead, had we known."

Beckurts replies: "We have sympathy for those who held back on Vee engineering. Even now there is uncertainty about the protection issue. But speaking for ADE we have always had the Vee engines in our list and they have been there for everybody to see from the beginning."

"The truth is, except for one or two manufacturers, we have had very few requests for the Vees, which we now see as being in reasonable demand."

There is a distinct overlap in power output between the 407 T and 422 ranges, and it will be interesting to see who will use the two different design philosophies.

Asked when the 422 TI and 423 TI models will be available, Beckurts says: "We are anxious that all the OEMs should have an opportunity to do their engineering, and conduct full validation trials, before we make these more powerful engines generally available."

"Some manufacturers will be quicker off the mark with their trucks than others, but we feel that an official launch about mid-1985 will be about right. Production-wise, we could be ready much sooner than that, including full machining, validation and prototype testing. But this is how we're thinking at the moment and we will proceed along those lines."

"We haven't considered importing the Vee TIs for those wanting them earlier. The whole thing is still new, and we are pushing ahead with these units as part of our total manufacturing programme," he says.

Local content is building up well and is expected to accelerate in the near future as new machine lines come on stream and as validation of components is completed.

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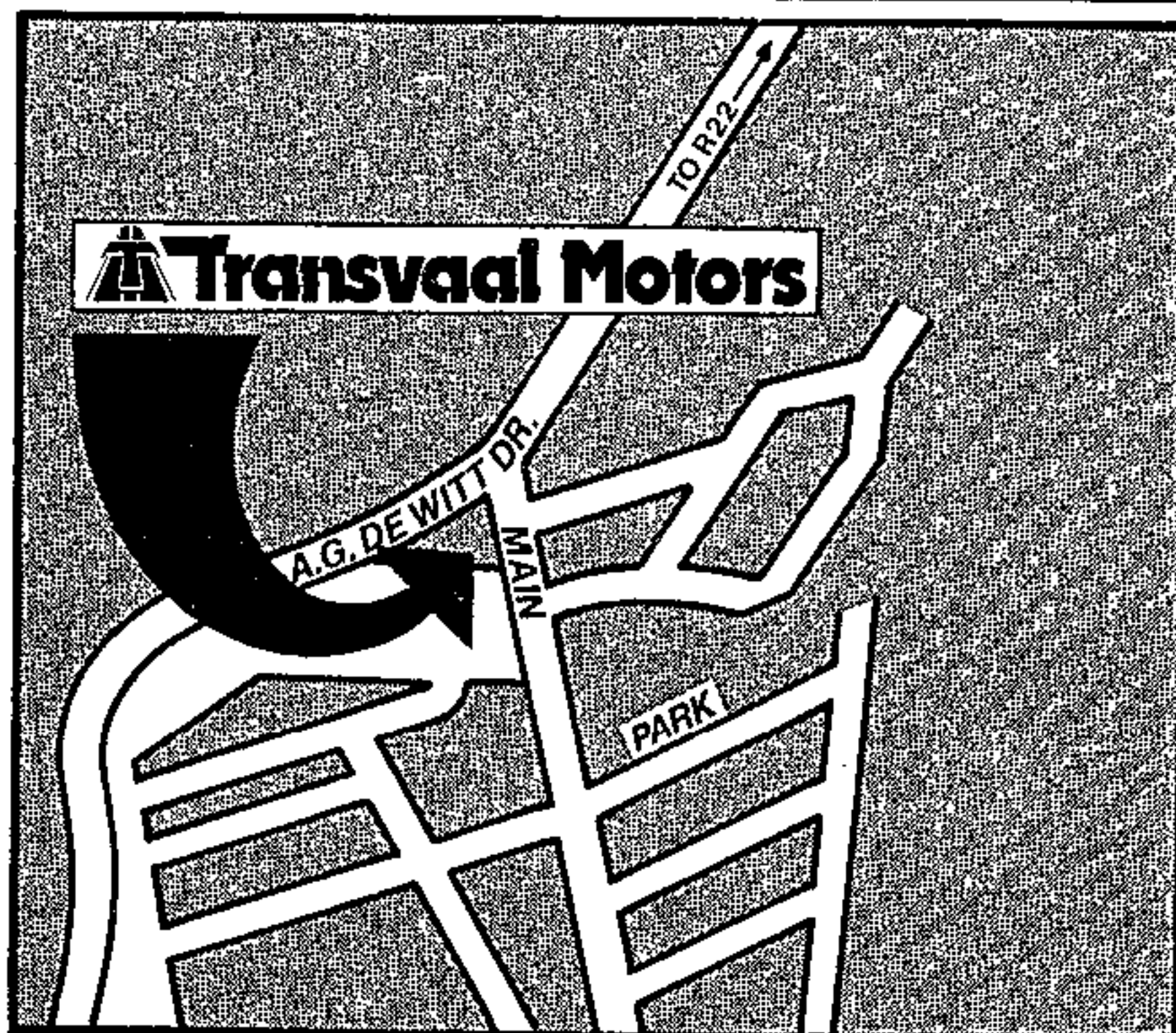
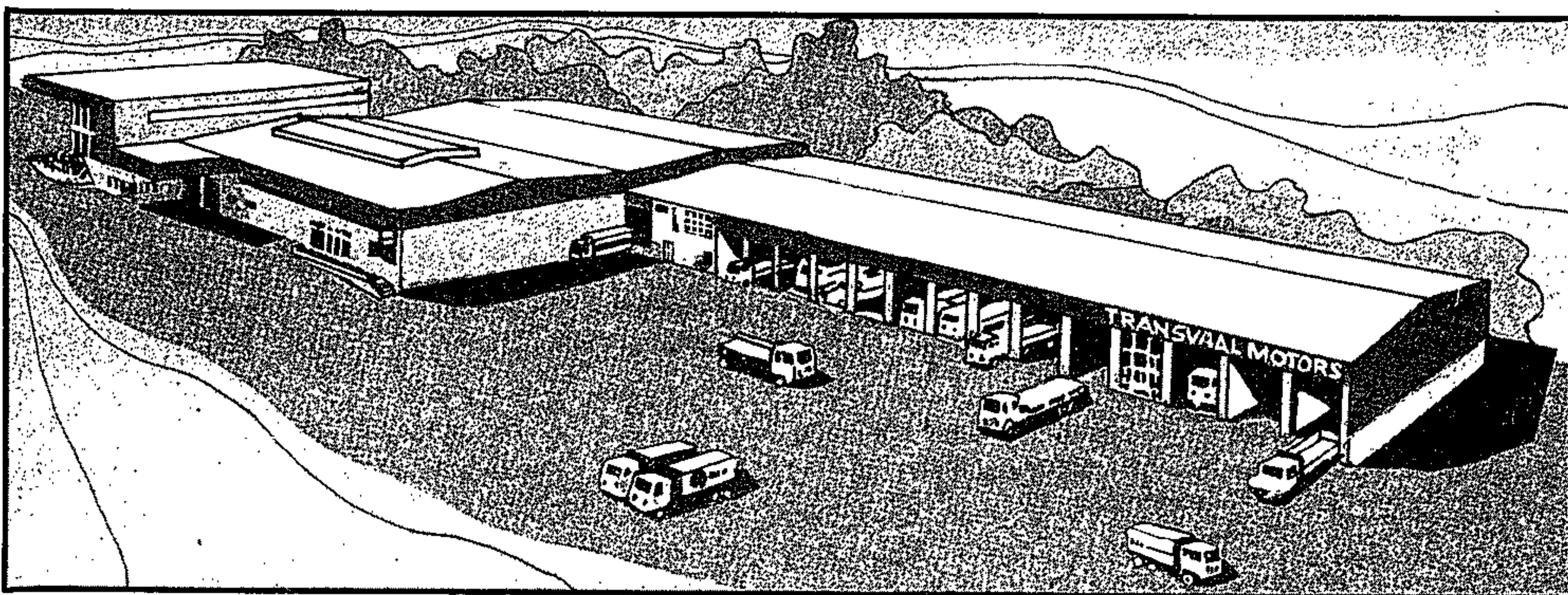
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# Powertrain problems

*The Board of Trade takes a haphazard and secretive approach to local content for drive axles*

Truck manufacturers are seeking urgent clarification on protection for local drive axles, and they want to know the names of those companies that will receive the dispensations from government.

Nico Vermeulen, director of the National Association of Automobile Manufacturers of SA (Naamsa), says the situation has become chaotic. Manufacturers have come to a virtual standstill in their planning for the future.

He told the FM: "We know that the Board of Trade (BoT) will be including axles in its forthcoming local content programme for commercial vehicles and buses, but we are seeking earlier clarification simply because our members do not know who, or how many companies, will be involved."

SA Axles (MAN and Mercedes-Benz), Protea Axles (Rockwell), and Magnis (Deutz) are known to be involved. Two other manufacturers hover in the wings — Borg Warner and Eaton are rumoured to be on the short list.

"How are truck manufacturers supposed to plan their model ranges not knowing what the ground rules are?" asks Vermeulen. In any kind of business you first establish the general rules and then work within them competitively. For some reason the BoT is not willing, or ready, to disclose who the rear axle manufacturers are going to be."

Naamsa received advance notification from the Minister of Industries, Commerce and Tourism, Dawie de Villiers, of recom-

mended protective measures in May last year. These measures came into effect in October and affected local axles manufactured for use in commercial vehicles with an engine capacity exceeding 9 000 cm<sup>3</sup>. From January next year, those used in light commercial vehicles with an excise mass of more than 1 300 kg will also be affected.

"We told the minister that we could not meet this timing and urged him to defer implementation of the measures.

"In respect of commercial vehicles with an excise mass of over 1 300 kg, we pointed out that the BoT appeared to have overlooked the practical problem arising from the very wide range of axle variations that would be required to satisfy that sector of the industry, and that the proposed implementation date of next January for protective duty on drive axles would certainly be too early.

"The authorities have implemented protective measures for axles relating to heavy commercial vehicles, amounting to 165c/kg of axle mass on vehicles with engine capaci-

## ON LOCAL CONTENT

The local content programme expected by truck manufacturers early next year is almost certain to be based on value rather than on the mass formula adopted for the passenger car sector.

Reasoning behind such a decision is based not so much on any weakness in the mass approach, say manufacturers, but on the fact that for Atlantis Diesel Engines, AS Transmissions and Steerings and a covey of other local content manufacturers, most heavy components are produced locally already.

Manufacturers have no options as to how they will permutate the mass content of their trucks, and emphasis will be placed on the value of local content.

This also ties in with a complex array of duty protection measures which, despite recent government reluctance to extend protection to the manufacturing sector, has seen the recent addition of locally-produced clutches and bearings on a protected basis.

Experience with the mass formula on passenger cars also indicates that despite a 66% level ruling under Phase 4, component manufacturers are only meeting about 35% by value on some models.

The National Association of Automotive Components and Allied Manufacturers (Naacam) and the National Asso-

ciation of Automobile Manufacturers of SA (Naamsa) have been working on individual local content reports on local content, and are ready to present findings to the Minister of Industries, Commerce and Tourism, Dawie de Villiers.

Bill Hayward, executive director of Naacam, told the FM: "We have completed our work and understand that Naamsa will soon be finished with its report. We will be discussing both reports with them and consider at the same time the earlier suggestion about making some kind of joint statement. However, this will not affect the individual reports and we will be handing our report to the minister as soon as we can."

Naacam has two reports, one to the Board of Trade and Industries (BTI) in reply to its investigation into local content for commercial vehicles and buses, and the other an investigation into the future of local content, for the minister.

"All I have to do is to tie the red tape onto the parcel when the minister says come and see me."

Copies of the Naacam report will also go to the Department of Industries, Commerce and Tourism, and to the committee considering local industrial strategy — the Industry Advisory Committee (IAC).

The imminent release of the reports

virtually embargoes any discussion on future prospects for local content, at least for the time being. Hayward was reluctant to discuss investments, economic prospects or capacity utilisation. "The report is so far-reaching that there isn't anything that we can discuss that would not impinge on it," he said.

Generally, the industry is optimistic. "There are some pessimists, but I would say in broad terms that the motor industry in SA has everything going for it. The vehicle manufacturer who makes a product that is acceptable to the public is smiling all the way to the bank.

"There has been a slight downturn, but if you look at the retail spending trends it is amazing how people have been spending money. We expect that by 1985 motor industry sales will exceed their 1981 peak. The decline has not been all that heavy.

"We are not as busy as we have been but it has at least given the industry an opportunity to re-equip and reappraise its productivity for the upturn.

"The only notable casualty has been Leyland passenger vehicles, but that is part of the process of the reduction in the number of manufacturers in makes and models. There have been other small ones and there are others expected, but only time will tell," said Hayward.



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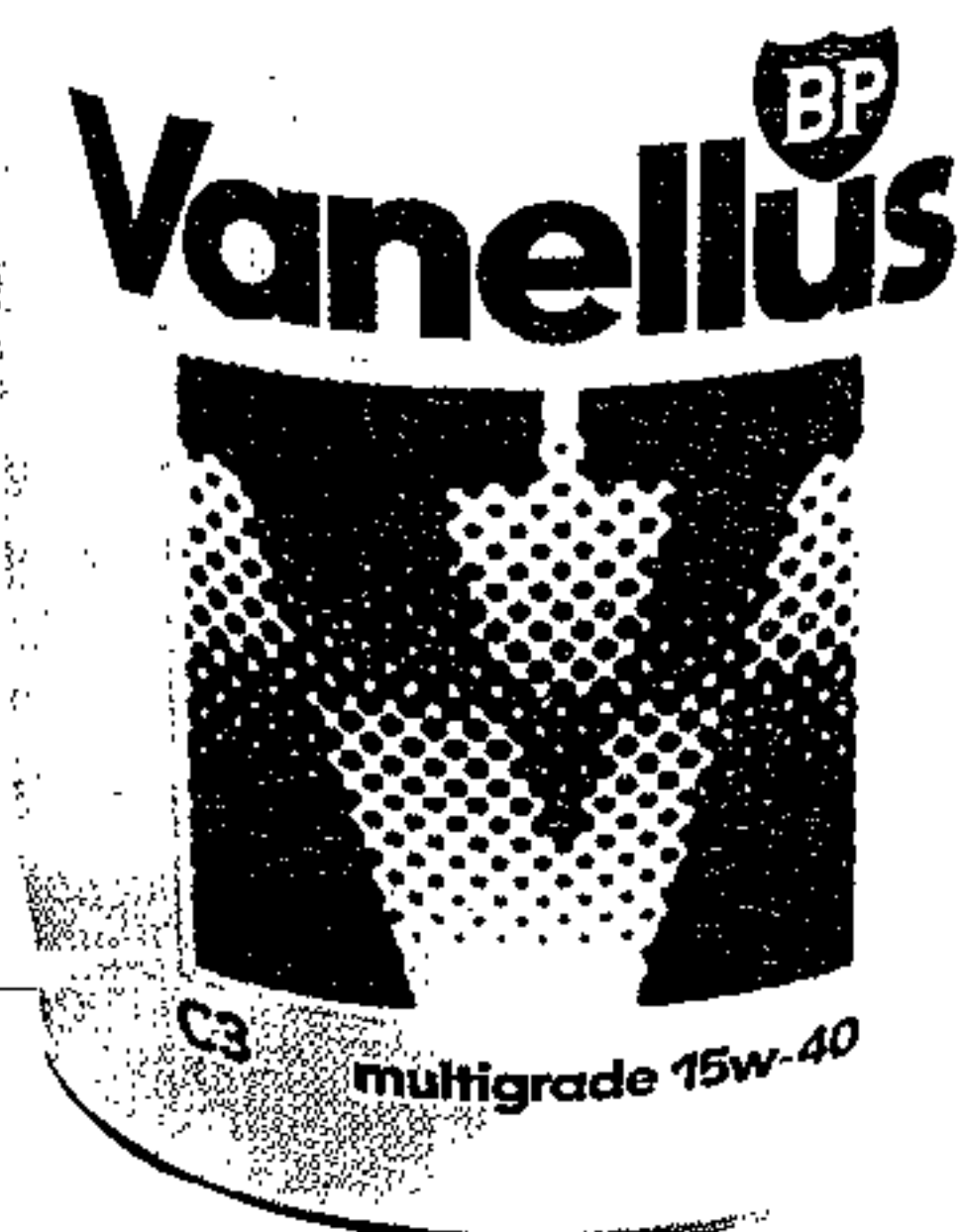
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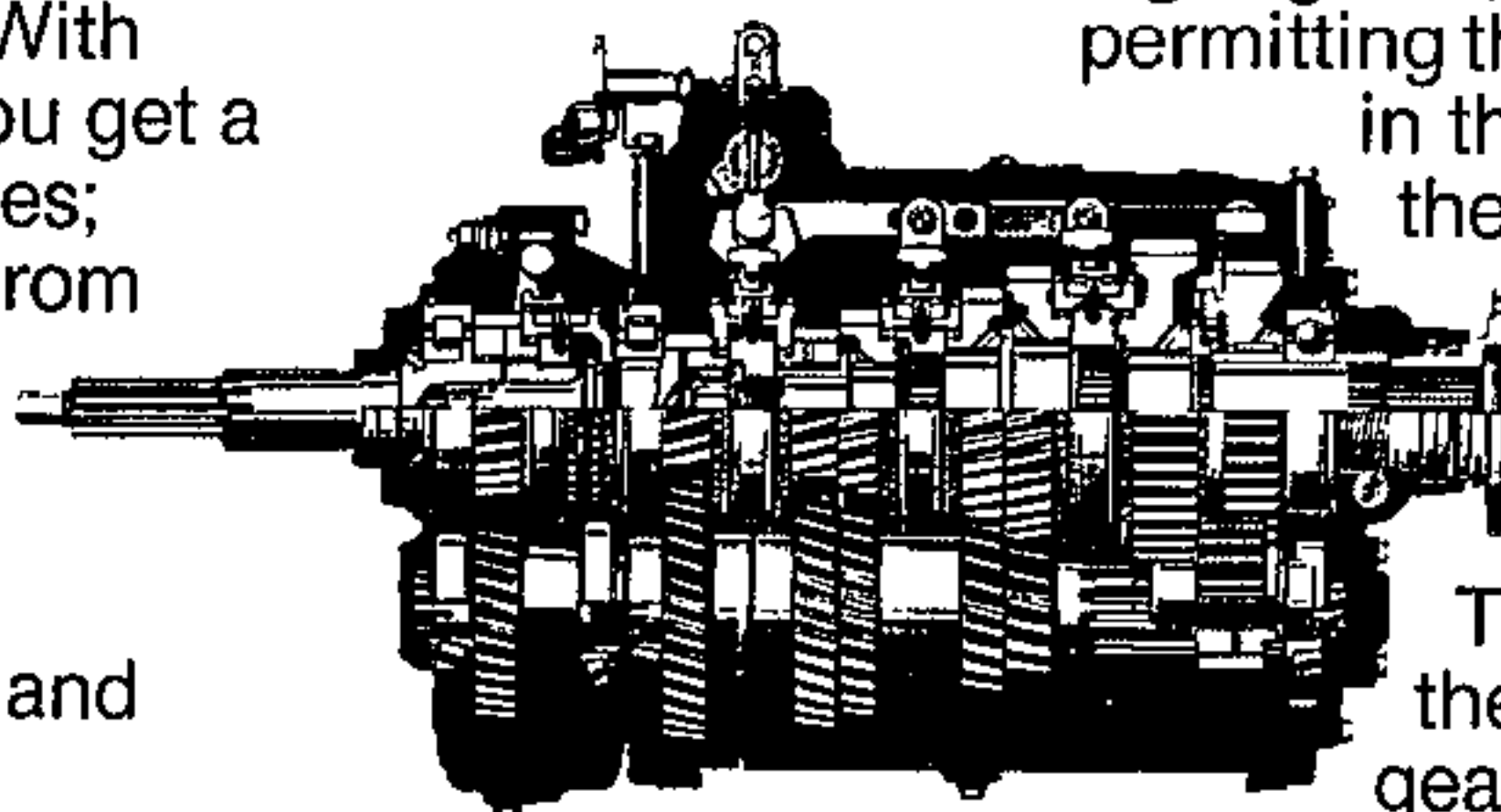


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It showed that within a week, only 9 730 t of unauthorised freight passed through the long distance check point at Villiers, out of a total 62 400 t for the entire survey. Some of those classified as being "unauthorised" were, in fact legal, and had court approved permits, says the department. It had fought those court approvals and was not inclined to approve their legality in its survey.

It is also pointed out that if those having "illegal" permits had them withdrawn, there are other carriers who can replace them. Putting it at best, SATS might gain 15% of long distance traffic travelling by road.

And that doesn't amount to much, in real numbers.

Annual tonnages travelling by road between the PWV area and Durban amount to less than 3 Mt. The illegal portion is 670 560 t, or only 0,16% of last year's national total of almost 420 Mt carried by road and rail.

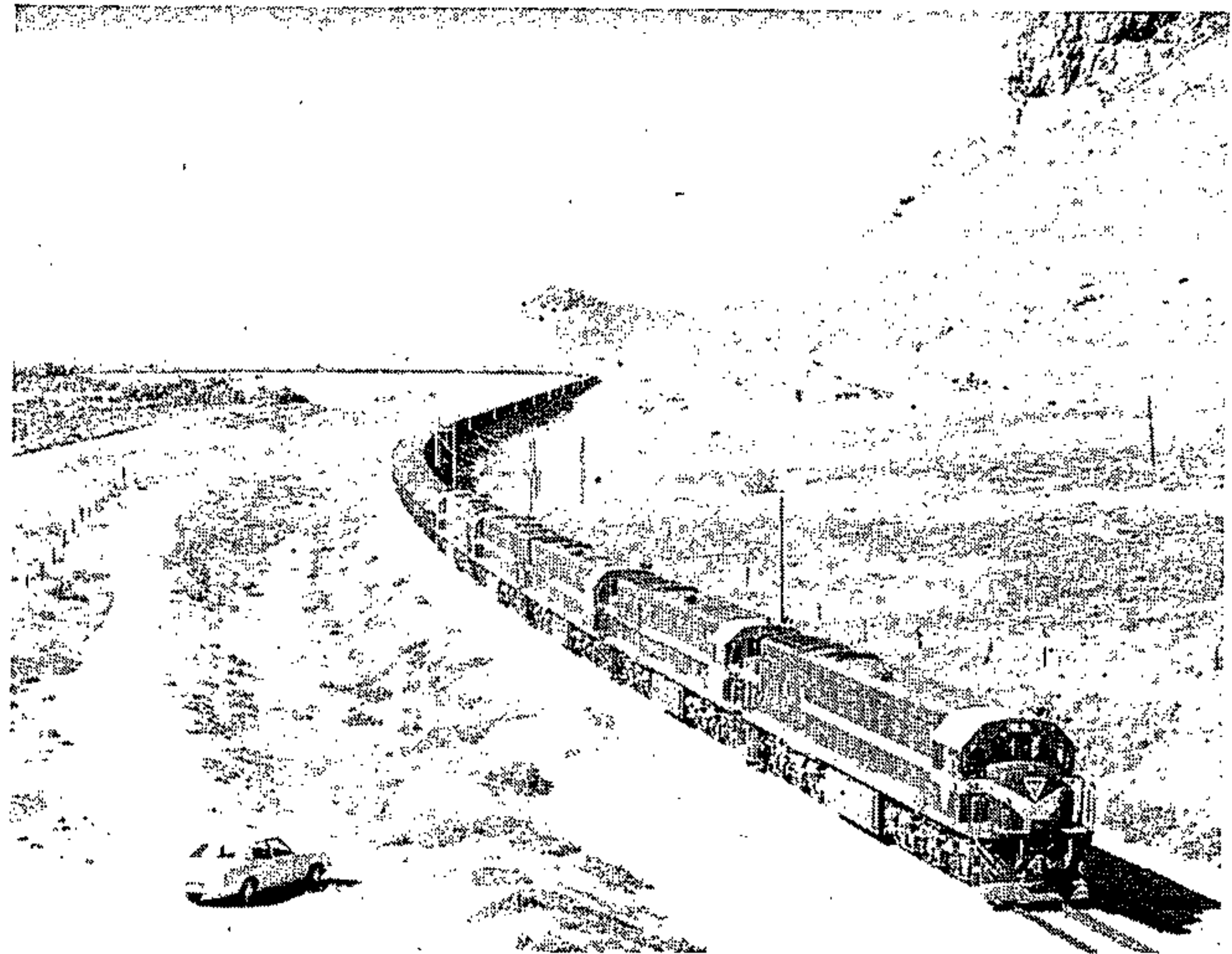
As a percentage of its own PWV-Durban business, the long distance, unauthorised portion travelling by road represents less than 9%. Rail already carries an estimated 75% of all traffic along that corridor.

The picture for total goods traffic, nationally, is even less encouraging for rail.

In the first six months of this year — the latest figures available — railways' share fell from 41,7% last year, to 35,4%. Remaining traffic went to road transport operators.

These figures are based on a healthy 91% of last year's traffic, so SATS's loss is a real one.

Whether one tests the Department of Transport case by direct comparison of traffic travelling the PWV-Durban route, or



A giant ore train bearing vital exports ... but at a loss

by annual total goods conveyed, the permit argument seems to be a weak one.

Eksteen concedes that traffic is being lost outside the main corridors, including traffic conveyed in the cities. City and inter-city traffic falls within exempted areas and, being shorthaul, is unsuitable for rail conveyance.

Private transport operators, in fact, accuse SATS of using its road fleets to steal business traditionally carried by them —

which puts the boot on the other foot.

According to statistics, however, SATS would be justified in accusing the private sector of spreading misinformation. SATS road services carried only 1,04% of all traffic in the first six months of this year, compared with the whopping 64,6% carried by private transport contractors.

SA's transport malaise, one feels, poses many unanswered questions. SATS's rail traffic is falling off, mainly outside the main transport corridors, and one wonders why.

Private transport contractors are increasing market share, and carrying marginally more goods than they did last year. Again, one wonders why.

The answer to both questions would seem to lie in service, in terms of speed of delivery and prices available in a competitive road transport industry, compared to rail. The percentage of unauthorised traffic seems irrelevant, and all the law enforcement available to SATS police, and Department of Transport inspectorate, will not change that.

The only way to influence the position would be to change the basis of competition, and withdraw certain goods from the road transport sector. This would involve re-regulating road transport, and the authorities are careful not to involve this issue in current debate.

The Department says that deregulation of road traffic is to be pursued in future, "but not without statutory controls."

There is, however, a minefield ahead which road transporters will have to cross. According to Eksteen, all existing road

## TRUCKS AND FREIGHT CARRIED (Excluding local, empty and government)

	Villiers	Newcastle	Piet Retief	Total
Total trucks .....	2 969	1 265	676	4 910
Unauthorised .....	707	182	109	998
Total freight (t) .....	38 150	15 600	8 650	62 400
Unauthorised .....	9 730	2 600	1 640	13 970
Total (t/km) .....	21 420 000	7 580 000	4 130 000	33 130 000
Unauthorised .....	5 630 000	1 270 000	810 000	7 710 000

## UNAUTHORISED VEHICLES/INFRINGEMENTS

Infringement	Number of unauthorised vehicles			
	Villiers	Newcastle	Piet Retief	Total
No permit/not exempted .....	247	93	47	387
With permit, but unauthorised ..	418	79	58	554
Exempted, but unauthorised .....	42	10	5	57
Total .....	707	182	109	998

## INFRINGEMENTS OF TRUCKS WITH PERMITS (%)

	Villiers	Newcastle	Piet Retief	%
Wrong area .....	6,1	10,4	31,9	9,4
Wrong commodities .....	35,1	25,6	28,7	33,1
Conditions infringed .....	50,0	59,1	39,4	50,2
No permit on truck .....	8,8	4,9	0,0	7,3
Total .....	100	100	100	100

Source: Department of Transport





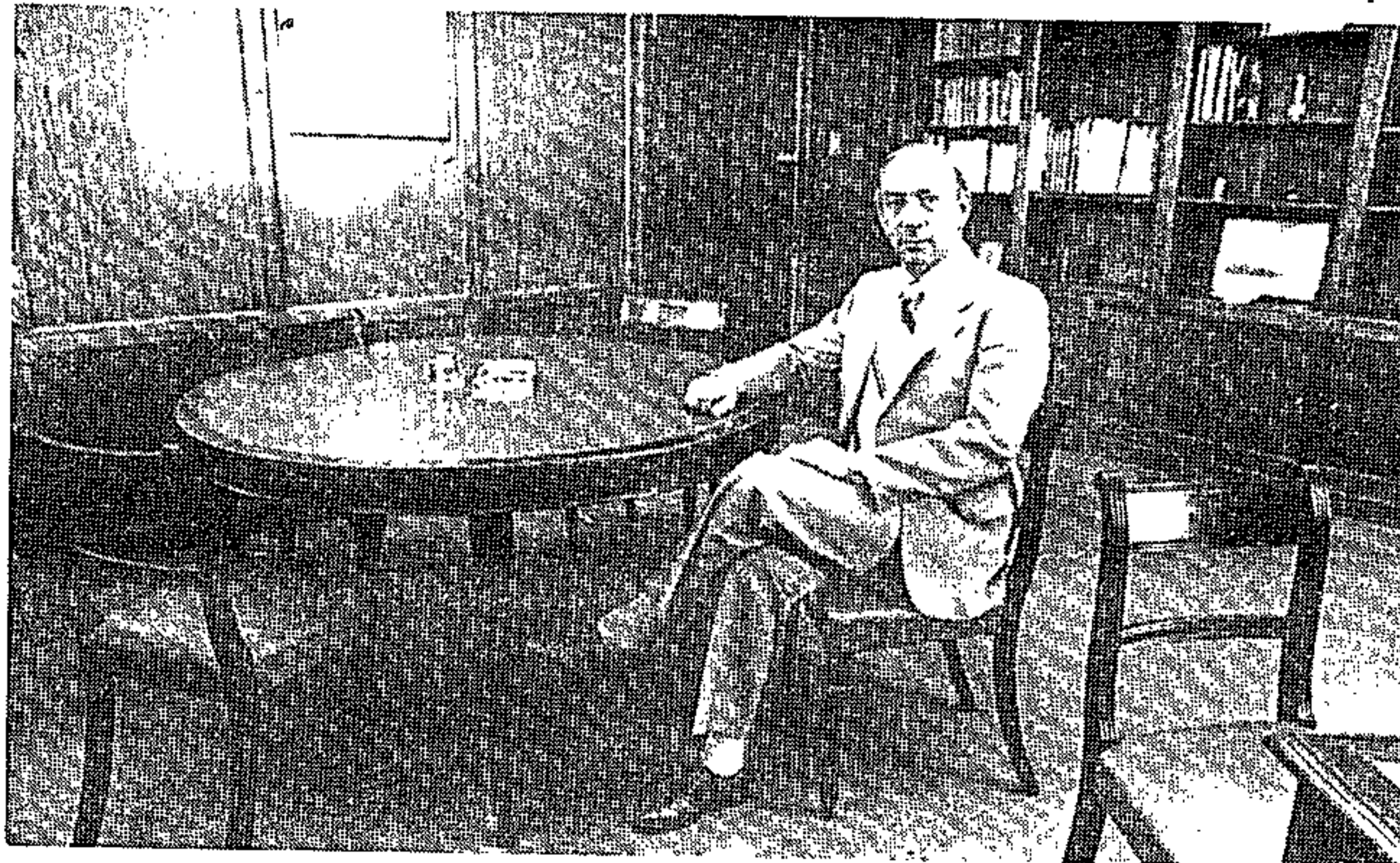
## FREIGHT CONVEYED BY ROAD

Commodity	% of total freight	% of total unauthorised freight
Building materials	20	22
Machinery/vehicles	18	15
Chemicals/products	17	10
Furniture/household	13	27
Paper/products	10	10
Total	78	84

## HIGHEST UNAUTHORISED GROUPS

Commodity	%
Machinery/vehicles	40
Beverages/tobacco	31
Building materials	29
Textiles/footwear	28
Paper/products	25

Source: Department of Transport



Gencor's Steve Ellis, ... a competitive alternative

transport permits will lapse, and be re-issued in rephrased terminology by 1989 — as "a fair guess."

One thing is certain. The permits that go into the department will not come out. None can say how much operators will lose under their newly issued permits, compared with

the ones held at the moment.

Already there is talk among bigger operators that the government has no legal authority to withdraw permits which in law, are company assets. The point is not lost on the department. It is already considering new legislation to force the lapsing of cur-

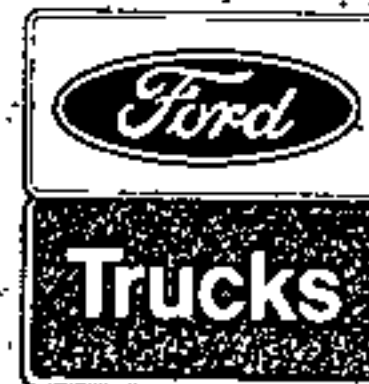
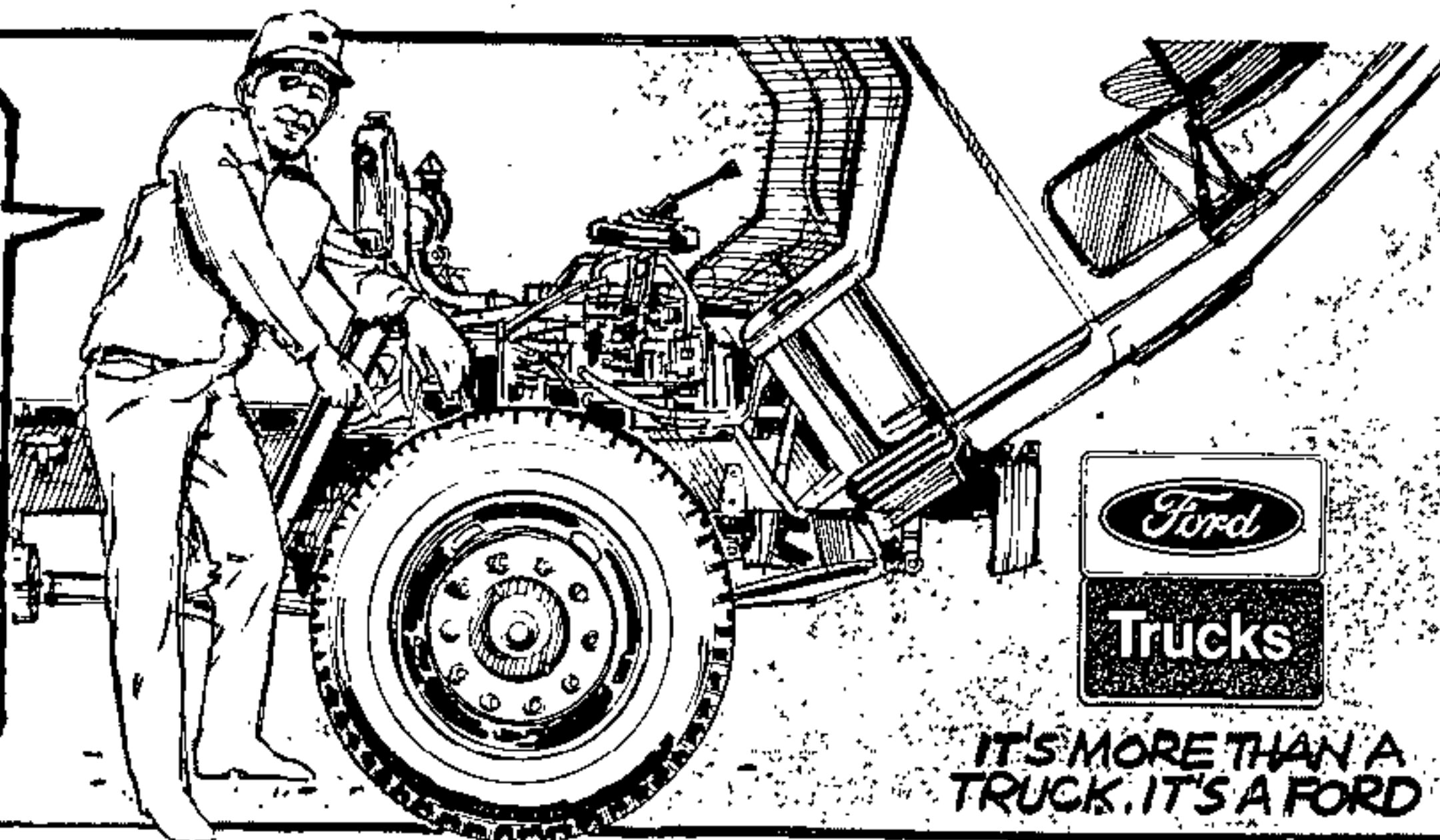
rent permits, and will probably introduce it early next year.

The risk is a return to re-regulated road transport, as a means of establishing a "balance" between road and rail.

There are likely to be more controls as part of that deal.

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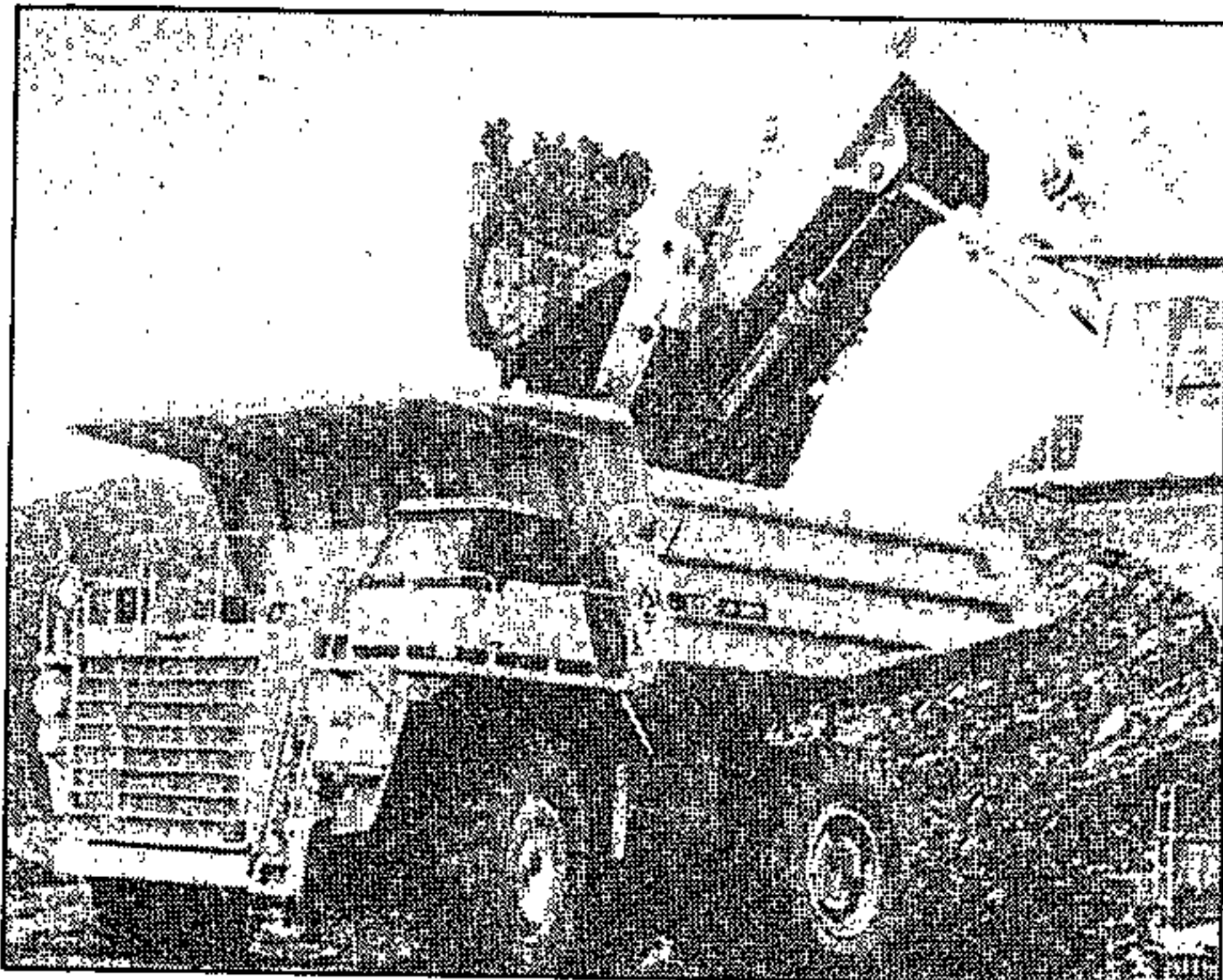
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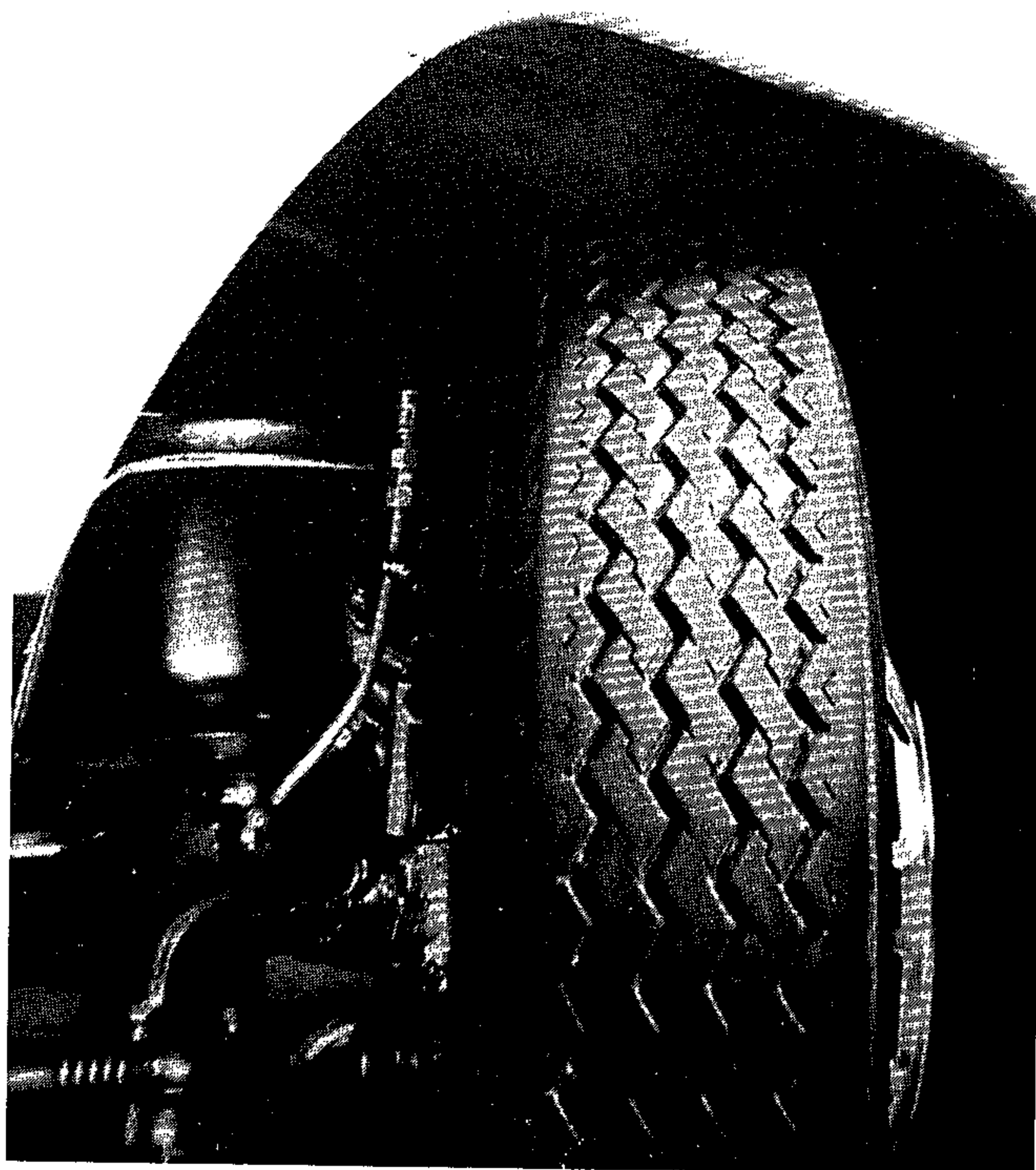
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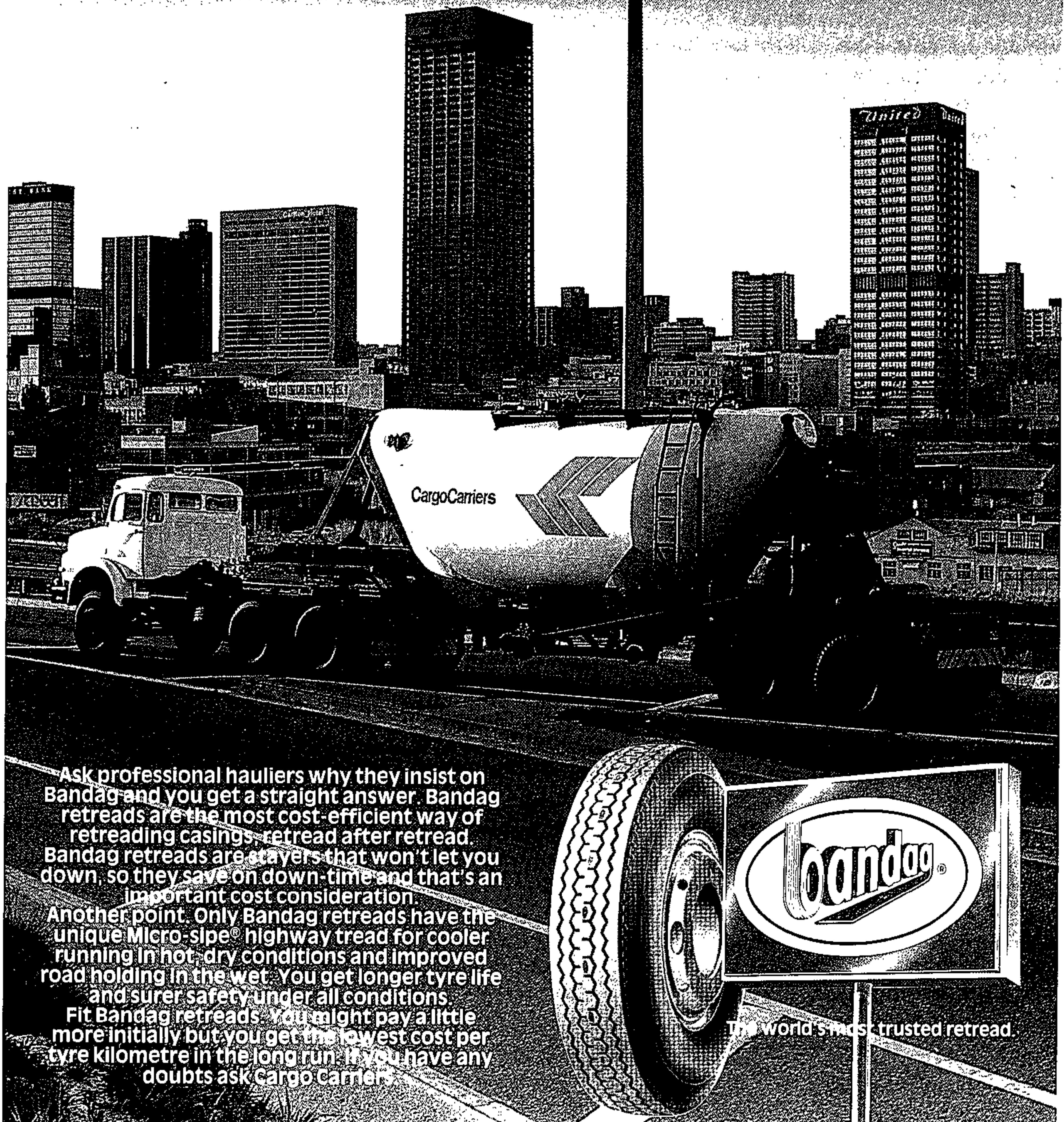
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Trucks and trucking. A survey. Supplement to Financial Mail October 21 1983

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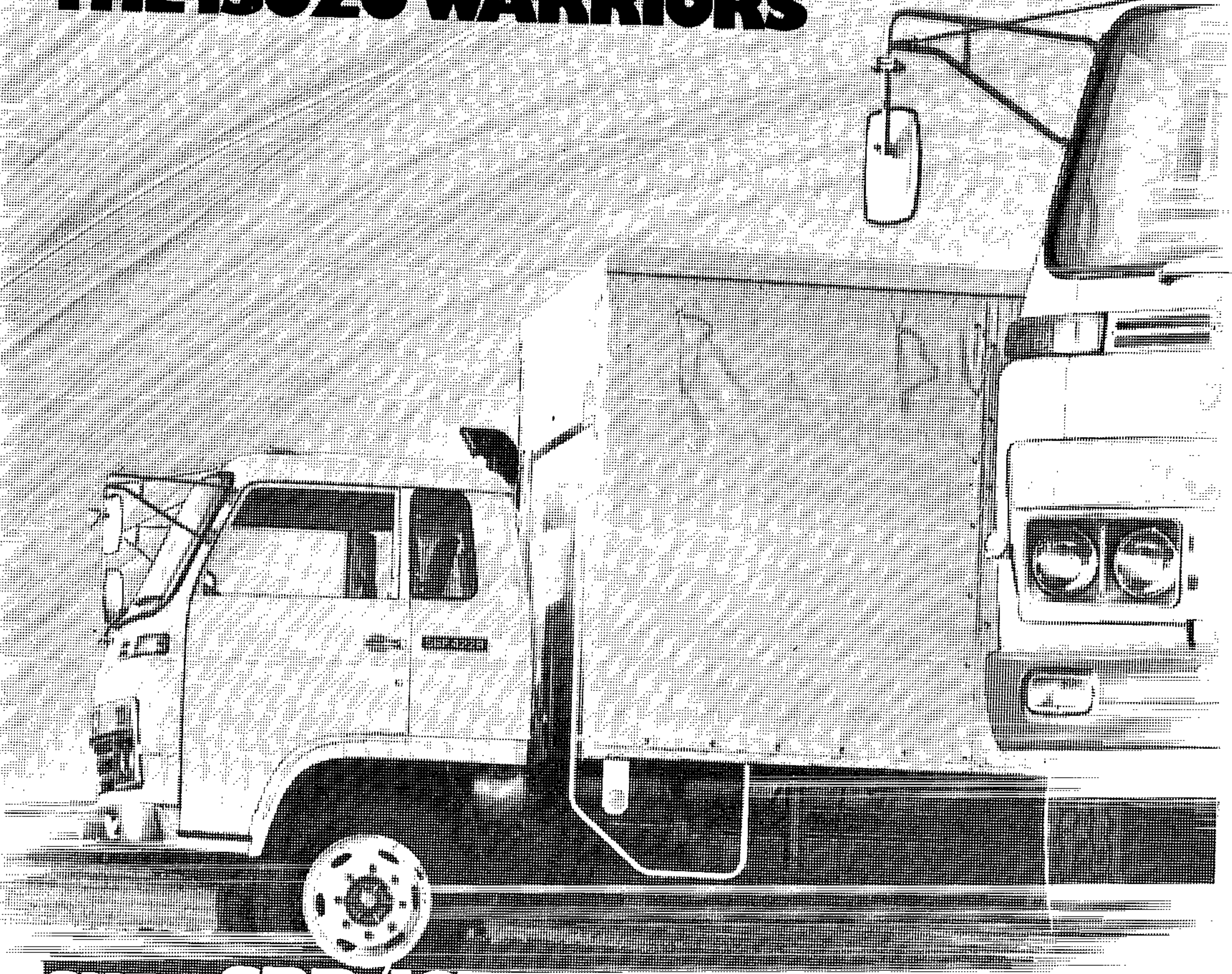


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Trucks and trucking. A survey. Supplement to Financial Mail October 21 1983





# All wrapped up

*Government, prompted by SATS, has pounced on the express parcels business. But SATS isn't winning back all the business it lost*

At the end of this year scores of road transport operators, owning fleets of 1 t vehicles, some equipped with specially built trailers, will be out of the parcels business when existing permits lapse on December 31.

The industry has finally succumbed, but not without a fight. Earlier hopes that existing permits would be favourably considered when new applications are lodged, are dimming. No rulings have yet been handed down, but there is little optimism among those in the parcels business that dispensations will be forthcoming.

In fairness to the authorities, a year's notice was given when government decided to put an end to the abuse of legislation originally intended to allow farmers to carry their goods freely on light commercial vehicles. The legislation allowed unrestricted issue of permits for vehicles up to 1 t capacity. Transport operators saw the opportunity to run express parcels delivery under the same law and obtained the necessary permits. It was realised, too late, that the industry that mushroomed almost overnight would take business away from the State carrier, SA Transport Services (SATS), which had until then enjoyed a monopoly.

SATS will get some of the business back, according to industry experts, but by no

means all. In any case, the economic downturn has taken the edge off the market, which presents marketing problems for private operators running vehicles with limited payload. Industry and commerce are beginning to balk at the premium involved in express deliveries.

Two or three years ago, when the economy was booming, customers were willing to pay extra to get their parcels delivered on time.

One operator, who asked not to be named says: "Those services were costly, simply because 1 t vehicles are expensive to run in terms of payload, compared with a 20 t vehicle. The bigger operators who will be losing their permits at the end of the year have already made their plans, taking into account the substantial change that has taken place in the market since government indicated its intention to put an end to private parcels delivery.

"The whole move was, I think, orchestrated by SA Airways, which has lost a fair amount of business to road. Government's way of giving it back to them is to put transport operators off the road.

"Now we find that SAA has cancelled its afternoon airbus service and is using narrow body aircraft. These do not have the

capacity, and SAA is going to lose out again on its potential," he says. "Parcels, we understand, are already being left behind overnight because they cannot be carried."

SATS has stepped up its marketing substantially, but has not adjusted to the new position yet. There is still doubt as to how SATS will deliver parcels from the railhead, or make collections for the overnight trains.

The plan has back-fired in part, in that the new overnight expresses from Johannesburg to Durban and Cape Town are taking business away from the existing SATS express service.

The new overnight rail service is charged at normal tariff rates, while the express service charges premiums, depending on the type of commodity, in excess of 20%, on average.

"With this service it takes two or three days for a parcel to arrive at its destination. The overnight service is not only cheaper, it is quicker, too," says the operator.

SATS admits that demand for the overnight parcels service is growing at the expense of its express deliveries. "We accept this as a natural consequence of offering a better service, and are in fact encouraging people to make more use of the overnight deliveries," says a SATS spokesman.

"We are also expediting parcel delivery services to Port Elizabeth," he says.

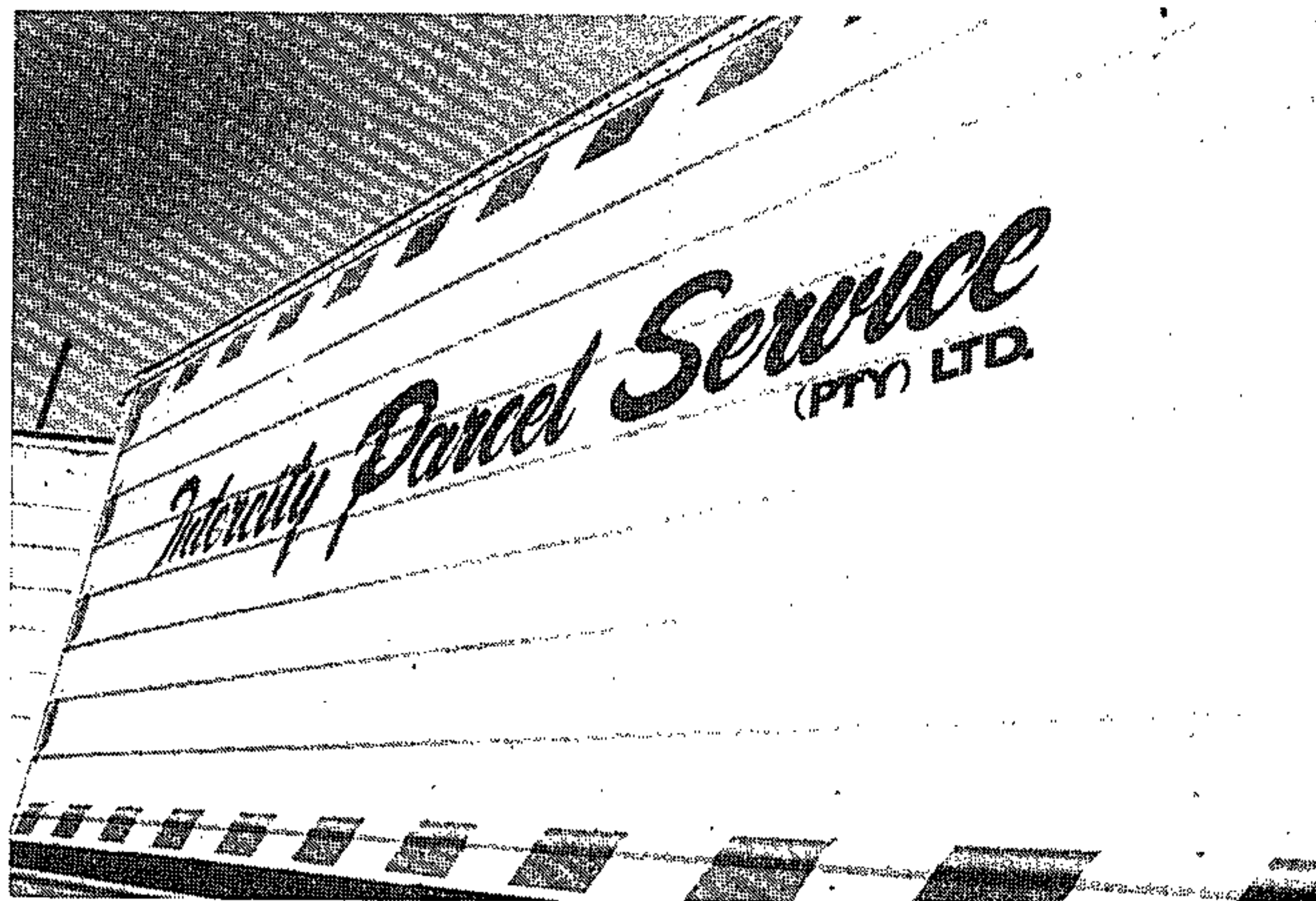
At least one large parcels operator has applied to replace its existing permits with new ones, to enable it to carry parcels nation-wide. The result of the hearing has yet to be handed down by the National Transport Commission, but the feeling among interested parties is that things do not look too good.

Says another operator interviewed by the FM: "What they hope, I think, is that the consolidators of parcels, the freight agents, will have no alternative but to use SATS. But SATS is often so far behind what is really happening in the industry, it is difficult to see how they are going to benefit all that much.

"They must know that there are not many 1 t vehicles on the road any more, and there is a reason for that. There cannot be more than 50 of them running every day. You are talking about 200 t of material per night.

"Parcels business has been diverted to other kinds of traffic, and a lot of inroads are being made by other carriers providing an overnight service. Those with 'goods, all classes' permits, are conveying parcels legally all the way to Durban.

"They are moving substantial volumes of containers packed with parcels, and I don't know how the Department of Transport can stop this."



Express parcels ... priced at a premium





curity of their operations is heavily disguised.

While the economic recession lasts, these operators remain competitive. But when the upturn comes, say the bigger companies, they lack the capital needed to invest in additional vehicles.

This provides little consolation for users of truck rental, however, or for those rental concerns solidly backed by capital and facilities. They are suffering a credibility problem along with the rest and tend to distance themselves as far as possible from the industry as a whole.

In the long term, this can only damage the truck rental industry since now is the time that rationalisation and restructuring of businesses should be in evidence, as with the Avis/Rent-A-Bakkie deal.

The increasing trends towards nominated carrier contracts, whereby the rental company assumes full responsibility for the transport arrangements, can be dangerous for consumers from two points of view.

Where a transport user is persuaded by economic argument to dispose of his own fleet in favour of a rented one, he then throws himself onto the resources of the hiring company. Should these resources be weak, company failure could leave the client without transport.

An equally hazardous situation can develop where the rental company providing consultancy service does not in fact possess the knowledge and expertise it claims to offer. The client, eager to be rid of his transport headache, can inherit an even worse one should things go wrong.

Truck rental, as with bareback hiring, is affected in many instances by the same problems of inadequate management. Overseas experience indicates that truck rental is becoming a business necessity, and there



**Nominated carriers are moving into big business**

is little doubt that many big manufacturing concerns in SA will one day wake up to the large capital sums tied up in fleets, contingency budgets and maintenance facilities.

According to Mercedes-Benz, these costly investments can be liquidated under its rental programme, all maintenance being provided by Mercedes-Benz dealers throughout the country.

For the operator, the nuts and bolts of transport should not be as important as the efficiency with which it is planned and used.

Cost norms are set by operational considerations, rather than acquisition which generally represents no more than 15% of the total cost of a vehicle throughout its life.

Increasing tariffs for rental and lease business will not, therefore, automatically guarantee the soundness of consultancy services, for which there is an undoubted need. Transport management is, paradoxically, the cinderella of road transport and, although government-sponsored education programmes are fast expanding, it will be some years before their impact is felt.

Nominated carrier contracts are at the moment growing out of straight rental or leasing deals, under which months of joint planning results in the truck rental company taking over a fleet. Says a spokesman for one rental company: "These deals are not nearly so straightforward as rental or leasing. We have to do an in-depth study of vehicle types, capacities, bodies, numbers against volume and distribution patterns, and optimum route scheduling long before we put forward a proposal.

"It is a long-term commitment on contracts that normally run for up to five years.

"They go much further than bareback leasing — where the hirer gets a serviced truck, a driver, and that's all. Nominated carrier contracts are really a return to the position the transport industry was in before cartage contractors abandoned their local business to venture into specialised, long-haul contracting."



**New rental/maintenance plans slash costs**





# Trucks for hire

*The truck rental and leasing business seems to be tidying up its act, though it's still far from perfect*

The traditionally cut-throat and disorganised truck hire industry is undergoing a metamorphosis. Although it still has no representative body, and the trauma surrounding truck hire is still largely in evidence, recent announcements indicate that rental contracts, backed by the assets of substantial companies, are beginning to turn up on boardroom tables for serious discussion.

Two or three medium-sized truck hire companies, with one or two heavyweights, have already entered the field of complete fleet rental, including maintenance and drivers. Some operate on a nominated carrier basis, organising truck schedules and generally taking over the fleet operations for the companies they serve.

Woolworths has already farmed out its transport successfully. Reckitt & Colman and Grinaker are two others taking the same approach towards reducing their capital investments, and optimising fleet utilisation.

Mercedes-Benz, perhaps the heaviest heavy-weight so far, has just launched a truck rental-maintenance scheme which

will enable fleet operators to divert investment capital into their working processes, instead of transport fleets. No intermediate company is involved and contract prices look like being very keen.

The rating base in truck hire, leasing and rental varies according to the company involved, and the specific contracts offered. Hiring starts by the hour and moves through a charge for distance. Leasing usually covers the capital base, plus an additional amount according to distances travelled.

Full maintenance contracts still fall into the bareback leasing category, where the customer merely gets his trucks and maintenance, and has access to replacement vehicles in the event of breakdown.

Rental relates to the capital cost of specific vehicles, taking into account a figure allowed for buy-back at the end of the contract period. The higher the buy-back amount, the lower the rental. Hire companies involved in such deals seldom allow a high buy-back amount for the simple reason that users can abuse a vehicle to the point where it may be worthless.

One method of overcoming this is to enter into a rental-maintenance contract which ties the user to the renting company's maintenance facilities. Generally speaking, these deals are beneficial to the hirer since he has a properly maintained fleet — the renter wants to be sure of his buy-back allowance — and the higher vehicle utilisation that comes with preventive maintenance.

Apart from the cost of fuel, tyres and necessary documentation, the renter makes a monthly payment which covers his entire fleet costs. This enables him to forecast and allocate these costs to future marketing projections. Fixed-price contracts, or escalation clauses are also available.

Imperial, Rent-A-Truck, Cargo Carriers and Rennies are among those offering full lease maintenance, plus nominated carrier contracts, where needed.

But there is still widespread rate cutting, to the point where some clients tied into medium-term contracts might find that the contract has a larger life-span than the rental company. In the process, servicing of vehicles and other aspects of truck rental might suffer, bringing the industry into further disrepute, say bigger operators.

Rennies-owned Renta-A-Bakkie, which recently bought out the Avis truck rental operation, now claims to hold over 35% market share in an industry that was last year estimated to be worth R40m. This makes it "the unchallenged market leader," claims Derek Corin, chief executive of Renta-A-Bakkie.

Apart from the half dozen companies or so that control 80% of the business, the industry is suffering badly from a lack of professional management. Those that are inefficient are not only walking a tightrope of their own making; they are minimising the chances of the industry as a whole to respond quickly to an economic upturn.

De-fleeting is said to have put the industry back to the 3 500 truck population of two years ago, except that there are now many more rental companies handling them than before. The second-hand market has also become overtraded under pressure from those seeking to maintain cash flow.

Medium-term hire rates are quoted at appreciably lower than lease costs and, at these prices, are stretching out into two and three year unsigned contracts. "Anything and everything is being done by the truck renters to keep vehicles out of their parks," complained one rental executive.

A more serious complaint is that companies having interests other than in truck rental are cutting prices, and maintenance, and making good operational shortfall from other aspects of their businesses. The inse-

## ON THE NOSE

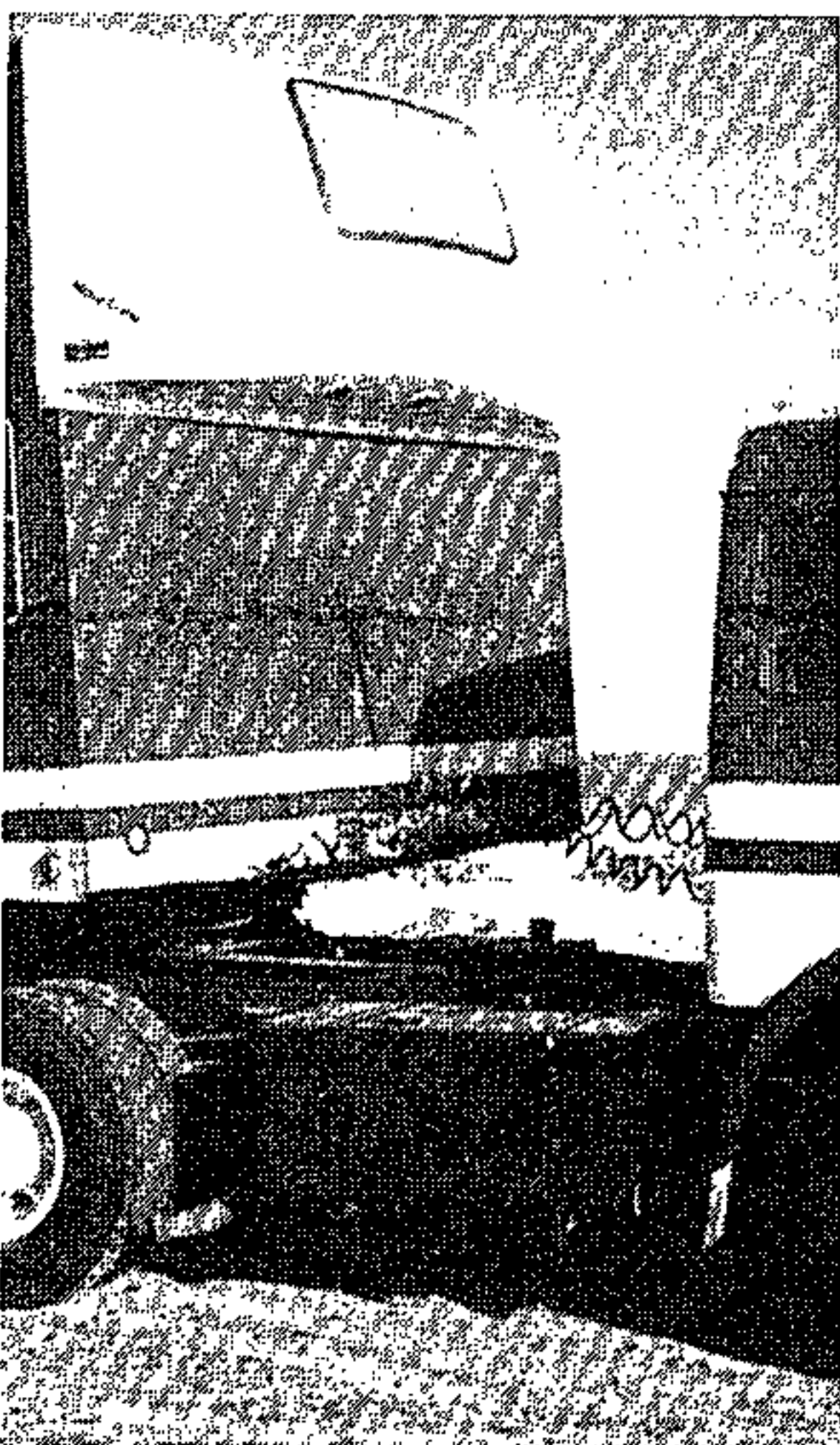
The Pickford group has ordered wind deflectors for 400 of its vehicles, claiming that results from those fitted so far have been impressive.

The deflectors consist of an aerofoil developed in the US and mounted on the front face of a truck or trailer. They are not cab-mounted in the conventional way.

Dennis McCann of Nose Cone Manufacturing says: "Conventional deflectors can actually create drag in a cross wind. A Stuttards doubles combination, pulled by a Mercedes-Benz 1928 tractor, reduced fuel consumption between Cape Town and Johannesburg from 700 l to 550 l after fitting deflectors to both trailers. This 21,4% saving was accompanied by improved handling and reduced body sway and fishtailing, according to the driver."

The deflectors have also been developed for standard ISO containers, for fitting and removing by one man.

Nose Cone started manufacturing in SA under licence from the US in June last year.





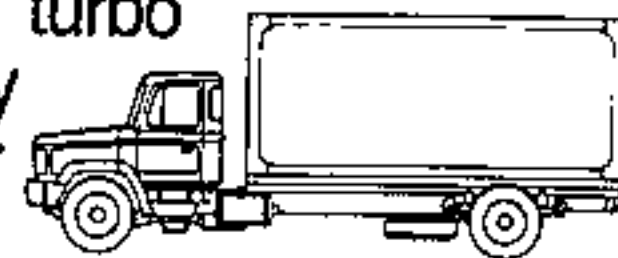
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12.09 N	TIPPER	5105 mm	90,5 kW	NATURALLY ASPIRATED
12.09 N	FREIGHT CARRIER	5500 mm	90,5 kW	NATURALLY ASPIRATED

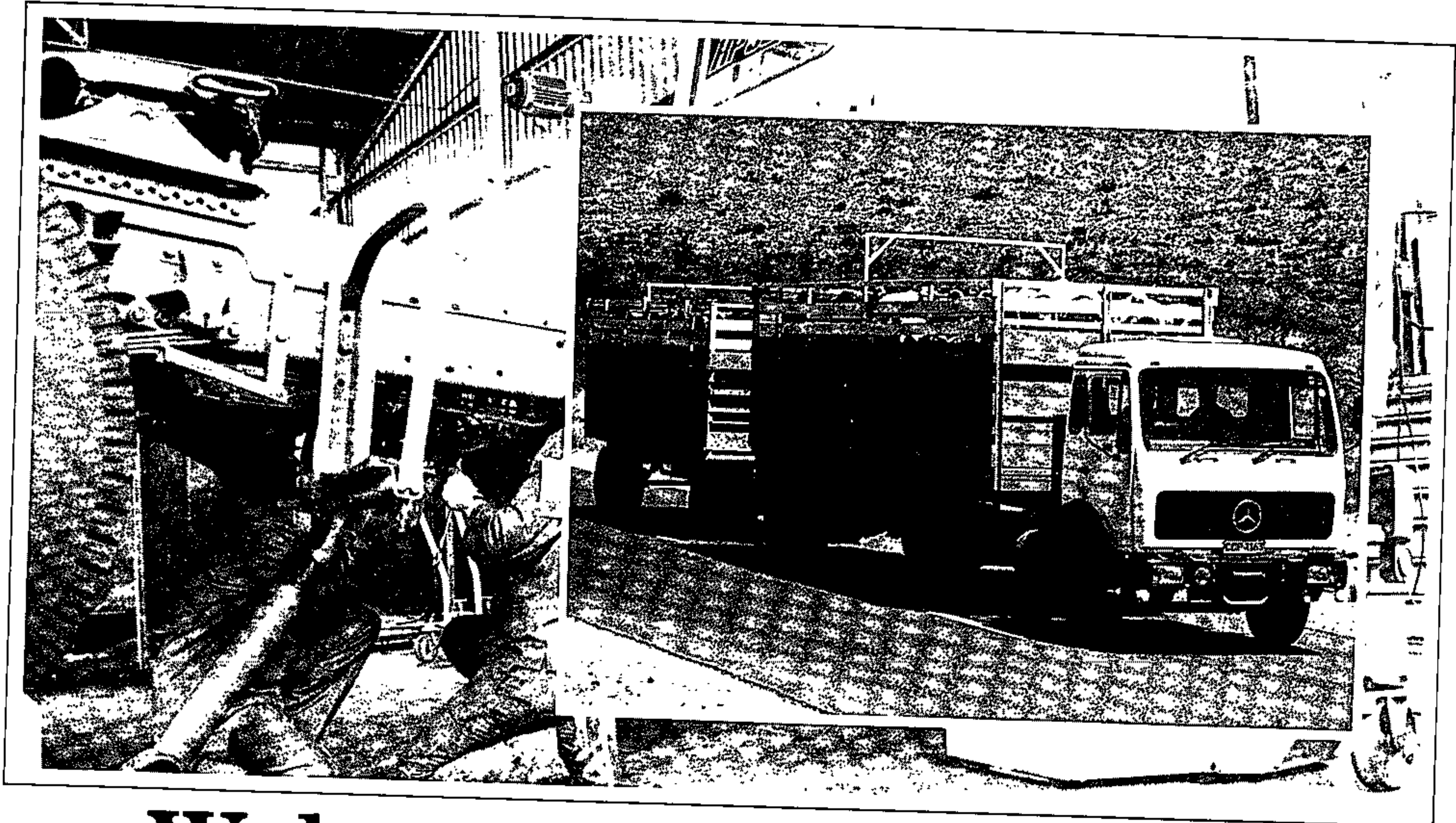
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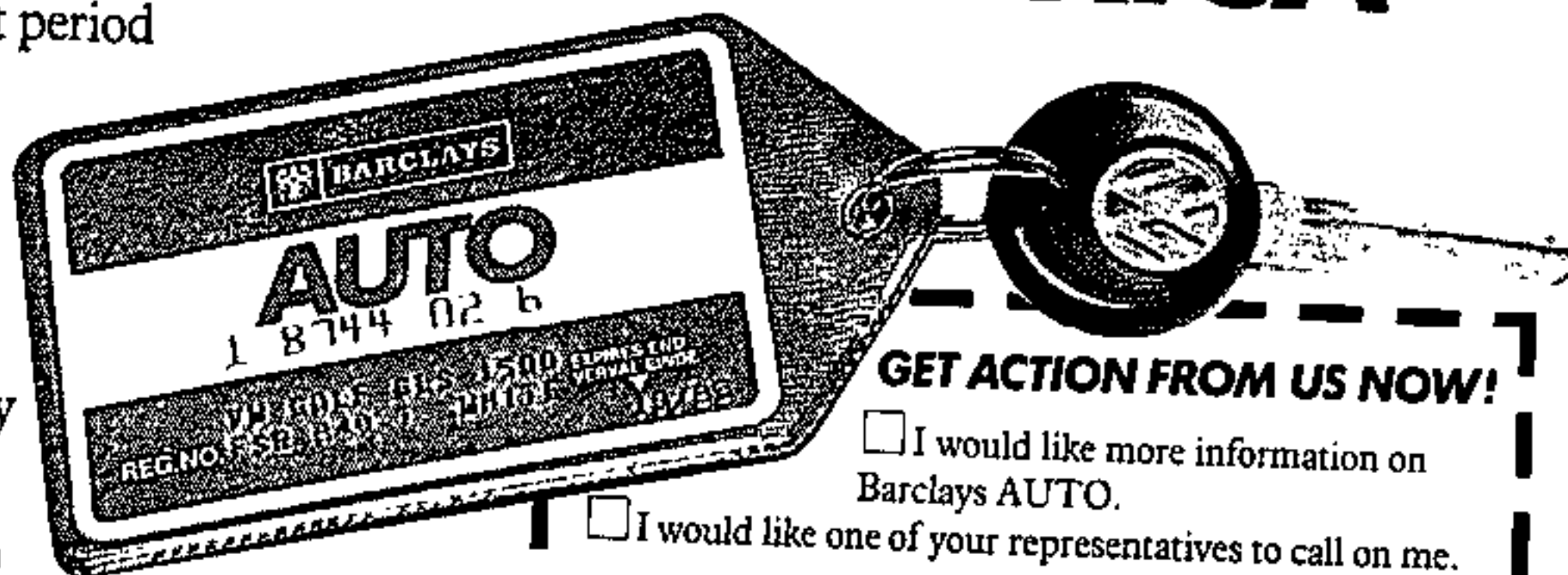
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ties exceeding 9 000 cm<sup>3</sup> when fitted with axles not approved under a local manufacturing programme," says Vermeulen.

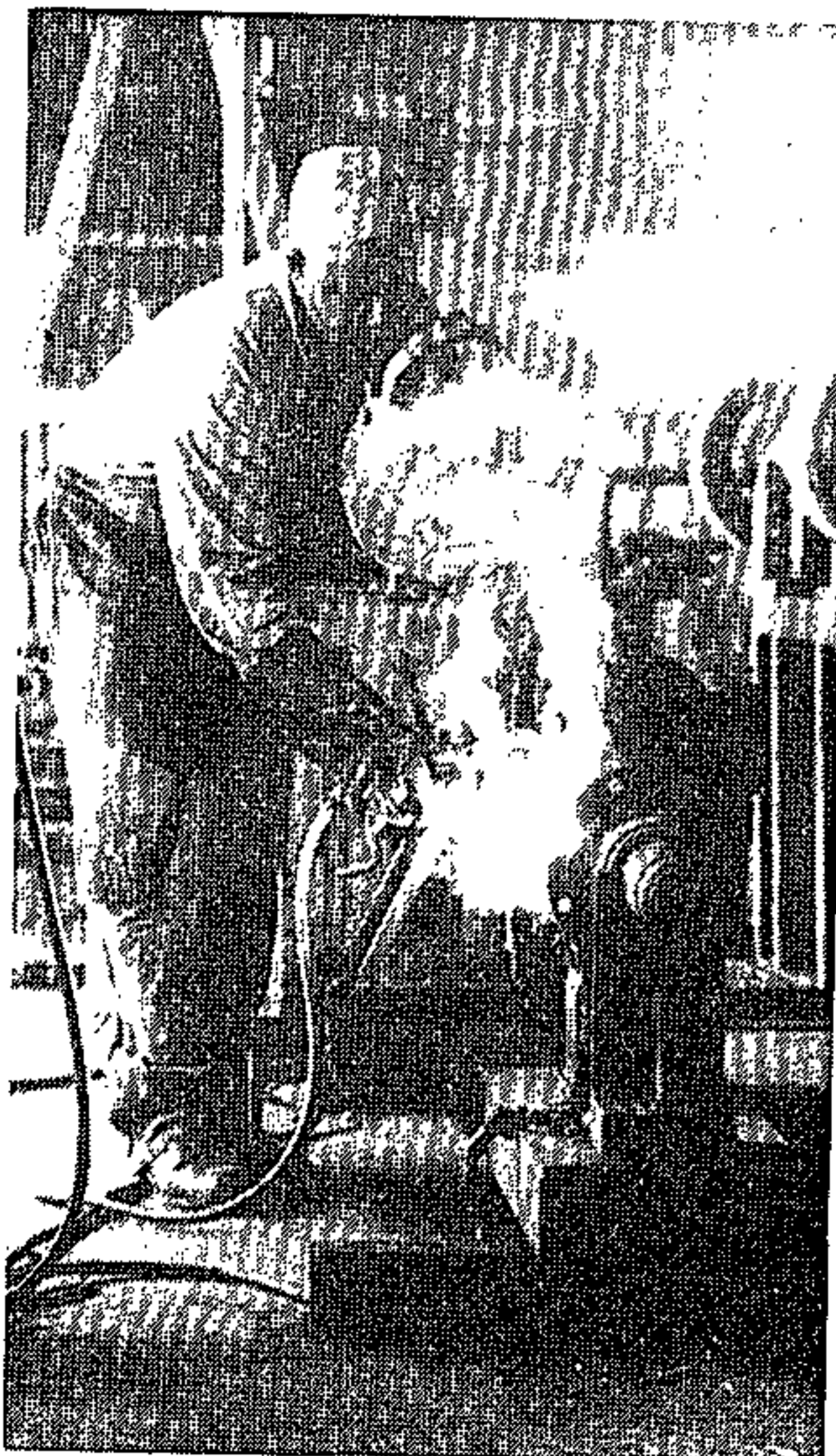
With the implementation date looming on light commercial axles, Naamsa first needs clarification on local suppliers to be involved in heavy commercial axles.

The full local content programme, due to be announced early next year, is likely to be based on representations made in March by Naamsa, and a report just completed by the National Association of Automotive Components and Associated Manufacturers (Naacam).

Says Vermeulen: "Local content is currently conducted on an *ad hoc* basis. The Board of Trade is using its own ground rules on an individual basis to determine what excise duty rebates it will allow truck producers on the components they use.

"This method of doing things is totally unacceptable. One truck manufacturer does not know what concessions have been granted to another. Neither can manufacturers plan into the long-term future.

"For this reason a formal local content programme, under which all manufacturers know where they stand, is urgently needed. We cannot divulge details of our recommendations until the BoT has issued its findings, but in broad outline we are advocating that local content be confined to the engine,



The drive-axle dilemma ...  
who will make what?

clutch, gearbox and axles — the powertrain.

"In our representations in March we made it clear that protectionism in favour of the powertrain component industry is, at the moment, inefficient and inflationary, and that to optimise the development of the heavy commercial vehicle industry, the authorities should place greater reliance on the market mechanism in the downstream powertrain supply industry," says Vermeulen.

In the absence of any clear indication from the Board, manufacturers are functioning in a void. "When the Board announces its decision the industry will be up in arms again to say that they haven't been given sufficient notice, and that perhaps they were not aware of these options, or alternatives were available.

"When engineering considerations are involved it is desirable for the Board to announce its plans well in advance and to ensure sufficient lead time for manufacturers to adapt and comply.

"There is a need for a properly planned programme which enables manufacturers to comply in an orderly manner.

"We argue that the programme shouldn't go beyond the power train, but then what is there left? Chassis and cab and a few odds and ends. Many of these are already being manufactured locally," says Vermeulen.

## Tariff troubles

*SATS is losing revenue on low-rated traffic, and looks to private hauliers to make up the loss. And now government plans to whip the carpet from under private enterprise*

The mining industry in particular may be literally nearing the end of the line in the subsidies it enjoys on minerals carried by South African Transport Services (SATS).

Cross-subsidies are no longer able to prop up ailing SATS finances and, taking a cross-section of the freight profile travelling along the main rail links, the vast bulk of it is charged at low tariff.

According to the Director-General of Transport, Adriaan Eksteen, this suggests that low tariff items will have to be adjusted upwards if SATS is to rectify its revenue problems. He qualifies this by saying that SATS's aim is to keep transport costs for exports as low as possible.

But if low rail tariffs do little to boost exports, as currently seems to be the case with world markets heavily depressed, the real cost of cross subsidisation becomes a

tormenting issue.

The backlash on road transportation is considerable, involving attempts at clamping down on competition with rail services and pushing up prices, only to add another twist to the inflation spiral.

Do subsidised tariffs play such an important part when it comes to balancing the books?

Steve Ellis, Gencor's chief executive for coal, gave the answer in a recent interview. He said that SA has a lower break-even price level, in terms of direct operating costs, than many other coal exporting countries.

"However, this calculation ignores any return on investment. When the return becomes totally inadequate, as is currently happening to SA exporters in the present world pricing situation, it becomes difficult

to justify future capital expansions."

SATS could not have said it better — and road transportation, and its customers, are paying the bill.

Ellis warned that SA should not be considered by long-term buyers as a low price supplier, "but rather as a competitive alternative supplier."

If rail tariffs formed part of that competitive formula, including provisions for a fair return on investment, SATS would be quickly out of the woods.

The Department of Transport traffic survey in March studied various freight travelling by road and rail, and revealed that 57% of total rail traffic was in low-rate commodities. Container loads accounted for 33%, and high-tariff loads less than 10%.

To rectify this situation, current thinking is that the high-tariff percentage needs to be boosted by diverting high-tariff traffic travelling by road, onto rail. Rail earns about 70% of its revenue from high-rated traffic, but can only obtain more if the department pulls back on permit approvals, and enforces the law more strictly. That raises the question of how much can be gained, and the March survey attempted to provide a picture.





# 'May I see your permit?'

*Road blocks along SA's busiest transport corridor have produced figures suggesting that transport piracy is not particularly widespread*

When the Department of Transport set up its roadblocks in March across the main transport corridor linking the Witwatersrand industrial heartland and Durban, it did so having no idea of the outcome.

Its objective was to establish whether the Road Transportation Act is regulating heavy commercial transport in the manner intended. It chose as the main measure the number of vehicles carrying unauthorised freight, with special emphasis on those caught abusing permits issued by the Department for special categories not yet exempted for free movement.

The results are vital to government since the permit system used to regulate road transport is the main funnel for guiding specified goods away from road, onto rail.

Its objective is to help pull the railways out of the red. A number of amendments to the Act have resulted in stricter control of the industry, but no additional business for rail.

Lack of statistics is a serious problem for the Department, which has at times advocated draconian legislation based on unsubstantiated assumptions — as evidenced by its current preoccupation with permit hold-

ers.

The road blocks set up in March filled part of the statistics gap and showed that only 25% of all goods travelling between the Witwatersrand and Durban go by road. That's less than expected. Furthermore, less than a quarter of that road traffic — or 6% of all road/rail movements between the Witwatersrand and Durban — was found to be "unauthorised."

In national terms, the figure is even less significant. Nationwide freight movements by road and rail totalled 419,7 Mt last year. The Witwatersrand-Durban corridor is by far the busiest in the country, yet the "unauthorised" freight on this route — 670 560 t annualised — amounts to only 0,16% of that total.

From that point on the survey, whether the Department likes it as not, appears to exonerate transport operators from the blame they have borne in recent times as illegal operators.

There are more motorists parking illegally on the pavements outside local cinemas than there are trucks abusing permits.

The Department figures shrink even fur-

ther if one allows for permit holders judged by inspectors to be in breach of the law, even though they had won favourable court rulings on permit interpretation.

Another distortion, admitted by the Department, is that carriers with exempted goods packed in containers were ruled to be illegal, when they were not. Legislation has yet to be enacted in support of this regulation, and the Department jumped the gun. In the process, it obtained figures that reflect neither the true position in law, nor the position as it would be in the changed circumstances adopted for the Department exercise.

Of all those pulled off the road as unauthorised, 55% actually had permits but were accused of using them to carry freight outside the scope of the permit. Those with no permits at all only amounted to about 39%, which brings the scale of existing transport piracy into even sharper perspective. While one does not advocate violation of the country's laws, it's clear that the permit system will never be perfect. Irregularities revealed by the Department survey, in the opinion of many, fall within acceptable limits.

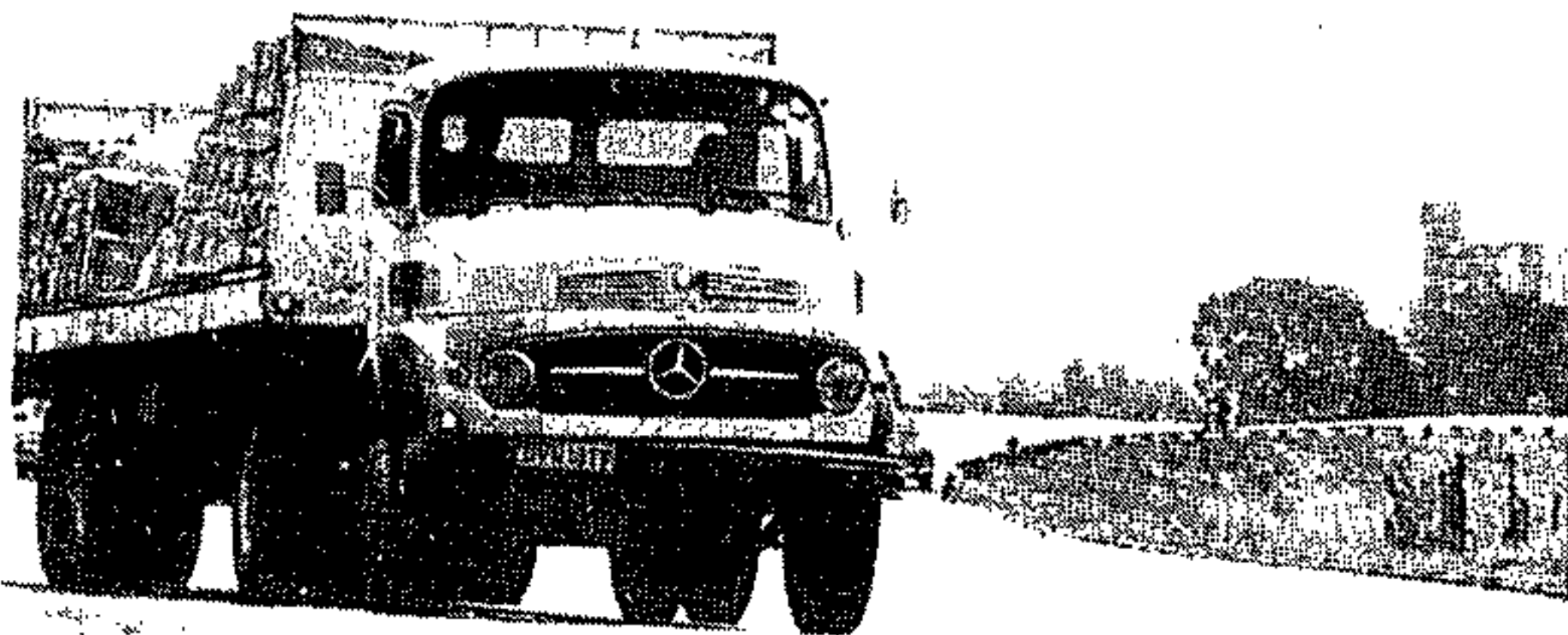
The main conclusion government has to face, therefore, is that although railways is losing business fast, it is not going to the transport operators plying the main routes. The permit system is doing little to staunch rail losses, which seem to be occurring in metropolitan and rural areas. Rail transport is either unsuitable for handling this business, or does not at the moment offer the services needed.

The permit carriers are a prime target for legislative control because the freight they carry attracts the highest tariffs in the business. In volume terms, they account for only 25% of all goods carried by road — according to official estimates — and are the smallest portion of all.

For these cumulative reasons, hopes of reclaiming lost rail business seem beyond the scope of the March findings.

The survey does throw new light on those abusing permits, and quantifies the problem for the first time. It also raises doubts as to whether stern government measures to control them are justified. The Minister of Transport, Hendrik Schoeman, is empowered by new legislation, under Section 25 of the Act, to withdraw or amend any permit he chooses without recourse to law, or opportunity of appeal for the operator.

This means that businesses can effectively be closed down by ministerial decree, a situation over which some officials in the Department of Transport itself are believed to be unhappy.



**Legal or illegal? Heavy transport is largely exonerated from blame**





content is Dorbyl Automotive, which is building a R25m plant opposite the ADE grey iron foundry, to supply diesel engine

forgings.

First deliveries are expected in the second half of 1984, instead of the second

quarter date projected earlier. The factory will supply crankshafts and some camshafts, connecting rods and gear blank forgings for both the Daimler-Benz and Perkins ranges.

The facility will be the first of its kind in SA, involving new levels of technology that will benefit industry in general.

The factory will provide employment for about 150 people and is expected to act as a magnetic nucleus for other industries, including machine shops. It will extend the capability of Dorbyl in the closed die forging area, from 0,5 kg through to 150 kg forging, with a total annual capacity of 32 000 t of forgings.

The main forging plant, which will come from West Germany, will be a fully programme-controlled spindle type forging machine with a mass of about 450 t.

"Although Dorbyl will be supplying us with crankshafts, initially we will still import these for the V8 and V10 units," says Beckurts. "We are capable of machining them ourselves now, but present volumes do not justify it."

"We are presently producing engines with local blocks, heads and locally machined crankshafts, camshafts, conrods, plus bought-out items. As we increase local content, so our CKD kits are getting smaller. In the not too distant future we should be receiving small hardware packages from the overseas engine plants, instead of CKD kits. This is very encouraging because we will be able to change over from the CKD kit inventory method to component stockholding."

"We have started a computerised manufacturing resource planning exercise (MRP) to streamline stockholding and production."

"In terms of inventory control this is a tremendous step forward, one which enables us to fine-tune stock holding. We can see from the rate of ordering when stock needs to be replaced, according to production lead times, and can continually update our inventory on a day to day basis."

"We believe that the success of any company is based on its ability to ship products consistently to its customers. MRP is going to be the tool ADE will use to achieve this. Our implementation plan should be completed within a year to meet the challenges of an upturn in the market. Significant benefits have already been gained by our progress with MRP."

To make life easier for its customers, ADE is preparing video training programmes which cover all aspects of engine servicing, overhaul and personnel training — including retraining of diesel technicians.

Says Beckurts: "This programme is going to be of immense value to everybody involved in the ADE engine programme. OEMs are paying a R6 levy on each engine for the programme."

## TOP GEAR

With 52% penetration of the market for heavy commercial vehicles of 7 t upwards, AS Transmissions and Steerings (Astas) is now aiming to win over 85% of its market.

Astas, which went into production two years ago at its R64m factory in Boksburg, is a partnership between Gencor-owned Sandock-Austral, and Zahnradfabrik Friedrichshafen (ZF), of West Germany. ZF is assisted in Astas by Daimler-Benz, of Stuttgart.

Astas executive director Koos van der Spuy, says the company has produced 12 000 gearboxes and, following a R6m investment in line boring machinery, local content will rise to 65%.

"There are nine gearbox types and we now have what we consider to be a unique operation. We have started a manufacturing plant from scratch, to produce gearboxes under licence from a West German manufacturer according to the needs of West German, Japanese, American, British and European vehicles."

"Next we will produce axles for the same manufacturers, under licence from MAN, of Munich, for trucks having engines of 9 l capacity and upwards."

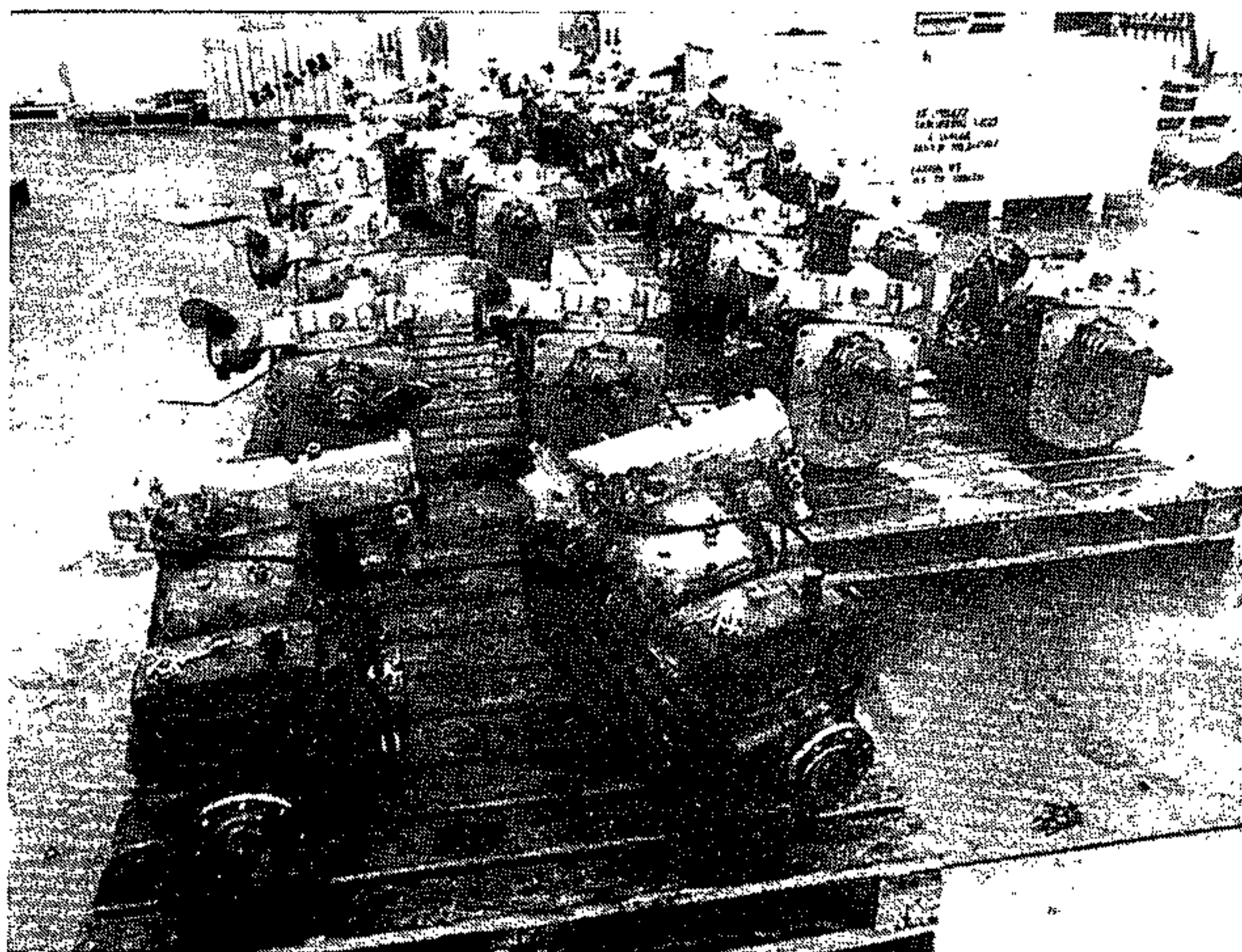
"We don't get all the time in the world to experiment, and continuous liaison and co-operation with the truck manu-

facturers is only part of our work. We also have to address ourselves to truck operators, who have to be convinced that our product is as good as anything made overseas, and anything they used prior to protection."

Industry reaction to the Ecosplit 16-speed gearbox continues to firm, with reports of improved fuel economy, and potential for using smaller engines to haul given payloads. Astas estimates that Ecosplit has won a third of the market previously enjoyed by its biggest competitor, Fuller, inside a year.

Says Jan van Niekerk, GM marketing: "Abundant power, high axle ratios, multi-speed synchromesh gearboxes, correct operator approach and skilled driving contribute towards substantial overall fuel savings. Figures from 4% to 10% savings on the gearbox alone, to 20% for the overall concept, are quoted."

Driver training is necessary if the fullest benefits are to be derived from Ecosplit, however. "By any standards, our truck driver fraternity do their work competently and they appreciate, and respond, to training. An intensive day's instruction can equip them to get the best from Ecosplit, and enable fleet owners to benefit both financially and from improved performance," said Van Niekerk.







## EATON IN GEAR

Application has been lodged with the Board of Trade by Eaton Truck Components, which wants to manufacture Fuller gearboxes locally under licence, with no duty protection.

Dudley Scott, Eaton national sales manager, told the *FM*: "We will be competing head-on with the Astas Ecosplit box, but will not be interfering with its high volume units. Our studies indicate that we have everything going for us — the fleet and truck manufacturers are keen to do business with us.

"We are currently importing fully built-up units and the applicable duty is R770 less 62c/kg. But even paying that extra duty it works out at about R500, so if truck manufacturers don't get a rebate, we are still viable against Ecosplit.

"Mercedes-Benz has switched to ZF, and this knocks a hole in our market, but we still reckon on having 80% of the market in the ranges needed to match the ADE 407 engine series.

"We are sticking with the constant mesh box, and will not be looking at synchromesh. Constant mesh has won acceptance in SA and the reliability and

service of Fuller is well established. We are talking about units that do 900 000 km to 1m km without being opened," says Scott.

A British study of local facilities has led to a decision to have the gearboxes manufactured under licence by Paramount Engineering, part of the Blue Circle group.

"Paramount has all the gear manufacturing facilities and is ready to go now. We will have no further investment commitments, which makes a lot of sense.

"If the Board of Trade turns us down, we will have to taper down our operation to a service and spares back-up operation," he says.

Eaton is a wholly-owned subsidiary of Eaton Corporation of the US, and has recently moved into a new R1m engineering shop and warehouse at Wadeville. No in-house manufacturing activity is anticipated.

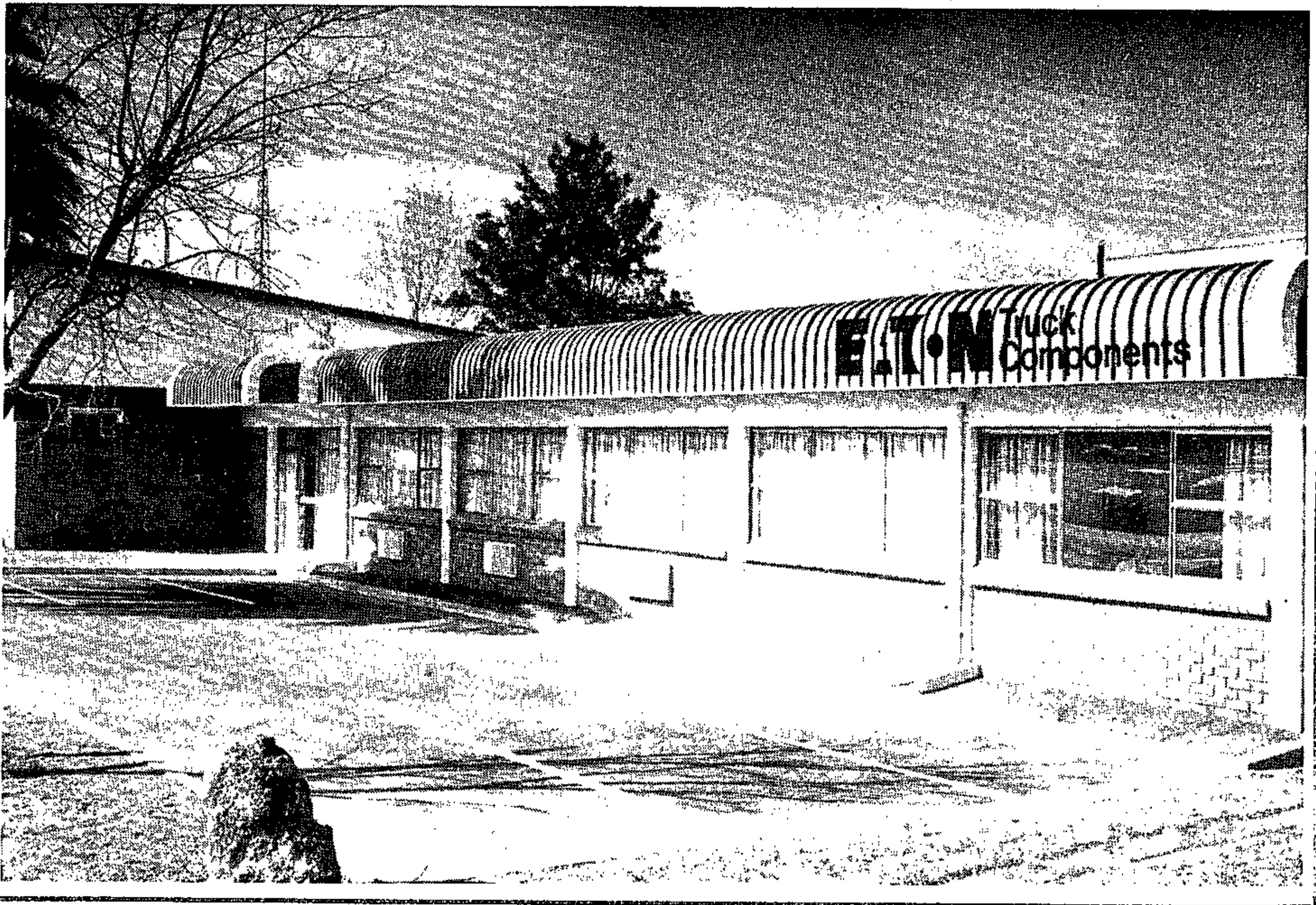
Asked about prospects for manufacturing Eaton axles in SA, Scott said: "The chances are very remote. The approved axle manufacturers at the moment are Astas, with the MAN double reduction

axle, Protea, with Rockwell, and Magnis with in-house approval for the Deutz axle.

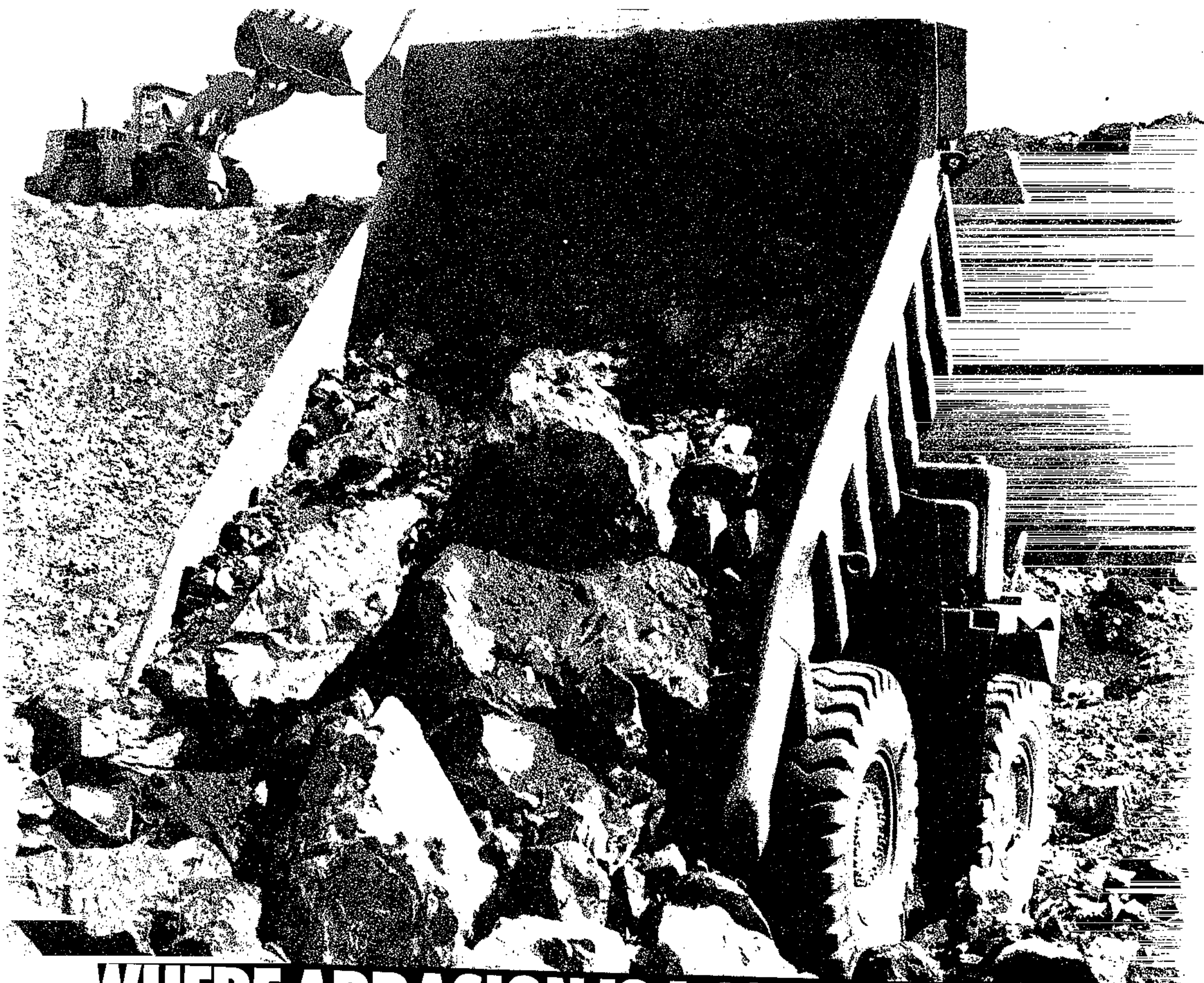
"Lower down you have the smaller gearbox for bakkies, made by Borg Warner. Those are the four that have been given the green light and the protection is R1,65/kg mass. Even Astas and Rockwell are holding fire and haven't committed themselves to anything. It's still a hell of a grey area.

"Our application to the Board of Trade concerns gearboxes only, not axles. We are interested in gearboxes for the ADE 407 T, upwards. We have broken down the market into a high horsepower 4 x 2 truck tractor, and a 6 x 4 truck tractor, which will give us about 80% of that market. We are really looking at from about 32 000 gross combination mass (gcm) upwards.

"We will handle marketing and after-sales service, and have just introduced our factory rebuild exchange scheme, whereby operators can get a completely rebuilt transmission, to factory specification, at about half the cost of a new gearbox," says Scott.







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# Magnis, SA's trucking best of both worlds. engineering and G

From Tokyo in Japan, and Ulm in Southern Germany, come two of the worlds trucking giants: Nissan Diesel and Magirus Deutz.

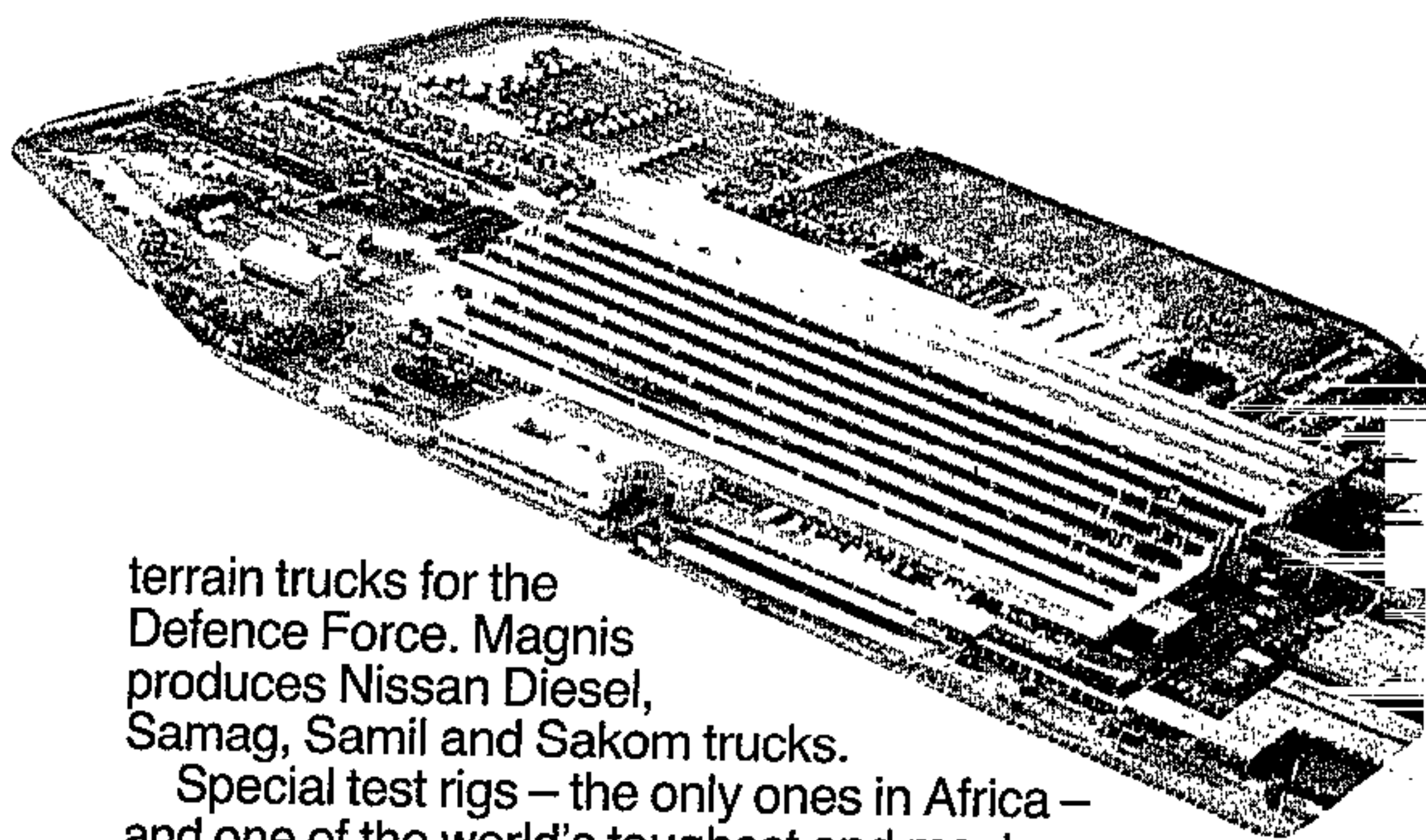
It was in South Africa that the two were brought together. With Messina Limited as the catalyst a new South African trucking giant was born – the Magnis Truck Corporation.



The name Magnis was derived from the first syllable of Magirus and Nissan Diesel. Magnis – created to give the South African trucker the best of both worlds, Nissan Diesel value engineering and German technology.

# MAGNIS

Situated at Rosslyn, North of Pretoria, Magnis is the largest manufacturer of trucks in Africa. High technology and modern plant facilities enable the Corporation to manufacture two complementary and comprehensive ranges of trucks for commercial applications, as well as a range of all

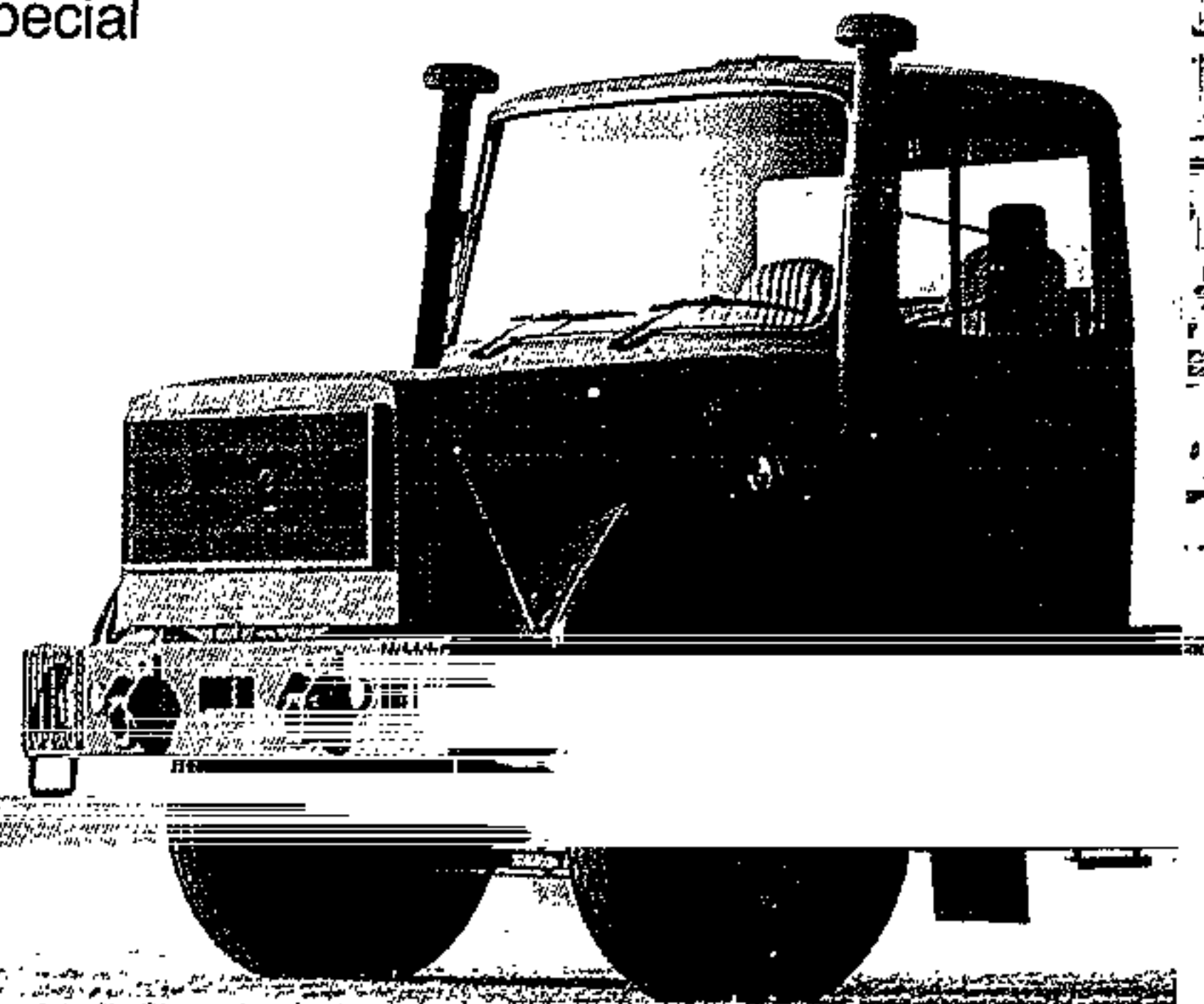


terrain trucks for the Defence Force. Magnis produces Nissan Diesel, Samag, Samil and Sakom trucks.

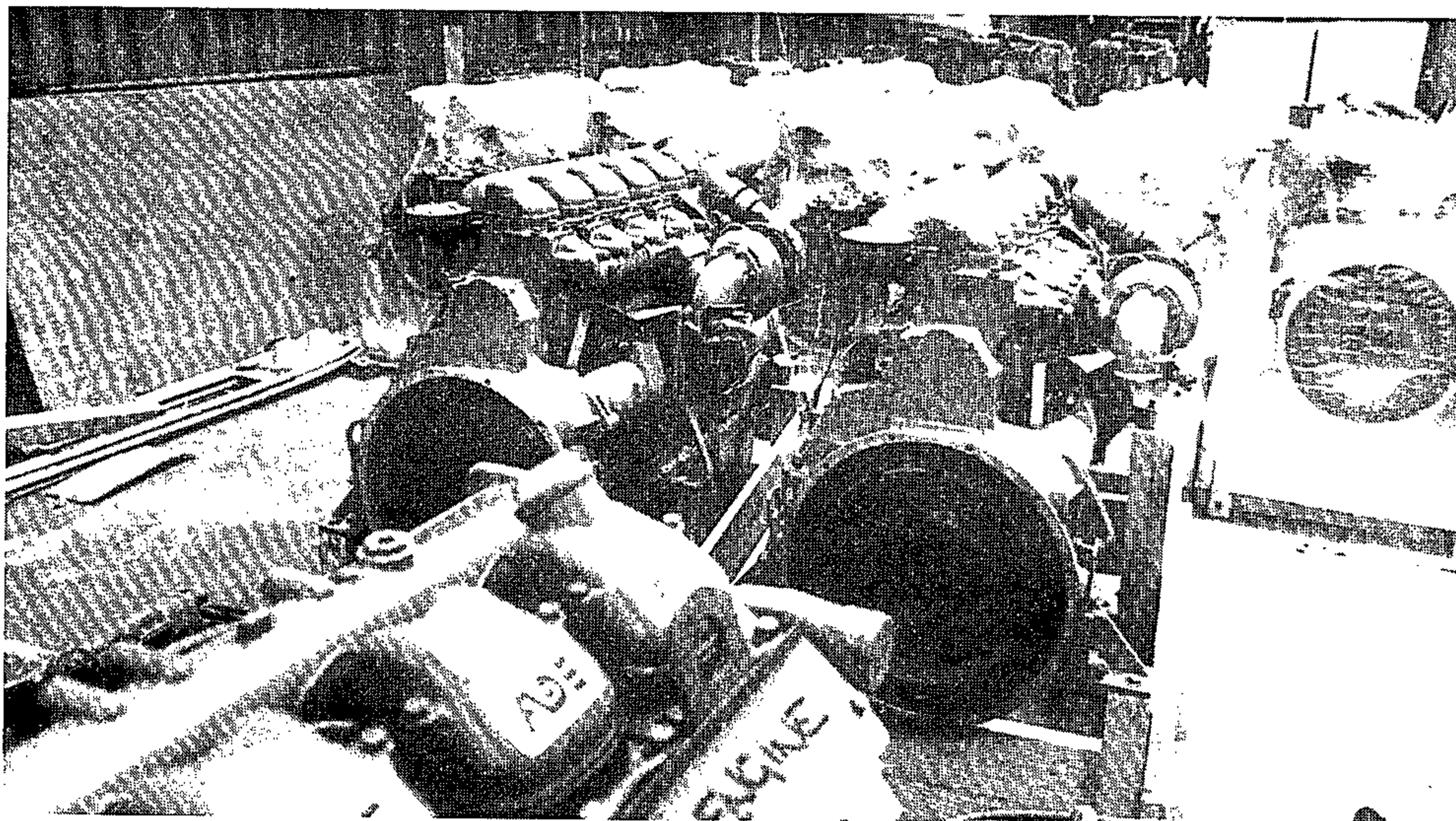
Special test rigs – the only ones in Africa – and one of the world's toughest and most sophisticated vehicle test tracks, demonstrate beyond all doubt that every Magnis truck is more than capable of withstanding the extreme conditions of the African sub-continent.

For Nissan Diesel and Samag owners, Magnis have established a nationwide network of 120 dealers to cover every metropolitan area and major trucking route.

Every full franchise dealer has been fully trained on Magnis trucks and is equipped with service workshops, special







**ADE engines... fast taking over the commercial vehicle market**

The five cylinder 409 is in strong demand and we are continuing production. There will be a turbocharged version in the foreseeable future," he says.

The recession has cost ADE dearly. When

it prepared its base figures in 1981, a total of 25 800 vehicle engines, 11 400 tractor engines, and 1 800 industrial engines were projected for this year. Actual sales are now expected to be little more than a third,

totalling 16 000 units, and made up of 11 900 commercial vehicle engines, 3 600 tractor engines and 500 industrial units.

"We are also holding substantial stocks of imported CKD materials, which peaked in January this year. We are reducing these by R5m a month and expect to be back to normal levels in less than a year. We should be on a three-month basis in about June-July 1984," says Beckurts.

No upturn in demand is expected "until the rains." Once demand returns to normal, output is expected to grow to an eventual total of 50 000 units annually.

The only outstanding investment for the Vee engine range is a cylinder block machining centre, which will cost R20m, including buildings. Planning is already in hand.

A recently installed R14,4m crankshaft machining line pushed total investments in land, buildings and machinery to R160m, to which should be added a further R40m for a grey iron foundry, and R60m for extensions that include new Perkins machining lines, and Daimler-Benz engine test cells. These will enable ADE to do its own validation tests, instead of sending components to West Germany.

The Industrial Development Corporation (IDC) is also spending some R7m on a newly formed company, Atlantis Aluminium (to be managed by ADE until 1987), for the production of its aluminium castings. The company will produce 1 000 t/year of castings, and will be able to produce fully machined and validated components in one operation.

## **RATING STANDARDS**

Atlantis Diesel Engines (ADE) has standardised all engine ratings according to derated power output established by tests conducted by the SA Bureau of Standards (SABS).

The announcement clarifies differences in power quoted by dealers and OEMS in preparing tender documents.

"All those involved in calling tenders, and adjudicating them, now know that there can be no difference in the ratings of specific engines," says an ADE spokesman. "It is impossible for one manufacturer to offer an engine having different performance characteristics from the same engine offered by another producer."

"We have notified those concerned and hope that this will overcome the situation whereby some OEMS, and their dealers, have been obtaining advantage over others."

ADE tests its own engines at Atlantis and then takes the same engines to the Council for Scientific and Industrial Research (CSIR) in Pretoria, where they are tested at an altitude of 1 400 m.

"Testing is carried out under their control to establish the exact output at altitude. We do this to be absolutely certain of the derate situation of our engines. There is so much talk about how much derate an engine should have. We are now selling our engines set for altitude because we know that between 60% and 70% of all our units will operate at altitude at some stage of their journey."

"Only where a company such as a coastal bus service is involved, do we set engines for operation at sea level."

"We are often asked what is the rating of our engines. We now want to finalise the whole matter by using the CSIR test and using their figures as the official ADE altitude rating."

"It will take another four or five months to complete the programme, after which there will be no ambiguity. There will be no chance of one engine being more powerful than another, and the authorities will know this. We are also doing fuel consumption tests for the same reason," says the spokesman.





the growing band of pirates, has nothing to do with the regulations as such, they say. Like any other industry, road transportation needs to expand and the businesses within it must likewise grow.

"There is no other industry in the entire SA economy where one cannot invest capital freely, and grow," says one haulier. "Transport operators are shackled in their ambitions and are forced into a position where they have difficulty in operating efficiently.

"They are prepared to pay high prices for permits for one reason — they have too many empty return journeys. Additional permits enable us to fill those empty legs, and that pushes up our utilisation, improves our profitability and pulls down our prices. The government cannot blame us for wanting to do that."

The Department maintains that it is issuing sufficient permits to encourage growth and is co-operating as best it can to put the industry onto a properly regulated footing.

The same haulier, requesting anonymity because of possible reprisals by the permit authorities, said: "The authorities will not accept that the permit system does not work. If permits were available, and issued according to the demand for service by industrialists and commerce in general, there would be no black market.

"Those who favour the permit system are protectionists, and one fears that the transport operators themselves are the ones who are seeking government protection from their competitors. It is inconceivable that any operator who professes a belief in free enterprise should support the permit system. The industry can be controlled some other way. But there must be equal opportunity between operators to compete for business, rather than permits. At the moment there isn't, and the situation is of the government's making, with the collaboration of certain privileged operators.

"The Department of Transport and South African Transport Services have the same boss — the Minister of Transport. It is obvious that they are going to work together to protect their interests," he said.

The irony of this point is that if the Road Transportation Act is based on government self-interest, it isn't working all that well. So far SATS is losing literally all down the line, and the cause of its troubles may be in believing that protection will push customers its way.

Eksteen puts the blame squarely on those who abuse their permits. "I take a very dim view of people who have very little regard, or even a total disregard, for the provisions of Act 74 of 1977," he said.

"I refer to those who apparently take delight in looking for loopholes in existing legislation with the sole purpose of finding ways and means to circumvent measures

which were accepted to protect the interests of law-abiding carriers.

"Some even brag about it, but let me sound a word of warning. We know who they are and no stone will be left unturned to apprehend them — even if it means approaching Parliament to pass even stricter legislation.

"My department and I have a duty towards those persons or instances involved in road transportation who earn their bread in an honest way," he said.

Some question whether it is actually government's function to protect the investments of road transport operators. By holding the appropriate permits, an operator can expand his fleet until he dominates a particular market sector. Government then says that it must protect his investment by restricting others.

Competition is discouraged, if not stifled, by the permit system, which becomes the backbone of a company's planning. The road transport industry in its present form has been built on permits, not competition.

Efficient operators have grown within the system, much to their credit, and it is among their ranks that one finds a keenness to enter into competition with others. They are denied this opportunity.

First they have to apply for a permit for the goods they intend carrying, at which point those already holding permits raise objections with the appropriate local road transportation board.

If a service is already available, the Road Transportation Board refuses the application. The applicant can then appeal against the decision to the National Transport Commission, which is currently logjammed.

Operators can use the permit system in collusion. One company holding a permit agrees not to oppose a permit application by another, providing that the applicant company specifies goods outside those covered by the other company's permits.

The market can be manipulated to an appreciable extent in this way, so long as permit holders are willing to strike some sort of deal with another non-permit holder.

The Department is powerless to control these arrangements.

Instead, it has diverted its attention to those who are abusing ambiguously phrased permits. Said Eksteen: "Far be it from me to criticise our courts of law or our legal system, but it must be evident that the manner in which certain road carrier permits are interpreted makes a mockery of Act 74 of 1977.

"It has therefore been decided to give urgent attention to the introduction of measures which will eliminate the ambiguous interpretation of authorities embodied in road carrier permits."

He has invited operators to apply for a correct description of the commodities they wish to convey. Few are likely to respond should there be a chance that they will lose business carried on existing permits, approved in law.

Eksteen issues a specific warning to them: "Should those who thrive on the interpretation of their permits to suit only their own interests fail to comply with this open invitation, they had better gear themselves for the worst."

The battle lines are drawn. Until the first shots are fired by government, operators are likely to remain battle-ready.

## Glimmer of light

*After disastrous beginnings, coinciding with a market collapse, ADE is more optimistic about its future*

Atlantic Diesel Engines (ADE) expects to work off its start-up losses over the coming year and to attain a 15% return on net assets by 1986.

Says MD Hartmut Beckurts: "A public listing on the Johannesburg Stock Exchange will be sought once the profitability of the company has been firmly established."

He says that ADE's outlook is "very positive" following recent developments which have extended its engine range and production lines. "Our intention is to supply all the needs of the commercial vehicle and tractor market, and a large section of the industrial

engine applications."

Most recent additions to the commercial engine range are the 422 TI and 423 TI, extending the ADE power band for commercial vehicles up to 37 kW (500 hp).

ADE also envisages an intercooled version of the 352 T. "There is not much more involved in producing an intercooled version of an engine once you have got it turbocharged. There might be some cam and fuel pump modifications, but that's about all."

About rumours that the 409 will be discontinued shortly, Beckurts replies: "On the contrary. We haven't heard that rumour.



# GET TOUGH

## Hino F-Series.

### New HINO with Air Flow Cab cuts costs by up to 10%

The new Hino F-Series of seven medium to heavy trucks has a streamlined all-new look. Biggest change is the new Air Flow Cab, aerodynamically profiled to reduce air resistance by 35% and fuel usage by up to 10%.

Inside, the cab is human-engineered for maximum driver comfort and safety, with a host of new features. The well-proven ADE 352 engine is fitted to the FD and FF models and the turbo-charged ADE 352T to the FG range. The Astas ZF transmission is used on all models. A Donaldson cyclonic air cleaner with stack pipe is fitted as standard. All models have a dual circuit air over hydraulic braking system, and an exhaust brake for big savings on brake linings. The new flat top widened chassis frame has improved track width for better stability and road holding. Hino's proven rear axle gives long trouble-free service, and long-span leaf springs with resin silencers between, enhance comfort.

It all ends up to streamlined costs.



THE RANGE	
<b>HINO FD 10-135</b>	General freight carrier usually used as a dropside or panel van. Astas 5-speed transmission. Body length 5,3 m, payload $\pm$ 5,5 tonnes.
<b>HINO FD 10-136</b>	As FD 10-135 but with 6,2 m body length.
<b>HINO FF 13-133</b>	Tipper chassis accommodating 5,5 m <sup>3</sup> body with payload of $\pm$ 7,5 tonnes, can be used as a medium duty truck tractor with payload of approx 10 tonnes. Astas 6-speed transmission.
<b>HINO FF 13-135</b>	General freight carrier usually used as dropside or panel van. Body length 5,4 m payload $\pm$ 8,0 tonnes. Astas 5-speed transmission.
<b>HINO FF 13-136</b>	As FF 13-135, but with 6,5 m body length.
<b>HINO FG 14-173</b>	Tipper chassis which will accommodate 6 m <sup>3</sup> body with approx payload of $\pm$ 8,5 tonnes. Can be used as a medium duty truck tractor with payload of approx 13 tonnes. Astas 6-speed transmission.
<b>HINO FG 14-177</b>	General freight carrier. Body length 7,2 m payload $\pm$ 8,5 tonnes. The combination of the 352T engine and 6-speed transmission allows a trailer to be used behind this freighter.

### Engine Unit Exchange System

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## F-SERIES Air Flow Cab



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Each of the 130 Mercedes dealers carries an unusually comprehensive range of truck parts. Over 50 000 line items are held in dealerships, and the total retail value of parts carried by the dealer network exceeds R60 million.

Backing the dealer is a massive new complex in Pinetown; one of the largest Mercedes-Benz Central Parts Depots outside Germany. It carries over 70 000 different truck parts, with a retail value of over R65 million. And any one of these parts can be rapidly dispatched on a "Spares Express" emergency service if necessary.

Parts back-up is possibly the single biggest factor in minimising downtime. And no

# IF A TRUCK CONSISTS WHAT USE IS A DEALER IT PAYS TO MOVE IN

CARGO VAN





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**Outstanding features include:**

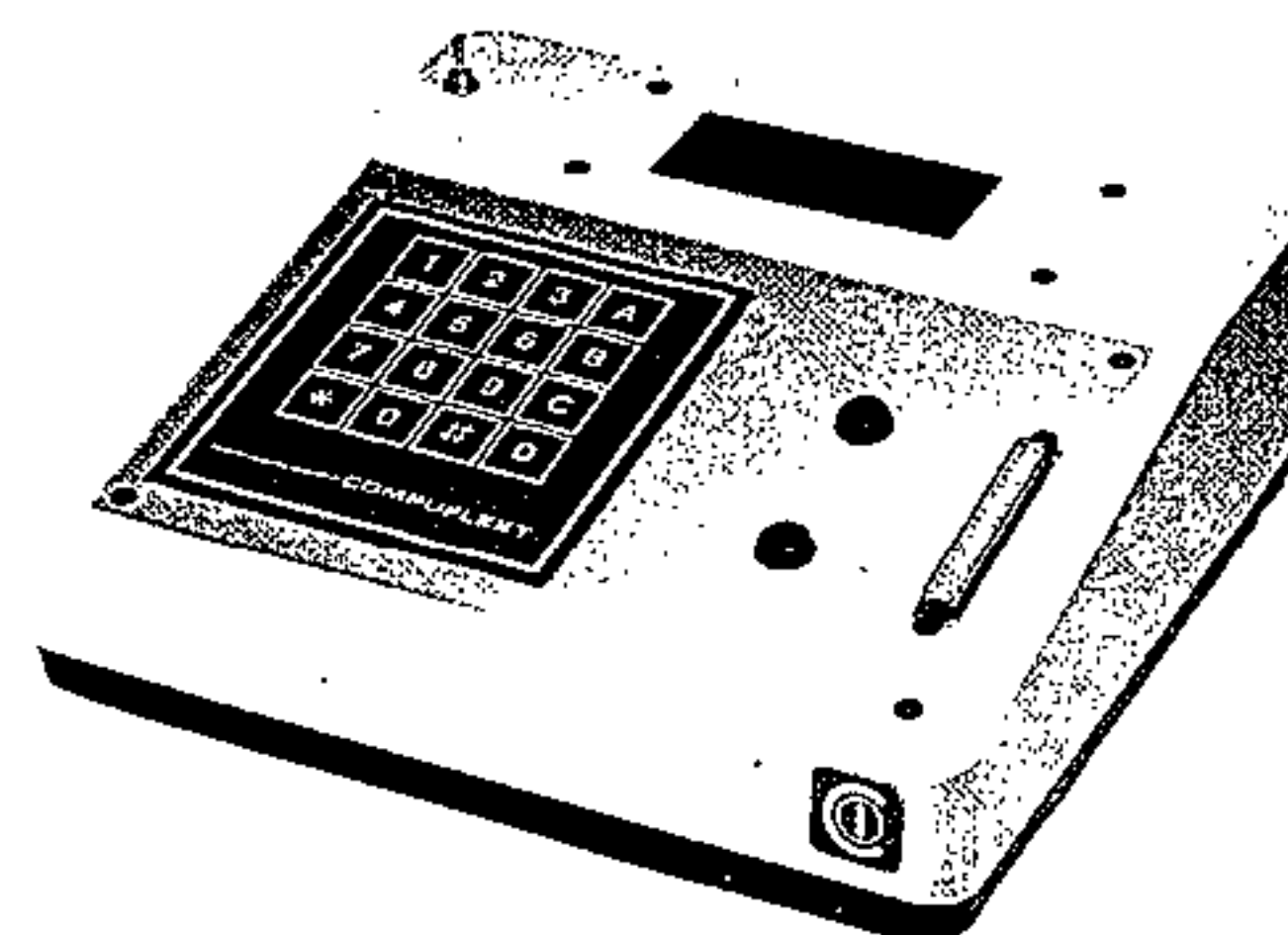
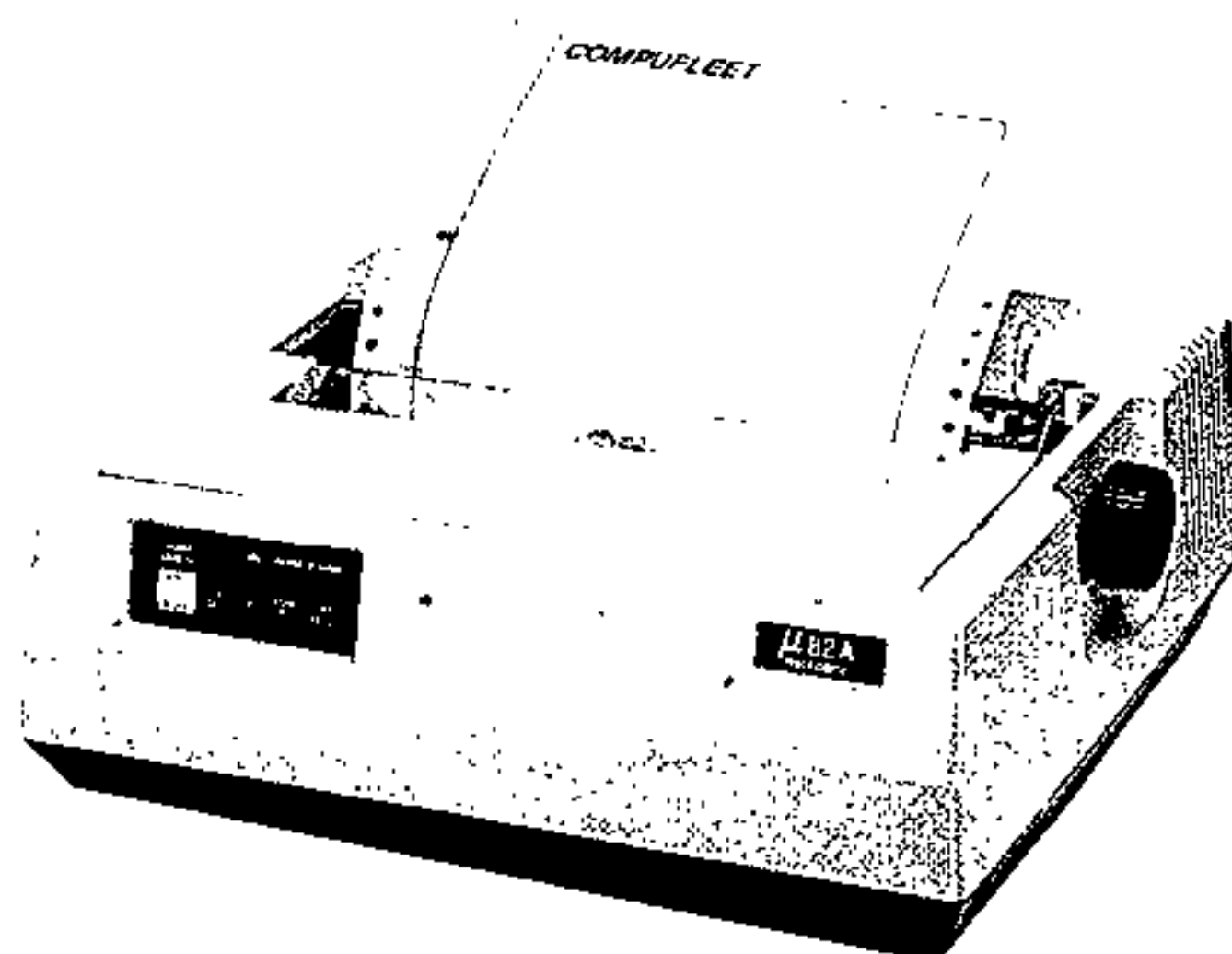
**COST-EFFECTIVENESS** — Capital outlay is justified, even for fleets of only one or two vehicles.

**STANDS ALONE** — COMPUFLEET is basically a 'stand-alone' system which means no additional micro-processors are needed. At distant locations print-outs may be obtained immediately from the portable memory module.

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## Control Instruments





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You don't even have to worry about the rate at which your vehicles are depreciating. When you take out your agreement, we take this risk away from you. At expiry, all you need do is hand the vehicle back to us.

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Petrol and top-up oils are the only extras you pay for in Full Service Leasing. To take the load off your shoulders, each vehicle will automatically be taken onto Stannic's Fleet Management System. You will receive a Stannic Motorcard, which allows you to fill up anywhere in the country. You will be billed monthly for petrol, and monthly computer reports will keep track of the fuel consumption and highlight abnormal expenses for you. You use your Stannic Motorcard for services and maintenance as well and Fleetlease is billed automatically.







Once these permits are clearly defined, do you feel that transport will become self-regulating, or that it will need active law enforcement?

It is my sincere belief that transportation will to a great extent, if not fully, become self-regulating once the chances of misinterpreting the authorities contained in permits have been eliminated. However, as is characteristic of human nature, there are bound to be carriers who will still chance their arm and for that reason, active law enforcement will of necessity have to continue.

You refer to the extensive deregulation that has taken place in road transport already. Do you think that this has gone far enough, or do you see further deregulation in line with Van Breda Commission recommendations?

Deregulation is a continuing process. This is borne out by the fact that since coming into force on January 1, 1978, Act 74 of 1977 has on occasion been amended with the view to further deregulation. I do, however, associate myself with the findings of the Van Breda Commission, namely, that there should not be a complete abolition of statutory control measures.

One of SATS' problems is that the vast bulk of its traffic is in low tariff items. Does this not suggest that these tariffs will need to be adjusted upwards if it is to rectify its revenue problems?

Yes.

It is often said that low tariff items need to be cross-subsidised by other traffic to preserve our national competitiveness in export markets, and to maintain low prices for agricultural products. In view of recent

poor performance in export markets, and food cost escalation due to other causes, does this argument really hold good in view of the real cost?

Although transport costs may only be one of the factors influencing the cost of exports, it is nevertheless the aim of SATS to keep those costs as low as possible.

There are indications of a split within the road transportation industry, due to major differences of opinion among operators. Some favour the Public Carriers Association (PCA) endorsement of your policies of tighter control, but these represent a small minority of the total industry, while others want freer movement of goods by road. Could you comment?

According to the PCA, its association represents approximately 80% of the road carriers. The PCA assures me that it is not



Adriaan Eksteen ... eliminating ambiguities in road transport





This is just what the authorities want to control the amount of traffic handed out to private operators. The PCA is seen to be assisting government in this respect, and this is the wrong image.

"There has just been an election of board members who are predominantly, by an estimated five votes to three, free market orientated. Some of these have outspoken views on the need for a move away from the permit system, so the position is improving.

"Smaller operators have in the past rightly questioned why they should belong to the association. In fact, the PCA openly accepts that there isn't much it can do for them."

The operator, who wishes to remain anonymous, feels the PCA has the wrong attitude. But he points out that only if members participate in meetings, and to effect change from within, can the association more adequately reflect the aspirations of all in the industry, instead of only those holding permits.

"The PCA as an organisation is not perfect," he says. "Far from it. But I do think that more transport operators should be members and they should play an active, vigorous role within the association to try to make it more effective.

"The Director-General of Transport,

Adriaan Eksteen, has referred to PCA support for the measures he is taking. He is not authorised to do this and there is clearly some misunderstanding. The association has never discussed that particular aspect.

His statement is in fact against a decision that was taken recently on a majority vote by the board.

"That decision was very strenuously debated and it is a matter of record that the PCA is in favour of a deregulated transport environment, although it accepts this cannot be achieved overnight. Every effort will be made to obtain a relaxation of the permit system. That is official PCA policy."

"Recent events have made it clear, and maybe we should make it clearer, that we don't see that much more co-operation is possible between the authorities and SATS, as long as SATS believes that the road haulage industry has no part to play in the movement of goods over long distances.

"As long as SATS has the preconceived idea that all traffic over long distances, which could be anything over 300 km, should be directed towards rail, and should not be subject to free and open market forces, there cannot in my view be grounds for co-operation.

"That is why I say, as an individual as

well as a member of the PCA, that I am not happy about giving the DoT the opportunity to rewrite any permits. I don't frankly see that the Asian operator with one truck is the thorn in SATS's side. I believe the problem is the main line carrier, such as ourselves and the really big people. The DoT would merely use the PCA and the blessing we have given them to rewrite our own permits.

"The DoT at the end of the day wears two hats, private enterprise and SATS. Who is going to win in that situation? Wherever there has been conflict between road transport and rail, in Europe or the US, it has always been a very bitter conflict.

"The PCA will sooner or later have to address itself to this fact, and realise that much work has yet to be done outside the permit issue. As an association it has become pinned down over one issue which could in the long-run strip it of its authority.

"We are not only talking about competition between two transport modes, but also about a degree of co-operation between the two.

"While SATS tries to dominate the scene, and the DoT uses organised road transport to attain its ends, I do not see that co-operation can continue at the level it has in the past."

## Officially speaking ...

**FM:** Are proposed measures to eliminate illegal operations motivated by the need to enforce the law, or to establish a "balance" between road and rail traffic?

**Eksteen:** The proposed measures to eliminate unauthorised road transportation are motivated by the need for law enforcement. This is essential to protect the interests of private as well as public carriers who are in possession of road carrier permits. It is, therefore, natural that a balance between road and rail traffic will follow. This is also in line with the findings of the Van Breda Commission, namely, that although the private sector in general and the SA Transport Services (SATS) agreed that gradual deregulation in the field of road transportation was desirable, neither one favoured the complete abolition of statutory control measures.

If it is intended to divert more traffic back to rail from road, how much traffic do you think could be influenced by these measures?

There is no intention to divert traffic from road to rail. Had this been so, the road motor services of SATS would also be adversely affected. However, the fact of the matter is that there should be a competitive balance between road and rail traffic, both

A number of stiff measures to enforce the Road Transportation Act are promised in the new year, including the withdrawal of all permits for codification and re-issue by the Department of Transport. Adriaan Eksteen, Director-General of Transport, answers some questions put to him by the **FM**.

of which form an integral part of the transportation infrastructure.

The amount of traffic travelling illegally between the PWV and the Durban and Pietermaritzburg areas is less than 0,2% of the total goods moved by road and rail each year. And yet SATS carries about 75% of traffic in that corridor by rail. SATS nationally accounts for only 36%, suggesting that it is losing business outside the main corridors. Could you comment?

The calculation of market shares is based not only on intercity traffic but also includes goods conveyed within cities. The conclusion which is drawn is, however, still valid in the sense that the traffic is lost outside the main corridors which includes traffic conveyed in the cities.

I understand that legislation relating to Sec-

tion 25 of the Road Transportation Act (Act 74 of 1977), under which the minister is available to amend or withdraw permits, is virtually impossible to implement, and that you have withdrawn a case against Rauties for this reason. Is this the correct position, or is further legislation pending?

No legislation to amend Section 25 is pending at this stage. The case against Rauties is *sub judice* and I can, therefore, not comment.

You referred in a recent speech to further legal measures to support moves to prevent illegal use of permits. Can you indicate what form these measures might take?

I have in mind legislation which will provide for all road carrier permits to lapse with effect from a specific date. New permits will then be issued and will be coded in such a manner as to leave no doubt in the mind of anybody, including the courts, as to who may convey what to where.

When do you expect to have all permits computerised?

The computerisation of permits is a comprehensive project and I am not prepared to bind myself to a specific date on which the system will be implemented. Bearing in mind my replies to previous questions, 1989 appears to be a fair guess.



# Automatic productivity for the South African truck operator

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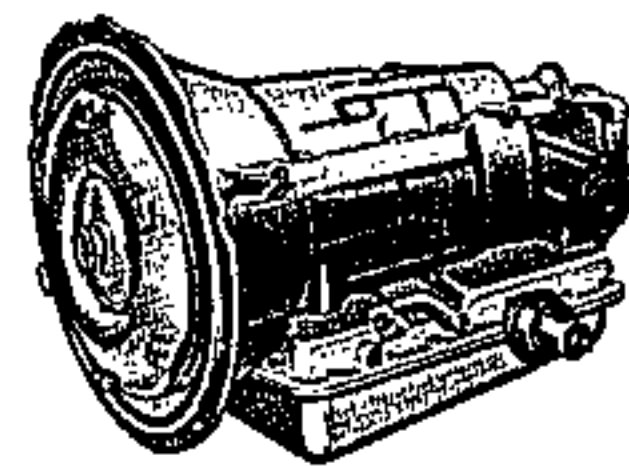
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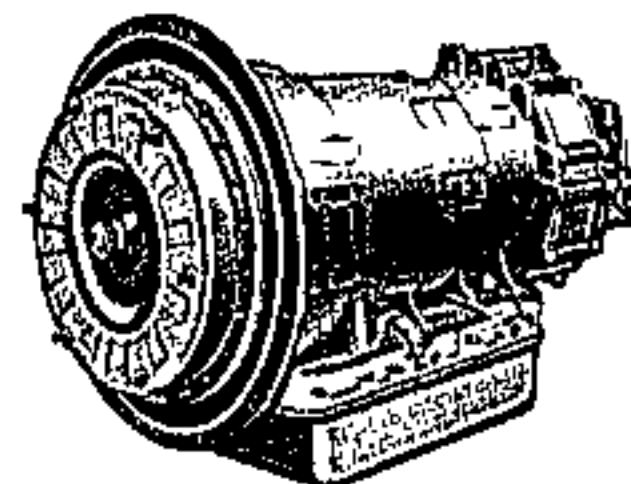
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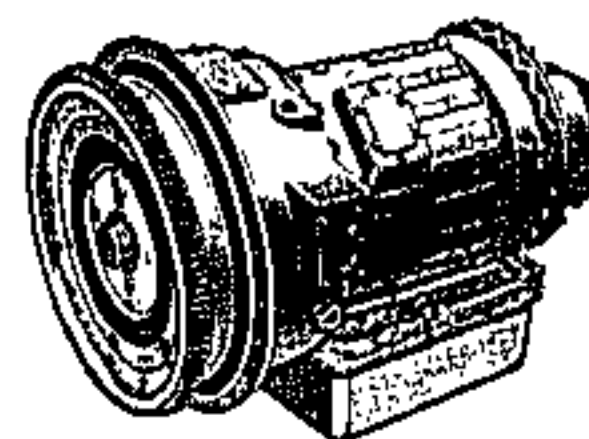
Specify tough dependable Allison Automatics and get a real boost in productivity.



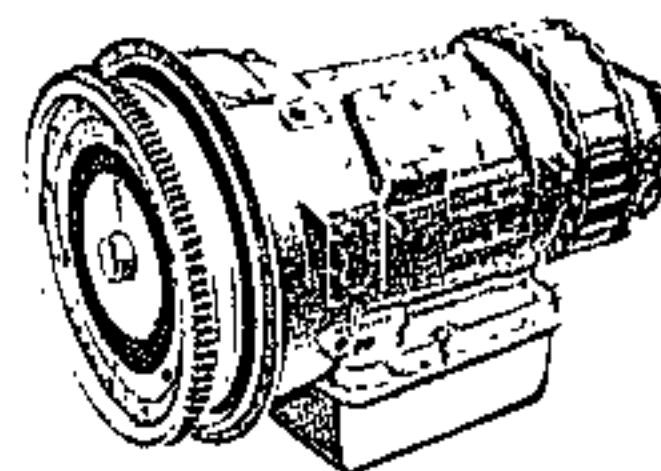
AT 500



MT 600



HT 700



CLBT 754



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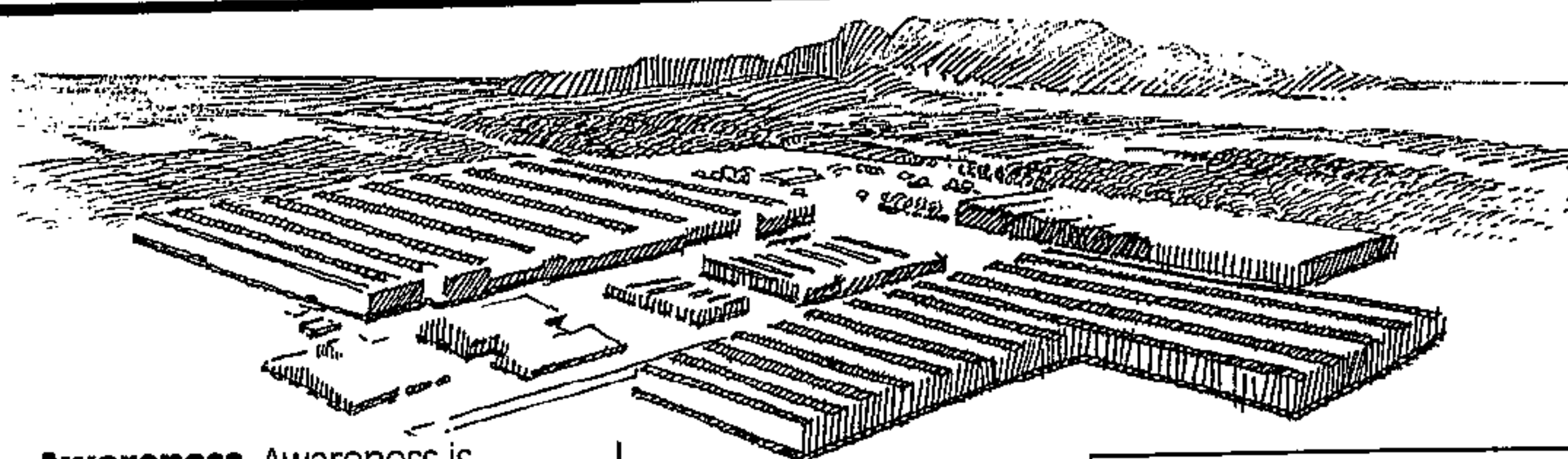
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Trucks and trucking. A survey. Supplement to Financial Mail October 21 1983





# YOUR A-D- ATLANTIS DI

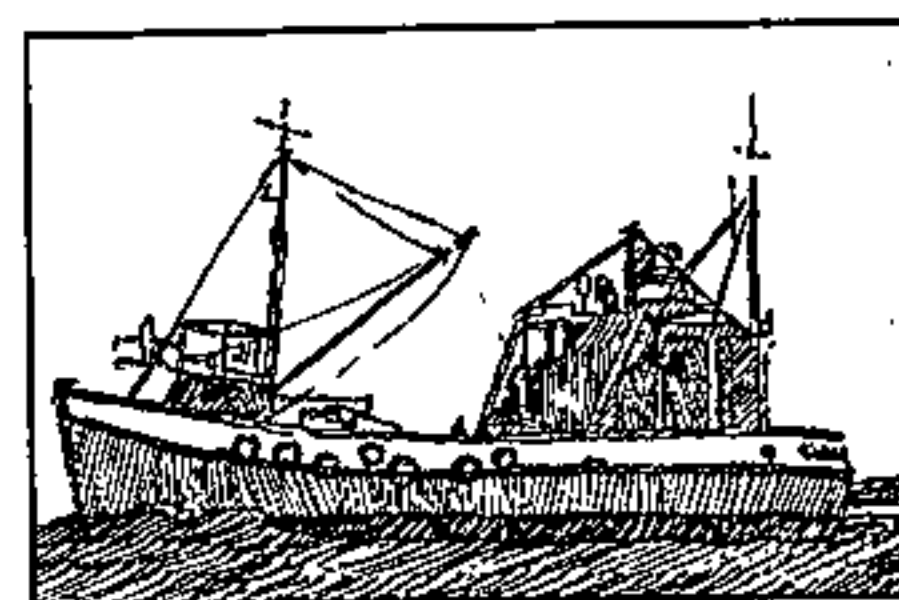


**Awareness.** Awareness is knowing what ADE stands for and how it benefits you. Atlantis Diesel Engines are now on the road to becoming part of our national pride. Read why . . .

**Atlantis.** The ADE factory, located in Atlantis in the Western Cape, will boost developments in and around the area and foster the establishment of new component supplying industries – industries which would otherwise not have existed. In doing so, it is creating thousands of new job opportunities.

**Adaptability.** ADE manufactures premium quality diesel engines to satisfy the South African requirements.

ADE engines ensure optimum performance under the most demanding conditions to be found here – high altitudes and rugged desert terrain.







The number of appeals lodged with the National Transport Commission against permit refusals also escalated. The fight for business was on in earnest — and the result was predictable.

Operators needing temporary permits had to turn pirate, or perish. Those who could afford them obtained permit transfers from other operators at black market prices ranging between R25 000 and R100 000. Before the final surrender to despair, the PHA emerged, sponsored by the Indian Council, and immediately sought to obtain ministerial relief from the harsh fines and virtual withdrawal of permit authorities.

All transport operators were affected by the harsher measures, but the PHA has shown itself to be not as wholehearted in its support of stricter controls, as the PCA.

The PCA's position as sole representative of the industry is now in question. It claims to represent 80% of the industry, and has a membership of about 700. "We send out over 730 circulars to members," says the PCA. It is supported by the biggest transport operators in the country, and has a full-time executive and staff.

Comments Jack Webster, executive director of the PCA: "As far as can be ascertained, no more than 25% of road transport in SA is undertaken under the authority of a permit. If we take this 25% and share it between public and private carriers, the PCA membership constitutes a very large percentage of public carriers involved in permits. It is thus the endeavour (of the PCA) to protect the interests of those members of the association who hold indefinite period (permanent) public permits, and this point has been explained to the PHA."

PCA interests are, therefore, interlinked with the upholding of the permit system, and the interests of those holding them. Its 25% industry representation is a powerful one.

General estimates put the SA road transport industry at more than 3 000 operators. On Webster's calculations, a large slice of the 75% non-holders of permits do not belong to the PCA. The new PHA — currently out in the cold — has 300 members, most of them with no indefinite period permits. They represent about 13,3% of the estimated 2 250 non-holders.

The PCA, with 730 members, accounts for about 24% of the total industry. When added to the PHA's 13%, this leaves a large and silent majority of more than 60% of the SA transport industry, whose voices or views are never heard.

The Department of Transport, on the PCA's assurances of its industry representation, accepts the PCA as the official spokesman for the industry. Attempts by the PHA to arrange a meeting with Transport Minister Hendrik Schoeman, have been rejected on these grounds, says the PHA.

Chris Moonsamy, president of the PHA, told the *FM* that the position has changed. Moonsamy assured us: "A meeting between the Indian Council, as spokesman for the PHA, the Minister, and Director-General of Transport, has been agreed to and will take place soon after the referendum."

However, Adriaan Eksteen, Director-General of Transport, has denied this. Eksteen told the *FM* that neither he nor the Minister is aware of such a meeting having been arranged.

Whatever the position, the chances of PHA and PCA joining forces seem slim, and the authorities are not going out of their way to encourage such a move.

Past attempts, on both sides, at bringing PHA into the PCA fold have failed, on both sides, even though there are indications that there is much common ground.

Without opposing the permit system as such, the PCA board some weeks ago voted with a majority of one in favour of a resolution supporting freer market entry. Eksteen, on the other hand, in a recent address in which he referred to stiffer penalties for permit offenders, said that the PCA "is in full support of the so-called draconian action taken by the authorities."

The apparent contradiction between how the PCA is voting, and Eksteen's understanding of its policies, simply adds to the confusion. In broad terms, both the Department of Transport and PCA seem to be moving towards further deregulation, under close consultation, but the PCA's vote for

freer market entry suggests that the Department isn't moving fast enough.

On this issue at least, the PCA appears to be more in sympathy with the PHA.

Ramcharitar Panday, transport representative on the Indian Council and spokesman for the PHA, told the *FM*: "The PHA maintains that freer access should be given to obtaining permits. Operators were given temporary permits in the past — particularly when the railways were in trouble during 1981 with excessive container traffic — and this has led to substantial companies being built up.

"When these permits were no longer being granted, road transport operators were left out in the cold. They had to manage as best they could, carrying exempted goods, such as vegetables. The drought is also making this situation more difficult, and we feel that the government cannot now turn round and say that permits will not be forthcoming any more. When it suited the needs of the authorities in the past, these operators were welcomed.

"Some operators are paying as much as R30 000 a month in leasing charges, and have warehouses, workshops and other overheads, not to mention employees, to look after," said Panday.

"We are willing to join the PCA, but this will have to be properly negotiated. We would want representation on the board to ensure that the interests of PHA members are looked after.

"As a matter of fact, we have five Indian members represented within the PCA already, by white nominees. The nominees own the permits and put their carrying business with our members, taking 10% of the profits. So although these PHA members are represented indirectly within the PCA, they do not enjoy the full benefits of membership, as is their right," said Panday.

Without some conciliatory move, a worsening of the split in the private road transport sector seems unavoidable. The Department of Transport may not like it, but the PHA has retained counsel to establish its legality, and representative rights.

If its membership grows further, and its plans to create branches throughout the country reach fruition, the PHA could rival the influence of the PCA, if not in permit strength, in pure transportation terms.

Membership of the PHA is currently made up of 80% Indian and 20% white operators, predominantly from Natal.

Moonsamy told the *FM*: "We want the Minister to amend the new Act and give us a bit more leeway. We want government to release more temporary permits — we don't mind paying more for them — until we have had a chance to talk the matter over and see where we are going.

"Representations are being made on behalf of the PHA by the Indian Council and



PCA's Jack Webster . . . all are welcome





Putco ... rationalising to meet 15% fall-off in passengers

gers to their desired destination."

The system is little different from normal bus operation, except that where buses are driven, O-bahn automatically guides them along special concrete tracks at speeds of up to 100 km/h. The driver himself becomes

a passenger until the bus reaches a departure point, where he again resumes control amid normal traffic streams.

"One big advantage is that the transport undertaking doesn't have to fund the whole system in one investment. They probably

already have the buses they need and can install one section of the route at a time, as and when funds are available.

"With light rail, you have to install the complete system before it can be used," Christ said.

## An industry divided

*Ill-feeling over permit allocations has prompted a split in the Public Carriers Association*

Hopes of uniting the SA transport industry in one representative body have faded in recent months with the formation, and subsequent growth, of the Private Hauliers Association (PHA).

Until now, the authorities have accepted the body they helped to create at the end of 1981, the Public Carriers Association (PCA), as the industry's official spokesman. The PCA was born out of the merger of the Motor Transport Owners' Association (MTOA), the South African Furniture and Warehouseman's Association (Safwa) and the old PHA — not to be confused with the

new PHA.

Formation of the PCA was seen as one of the last hurdles to be overcome in the formation of the Road Transport Association of Southern Africa — a federal body representing the interests of the PCA, the National Association of Private Transport Operators (Napto), and the Southern African Bus Operators' Association (Saboa).

That merging of interests has yet to take place, and much of the impetus gained in welding together the PCA appears to have vanished.

The appearance on the scene of the new

Private Hauliers Association comes as no great shock, as disenchantment with the permit system operated by government to regulate the industry has been spreading among operators. It reached a head with the introduction earlier this year of R10 000 fines, and automatic confiscation of trucks and loads after three offences, for those caught transporting goods without permits.

Many operators complained that they had built thriving businesses on temporary permits issued by the Department of Transport. These virtually dried up when the new fines and related penalties were introduced. As a consequence, the local road transportation boards witnessed a sharp rise in objections raised at permit application hearings by operators fighting to keep options open on unallocated business.





units, fitted with ZF gearboxes, as well as Voith automatic boxes with built-in retarders. This is the first time it has used Voith.

Hartmut Beckurts, MD of ADE, told the *FM*: "We are now offering a 407 engine with a lower rate of tickover and a flatter power curve. We originally received complaints that this engine was too powerful and not nearly as economical as the Gardiner engine, which has previously been a favourite here.

"From what we are told, the recalibrated 407 gives bus operators what they are wanting and comes very close to the economy levels they have been seeking.

"I think it is worth mentioning that the trouble with the 407 was mainly in the way it was being used. Drivers found this extra power under their feet and used it — consuming more fuel in the process."

Putco's choice of ZF gearboxes for long distance routes, and Voith automatics for urban and metropolitan use, looks like becoming a blueprint for other bus operators. Its choice of the Voith 851 three-speed unit, with integral retarder, meets its needs ideally, says Bylett, although this will have to be imported by Voms, a Putco subsidiary.

Of Putco's new acquisitions, 200 will have the Voms transmission and another 200 the ZF manual transmissions.

Other gearbox manufacturers, having apparently lost the potential custom of Putco, are jockeying for market share elsewhere. Self Changing Gears (SCG), an associate of Leyland, has just launched its 400 series hydracyclic gearboxes to supplement the 300 series pneumocyclic types. Jigs, the *FM* is told, have just arrived from overseas for the local assembly of the 400 and contracts have been placed with AS Transmissions and Steerings to produce gears and shafts. Other components, including bearings, are to be sourced locally.

#### Smaller boxes

ZF, which has a stake in Astas, is meanwhile assembling its automatic gearboxes which, it argues, are smaller, lighter and possess higher technology than previous types. Units are out on test in both buses and trucks, and this dual purpose advantage should put it in a better position to increase volume than any of its competitors.

About R5m will be spent on new facilities by the middle of next year, says ZF.

Excise of R3,50/kg, plus 20% *ad valorem* duty, was introduced at the beginning of December last year to protect the local manufacturing programme submitted to the Board of Trade by SCG. Protection applies to semi-automatic as well as automatic gearboxes used in vehicles between 13 t and 17 t gross vehicle mass (gvm). This effectively covers the bus market and clears ZF of duties for the heavy commercial vehicle sector.

"The Board of Trade said last year that we could go ahead and we have already started assembling attachments for the basic units. By the end of this year we will have R200 000 invested in assembly and have bought land at Jet Park, Kempton Park, for R1m. We will be building a factory and warehousing to accommodate the assembly operation and after sales," MD Jurgen Dickomeit told the *FM*.

ZF hopes eventually to produce between 500 and 800 gearboxes a year which, in today's market, would be well nigh impossible. About 2 000 buses are expected to be sold this year, half of which are fitted with manual gearboxes.

"We couldn't consider manufacture for

## IMPORTING

**ERF** claims that it has probably sold as many trucks with ADE engines as any other local manufacturer. Many would challenge the statement, but few would dispute the company's commitment to "big-cube" engines, usually of Cummins manufacture and imported.

ERF moves into the Cummins range with units of from 56 t gross combination mass (gcm), upwards, after its 66A320B 6 x 4 tractor with the ADE 407 TI engine.

Dai Davies, MD of ERF, said: "We are still fitting the Cummins 370, 380, 400, 450 and 475 models to our trucks, right up to the 66cu 475B 6 x 4 truck tractor having a gcm of 140 t.

"We have fitted as much local content as we can from the ADE range and the new 422 TI and 423 TI models will have to be investigated." He would not comment on whether ERF would be fitting the new Vee engines, but agreed that the position regarding Cummins would have to be examined in the long term.

"Our policy is one of continuous improvement without any radical change in design. Emphasis is on premium quality, custom built to customer specification.

"We are particularly involved in reducing the unladen weight of our trucks and are making extensive use of aluminium for fuel and air tanks, suspension parts, bracketry and air induction systems," he said.

Hinting at new models in the pipeline, Davies said he was "interested" in rubber suspension and there could be some bus projects on the way. He also said that the letter "C" followed letter "B" — suggesting that there could be a new range of trucks in the offing.



Another manufacturer still using imported engines, with no specified ADE alternatives, is Malcomess-Scania.

Said MD Erno Lehtonen: "No Scania trucks are yet fitted with ADE engines. A new production model of the 407 has been recently shipped to our main supplier for final testing.

"However, this will not start until they have received adaptation kits which are to be manufactured by SA suppliers. Regrettably, we have some slight problems in this area and do not expect the complete engine testing to start until local componentry has been shipped to them. Final testing should be about May next year, after which the unit will be shipped to us for local testing. Then we will look at the possibilities of fitting local transmissions.

"So far as the Vees are concerned, it is physically impossible to fit them at a reasonable additional cost. This is especially true of our range of P112 and R112 trucks. The kW rating of the R142 is at this stage above that of the ADE range.

"Speaking generally, the physical dimensions of the ADE engines are not comparable with our own and are, therefore, difficult to fit into our chassis. This is especially true when we talk about V10 engines. There is just not enough space for them to fit into the chassis," said Lehtonen.





ufacturers must be teetering on the brink of failure.

Lumping all commercials together, the market will be worth no more than R750m this year, compared with about R1 000m last year. This takes into account two main market changes, one being the economic downturn and the other an incredible cost

escalation that could reach 40% by year end.

What manufacturers lost on the swings, they didn't gain on the roundabouts. Cost escalations do not reflect the full story of heavy price cuts to clear stock, or those producers still with trucks bought ahead of the launch of local content from Atlantis

Diesel Engines (ADE).

ADE's monopoly of the engine market caused manufacturers to buy excessive quantities of cheaper engines from source plants. They were wrong by a wide margin in their projections of market demand. Some predicted sales of 20 000 for the year, while others pitched their sales at a more realistic 15 000. Both estimates have been revised downwards to a total commercial market of as little as 13 000 units.

Imported engines will still be on showroom floors, in some instances, until the middle of next year. The bad news is that as the months go by, preference for trucks with ADE engines is growing. Those with imported engines are cheaper, but the market discounts this against the higher end cost when the time comes to calculate residual values for trade-in purposes.

Those who went into the ADE programme early, and suffered a cost premium against those who imported engines, are now enjoying the pay-off. They have already established their pilot markets and have more operationally proved ADE models in the field.

The same is true of buses. Market shares have done a loop since ADE engines came into the picture, bringing an end to the market dominance enjoyed by Gardiner engines, and the models that used them.

The position will balance out, but the order of market leaders is expected to go firm along today's lines.

### BUSES OVER 7 500 KG

Erf Units	142	125	6	7	11	10	9	10	13	4	70
%	5,5	5,3	6,4	6,5	5,4	9,7	5,9	6,0	8,9	2,2	6,1
Foden	1	—	—	—	—	—	—	—	—	—	—
%	0,1	—	—	—	—	—	—	—	—	—	—
Ford	39	56	7	1	28	1	3	8	4	29	81
%	1,5	2,4	7,4	0,9	13,9	1,0	2,0	4,8	2,7	15,8	7,0
GMSA	10	41	—	—	2	3	—	—	3	3	11
%	0,4	1,7	—	—	1,0	2,9	—	—	2,1	1,6	1,0
IH	74	87	—	—	—	—	—	—	—	—	—
%	2,9	3,7	—	—	—	—	—	—	—	—	—
Leyland	724	644	15	17	17	1	7	33	20	106	216
%	28,3	27,2	16,0	15,9	8,4	1,0	4,6	19,9	13,7	57,6	18,7
Man	387	203	27	22	19	27	42	19	31	6	193
%	15,1	8,6	28,7	20,6	9,4	26,2	27,3	11,5	21,2	3,3	16,7
Mercedes-Benz	520	688	19	36	96	56	55	38	30	18	348
%	20,3	29,1	20,2	33,7	47,5	54,3	35,7	22,9	20,5	9,8	30,1
Nissan/Magnis	385	261	17	23	23	4	21	4	7	11	110
%	15,0	11,0	18,1	21,5	11,4	3,9	13,6	2,4	4,8	6,0	9,5
Scania	8	—	—	—	—	—	—	—	—	—	—
%	0,3	—	—	—	—	—	—	—	—	—	—
Sigma	1	3	—	—	—	—	—	—	—	1	1
%	0,1	0,1	—	—	—	—	—	—	—	0,5	0,08
Toyota	—	43	1	1	5	1	1	9	3	1	22
%	—	1,8	1,1	0,9	2,5	1,0	0,6	5,4	2,1	0,5	1,9
Vetsak	271	212	2	—	1	—	15	45	35	5	103
%	10,5	9,0	2,1	—	0,5	—	9,7	27,1	24,0	2,7	8,9
VSA	—	1	—	—	—	—	1	—	—	—	1
%	—	0,1	—	—	—	—	0,6	—	—	—	0,09
Total	2 563	2 364	94	107	202	103	154	166	146	184	1 156

## On the buses

*The market for buses is tighter this year and suppliers, notably of transmissions, are jockeying for position*

Bus producers are lining up for a fierce sales battle. This lucrative market, although heading for an 800-unit shortfall on last year's sales, should still produce around 1 500 sales this year to prop up flagging truck demand.

This is the first year in which locally-produced engines have been fitted in quantity and there has been a scramble to match them with a variety of imported and locally produced transmissions.

Users of luxury buses, with an eye on a possible local content programme for buses early next year, are struggling to be let off the import excise duty hook. Their businesses are tied to tourism and, they argue, tourists are accustomed to the very best buses available in the world. The implication is that local products will show SA up in

a poor light, an assumption which local manufacturers are not accepting.

By far the biggest interest is in bread-and-butter requirements, where a massive turnaround in market shares seems likely.

The Welgemoed Commission of Inquiry into bus passenger transportation is steadily working through its mammoth brief to report on any and all aspects of bus operation, including taxis. Its decisions have not materially affected the industry, as yet, but the time bomb of government subsidies is still ticking away. Without them, many operators of black services are in for a tough time. They will have no alternative but to charge in full that part of the fare now paid by government.

Already, Putco has had to streamline its operations in line with a substantial fall-off

in patronage, because of the economic recession. Its bus rationalisation programme, running parallel with new investments in new buses, has been geared to counter the effects of an appreciable drop in passengers.

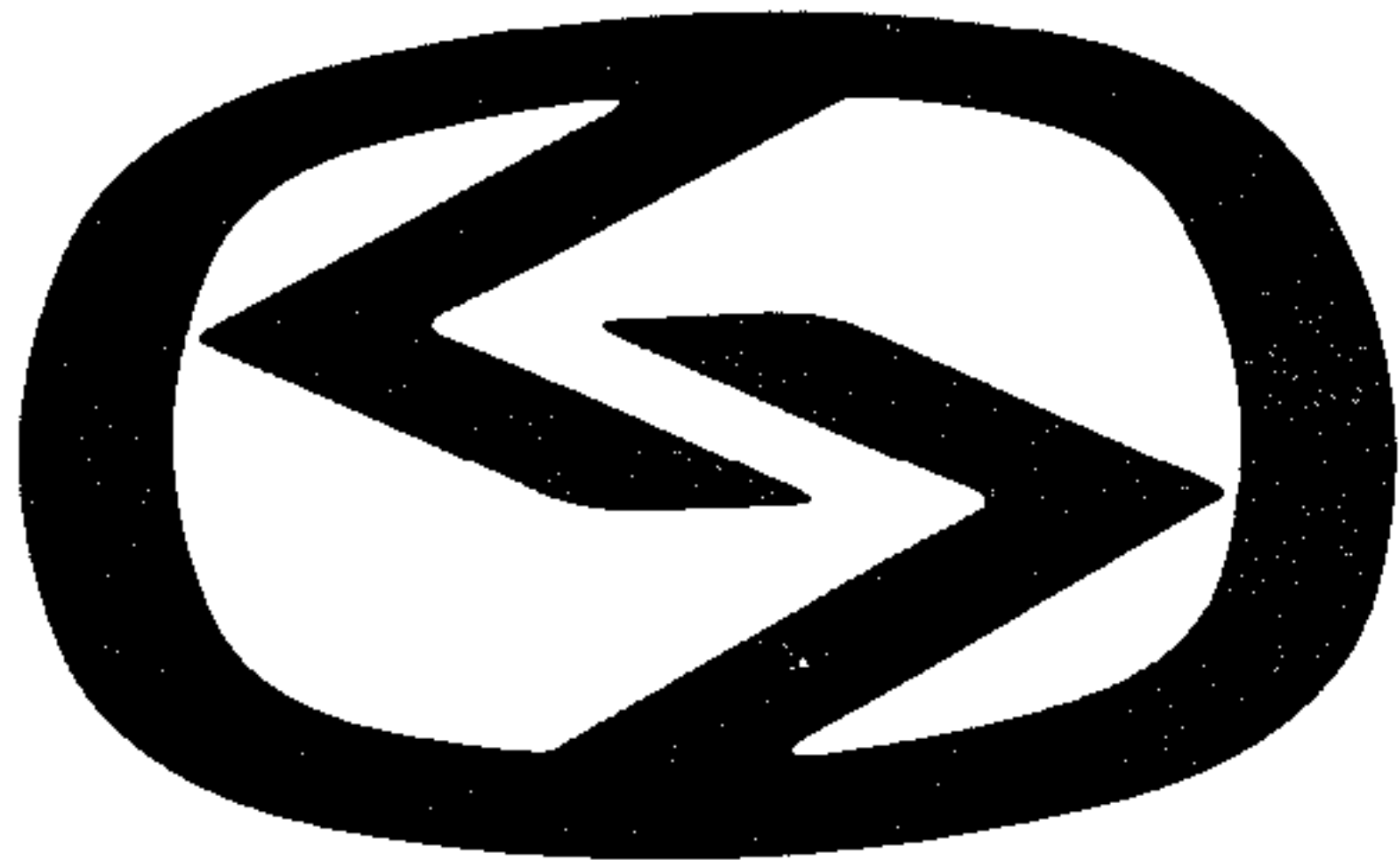
Patronage is more than 15% down following large-scale lay-offs a few months ago. This, in turn, has eased considerably the pressure on Putco to increase its capacity.

Says Putco engineering executive, Bob Bylett: "We will have about 3 300 units available to us after rationalisation, but we have gone ahead with orders for another 400 new buses, worth R28m, which will bring us back to 3 700.

"We are mothballing what is worth retaining among the older units and scrapping those that aren't. At the same time, we are putting the minimum number of new units into service. We are uplifting the remainder of the fleet with body and mechanical overhaul so that when the upturn comes we will be ready to meet it without any on-cost problems."

Putco is taking delivery of its first ADE





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**Built for South Africa by South Africans**

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**Bred in Europe.**

**Proven  
on the Border.**







Make	Model	Type	ADE engine
Nissan	CK 10 K		352
	CK 25 D		407 N
	CK 25 N		407 N
	CK 30 (planned)		407 N
	CP 12 (planned)		352
Oshkosh	E1323L280 (A) 4x2	TT	407
Samag	130.12 FL,K		352
	168.14 FL,K		352 T
	168.16 L,K		352 T
	240.16 L,S,FS,FL		407
	280.16 FS,S		407 T
Sigma	Mitsubishi FM 215F	Tip TT	352
	Mitsubishi FM 215FT (planned)		352 T
	Mitsubishi FM 215L	FC	352
	Mitsubishi FM 215 LT (planned)		352 T
Toyota	Hino FF Range		352 T
	Hino FC Range		352 T
15 001 kg — 17 500 kg			
GMSA	Isuzu DHR 610 A		407
	Isuzu DHR 610 PA		407
Over 20 000 kg			
ERF	64A280B 4x2	TT	407 T
	66A280B 6x4	TT FC	407 T
	66A320B 6x4	TT	407 TI
	68A280B 8x4	FC	407 T
	66A240B 6x4	FC	407
	LNT 9000		407
Ford	Isuzu SHZ 451 TA		407 T
GMSA	Isuzu SHZ 581 TA		407 T
	Isuzu VHZ 441 TA		407 T
Leyland	22.12	Tip FC	352 T
	24.14 (planned)	Tip FC	409
	24.21 (planned)	Tip FC TT	407 T
	24.24 (planned)	TT	407 TI
MAN	22.192 DHK		409
	22.192 DHL		409
	22.192 DFK (planned)		409
	22.192 DFL (planned)		409
	30.240 DFT		407
	30.240 DFK		407
	30.240 DFL		407
	30.240 DHT		407
	30.240 DHK		407
	30.240 DHL		407
	30.240 DHAK 6x6		407
	30.280 DFT		407 T
	30.301 DFT/S		407 T
	30.301 DFT (planned)		407 TI
	30.301 DFT/S (planned)		407 TI
	30.321 DFT (planned)		407 TI
	30.321 DFT		407 TI
	30.321 DFT/S		407 TI
	30.330 DFT (planned)		422 T
	30.330 DFT/S (planned)		422 T
Mercedes-Benz	2219/42	FC	409
	2219K/32	Tip	409
	2219K/32	FC	409
	2219B/32	FC	409
	2225B/28 (planned)	FC	422
	2233S/30	TT	422 T
	2624/41	FC	407
	2624K	Tip	407
	2624S	TT	407
	2624A/41	FC	407
	2624AK/35	Tip	407
	2628/41	FC	407 T
	2628S/32	TT	407 T
	2628A/41	FC	407 T
	2632S/32 (planned)	TT	407 TI
	2633S/32	TT	422 T
	CW 35 (planned)		407
Nissan	CW 45 P,H		407 T
Oshkosh	E1344L280 DF 6x4	TT	407 Series
	E1344L280S DF 6x4	TT	407 Series
	S1344L280 DF 6x4	TT	407 Series
	S1546L320S DF 6x4	TT	407 Series
Samag	240.26 FS,FL,L,K		407
	280.26 FS,S		407 T
	330.26 FS (planned)		422 T
	350.26 FS (planned)		424
	Mack R685 RST		407 T
Sigma	Hino 240 Range (planned)		407
Toyota	Hino 280 Range (planned)		407 T

ed in the market. As soon as delivery is available to us from ADE, we will take care of these demands. It could take 15 months to launch new Vee models."

Dave Marshall, board member for marketing at UCDD, adds: "Volumes of Vee sales are relatively low at the moment but as the ADE range expands we believe demand for Vee-powered trucks will accelerate quite rapidly. There is a market need for Vees in all their forms."

Oshkosh has reacted to the local content programme by engineering not only ADE engines into its vehicles, but also local transmissions and drive axles. These feature a complete range of components to its prototypes, including Rockwell and Astas axles, Allison, Fuller and ZF transmissions.

Sigma Motor Corporation has also engineered local engines and transmissions into its commercials, with the exception of the Mazda two and three ton trucks and Mack.

Says Leon Shirley, manager of public affairs: "We have not considered the ADE Vees for our heavy product range due to installation difficulties and transmission match-up performance requirements."

#### Space problem

"Ours is an engine compartment space problem where the Vee engines necessitate body and cooling system modifications. So far the Vees have not had a good track record in SA, whereas in-line engines have proved themselves."

"Economics will decide whether we will switch later to Vee series, in which event a lead time of up to six months is needed for development and durability tests."

"The problem arises when the power train is matched to give maximum performance under all applications and conditions. Fitting ADE engines does not always give the results that match current commercial vehicles because one is still using the same transmissions and rear axles in most cases."

"If the local content programme covered engine, transmission and rear axle, then the manufacturer could obtain better results for the market instead of having a mixed bag of sourced components in the drive train."

"This was the original intention of the local component programme, gazetted in 1980. We supported the government's policy to our detriment in those early days by overpricing, and loss of profit. We were one of the first to comply with both engine and transmission," he says.

Toyota SA says it would need a lead time of 18 months to two years to engineer new Vee-powered vehicles. Current planning is to go no bigger than the ADE 407 T engine.

Vetsak is rethinking its ADE programme. Says a spokesman: "We have completed our engineering but trucks powered by the ADE 407 and 407 TI are under review due to





ers in the Vee family, a 422 TI and 423 TI, are exciting appreciable interest among truck operators and manufacturers. These are expected to result in new vehicles capable of taking either in-line six cylinder engines, from the 407 range, as well as the Vees, in order to accommodate customer preferences.

There is a power overlap between the 407 T and the 422 V8, and further alternatives to in-line sizes will spring from de-

rates of the Vee configurations.

Reaction to the Vees from manufacturers is generally governed by the engineering problems which they create, rather than their technical desirability.

Ford's short term planning is complete, but uncertainty within the industry relating to engine protection above 235 kW is presenting difficulties for them. It has no plans to incorporate Vee engines at the moment and the 11,4 l ADE 407 will feature in its L-

series.

"ADE Vee engines are not compatible with these trucks, and our market research reflects an end-user preference for large displacement, in-line engines," says Alan Henderson, heavy truck sales and marketing manager.

"The Cummins 14 L six-cylinder engines previously used in Ford L series trucks offer a powerful engine brake — a major safety factor with heavy vehicles which is not available with ADE engines."

ADE emphasises the braking effect provided by its Vee engines, which have swept volumes of 14,6 l (422 models) and 18,3 l (423 models).

General Motors SA (GMSA) has no plans for Vee engines at this stage, and prefers in-line engines in its mass categories up to 45 000 kg gross combination mass (gcm).

"ADE's engine range is adequate for all our models and applications," André van Rooyen, GM truck sales manager, told the FM.

Leyland SA, one of the first to engineer ADE engines into its vehicles, says its cabs are designed for vertical, in-line engines and will not accept Vees without basic redesign.

Says Arne Pitlo, Leyland public affairs manager: "Most British and American forward control cabs are designed this way, which means that we will continue to use them unless source plants redesign cabs, and possibly chassis front ends. This redesign would not be viable for so small a proportion of the world market."

MAN truck and bus has specified the 422 T Vee for its 30.330, but the rest of its range features in-line engines. Says Don Vale, director, commercial vehicle sales: "Should ADE produce engines up to 500 hp (375 kW), it would cover the commercial vehicle range entirely adequately."

Magnis Truck has no early Vee launches planned. "However, we do intend to use them in the top of our range vehicles still to be launched. None of our models is planned to switch from in-line to Vee, and development for the bigger engines will take typically two years. ADE's engine range is suitable for all current and foreseen applications, and sizes of trucks," said Brian Wegner, marketing director.

Two models in the same range have Vee engines.

Mercedes-Benz (UCDD) has two 422 T Vee-powered trucks, launched recently, and has plans for one other — the first naturally aspirated V8 to be offered.

Says Adolf Moosbauer, (UCDD) general manager commercial vehicles: "There is a place for both the in-line six cylinder engines and the Vees, depending upon the application involved. Nevertheless, if one looks at the trend to high power-to-weight ratios, for economic reasons, Vee engines

## CURRENT AND PLANNED COMMERCIAL VEHICLES FITTED WITH ADE ENGINES

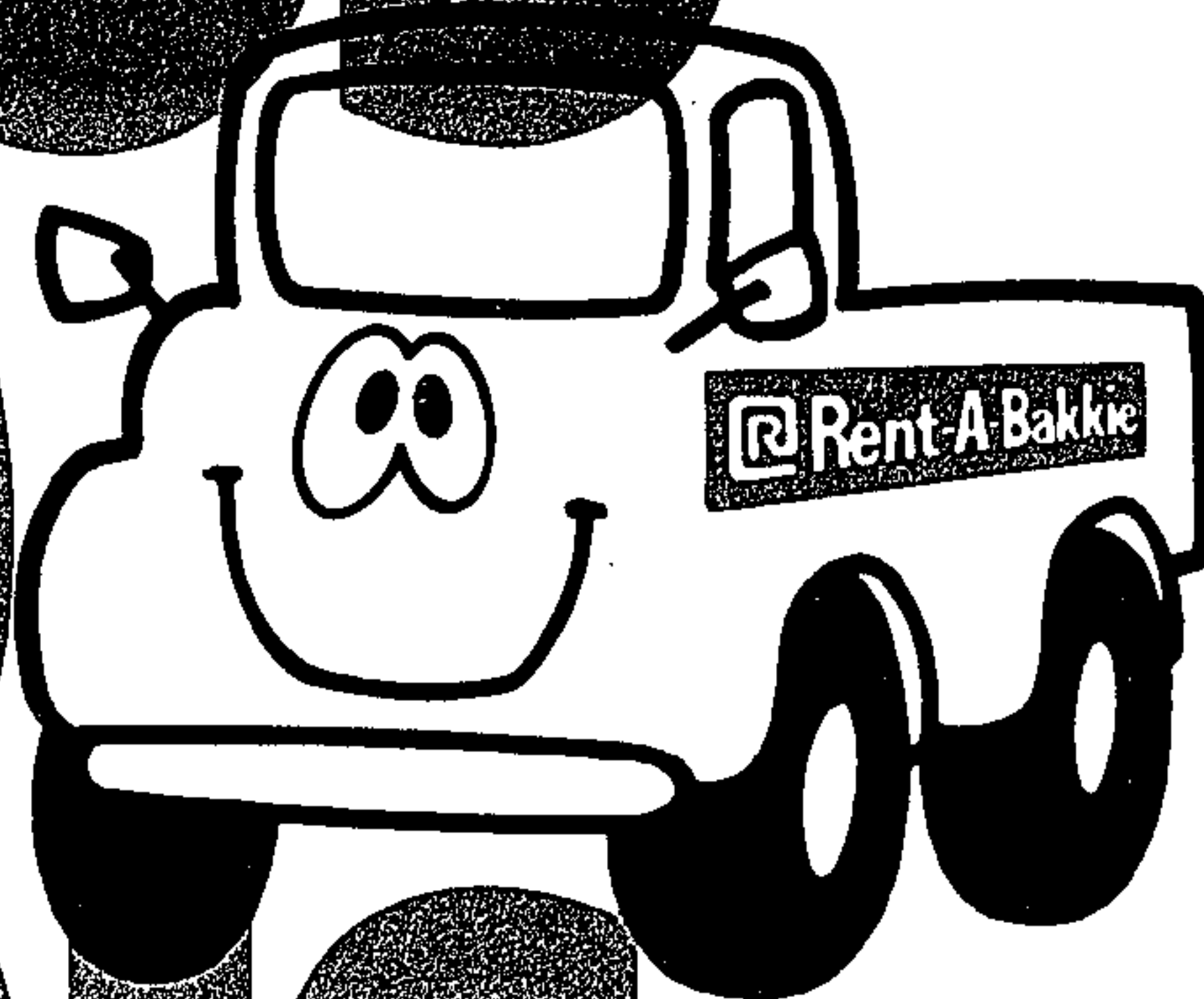
(Detail of ADE programme not received from Foden SA).

TT = Truck Tractor FC = Freight Carrier TIP = Tipper

Make	Model	Type	ADE Engine
<b>2 251 kg — 5 000 kg</b>			
GMSA .....	Isuzu TLD 24 A		617
	Isuzu TLD 44 A		617
	Isuzu TLD 54 A		617
<b>5 001 kg — 7 500 kg</b>			
Ford .....	Cargo 0608		236
Leyland .....	07,08	FC	354 LAR
Mercedes-Benz .....	L508D/35	FC	314
	L608D/41	FC	314
	L613D/41	FC	352
	Unimog (five mods)		352
Sigma .....	Mitsubishi Canter	FC	326
Toyota .....	Dyna 4 T range		315
<b>7 501 kg — 10 000 kg</b>			
Ford .....	Cargo 0808		236
	Cargo 0912		354
GMSA .....	Isuzu SBR 422A		352
Nissan .....	CP 81 (planned)		314
	CP 91 (planned)		352
Sigma .....	Mitsubishi FK 115 K	FC	354
Toyota .....	Hino FD range		352
<b>10 001 kg — 12 500 kg</b>			
Ford .....	Cargo 1112/1212		354
	Cargo 1113/1213		352
GMSA .....	Isuzu SBR 422BA		352
	Isuzu TXD 55 A		352
Leyland .....	10,09	FC	354
	12,09	Tip FC	354
	12,09N	Tip FC	354
	12,11N	Tip FC	354T
Mercedes-Benz .....	L1013/48	FC	352
	L1113/42 + 48	FC	352
	LK1113/36	Tip TT	352
	LA1113/42	FC Tip	352
Nissan .....	UG 780		352
	DU 780		352
Sigma .....	Mitsubishi FK 115K	FC	352
Toyota .....	DA Range		352
<b>12 501 kg — 15 000 kg</b>			
Ford .....	Cargo 1313		352
	Cargo 1317		352 T
	Cargo 1517		352 T
	Cargo 2217		352 T
	Cargo LN 9000		407
GMSA .....	Isuzu JCR 500A		352
	Isuzu SHR 361 TA		407 T
	Isuzu JCR 500 TA		352 T
	Isuzu JCR 360 TA		352 T
Leyland .....	13.11	Tip FC	354
	14.10	Tip FC	352
	14.12	Tip FC	352 T
	16.14 (planned)	TT Tip FC	409
	16.17	TT	407
	16.21 (planned)	TT	407 T



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- x 2. Envisaged manufacture in the near future of medium rear and front driving axles for various commercial applications up to 6000 kg G.V.M. — also with unique diff-lock option.
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**Box 388, Uitenhage 6230**

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- x Mr R Giloi, Sales Manager, Axle Division, Uitenhage, (0422) 29102
- \* Parts and Service Divisions in all major centres (Head office Benrose (011) 618-1074)





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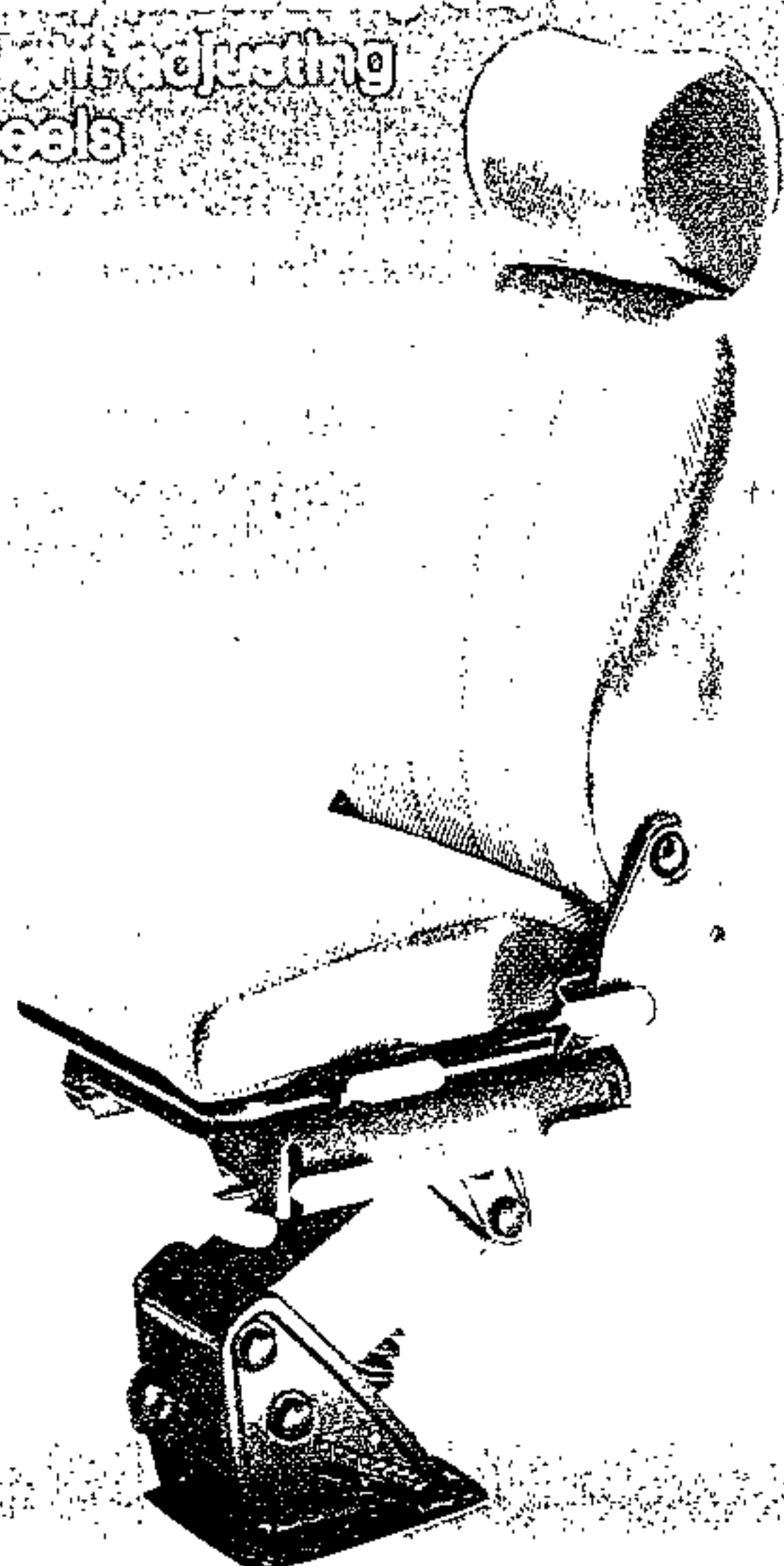
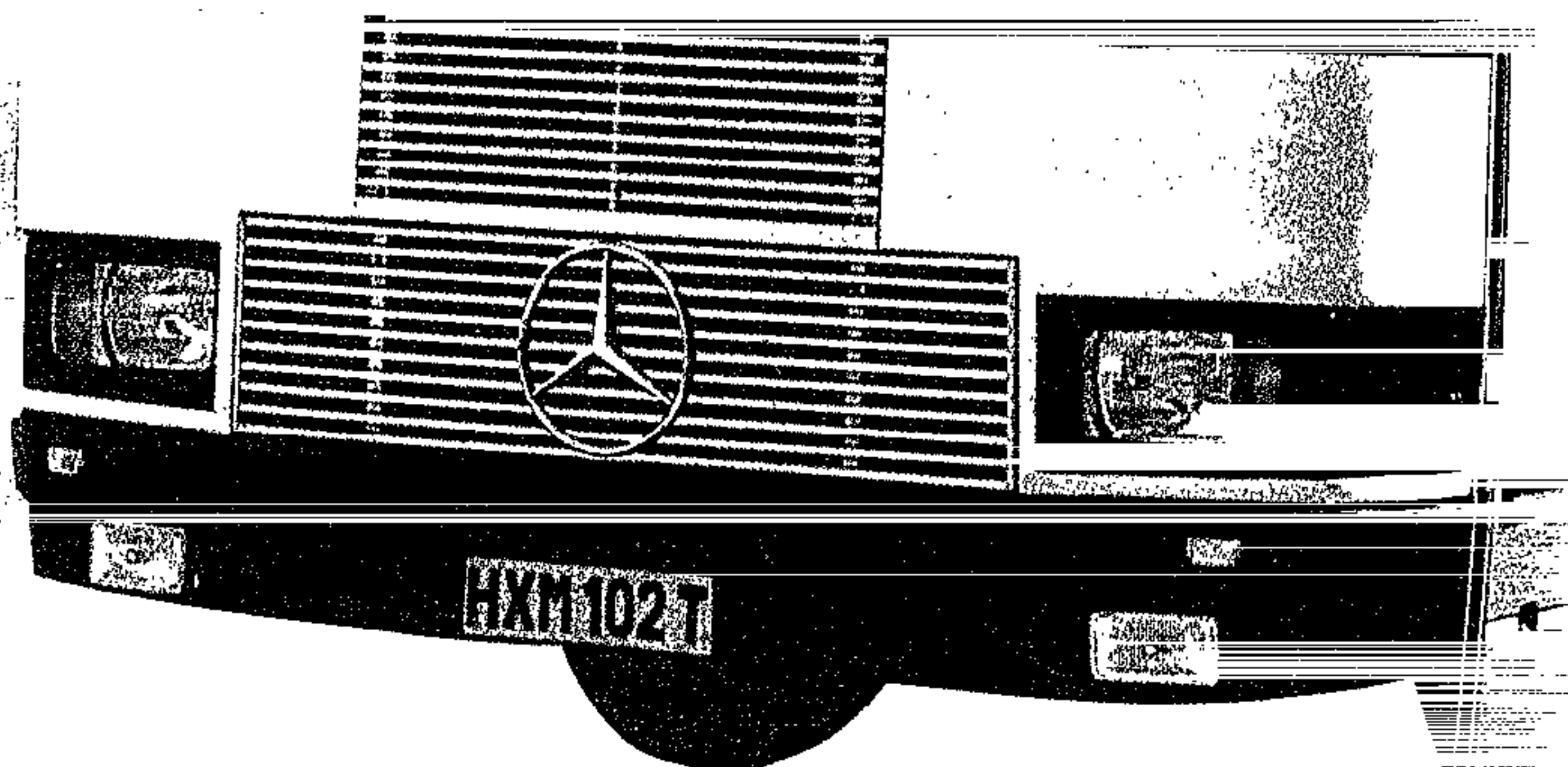
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W/E ARGUS 22/10/83

# Liners set to do battle

## Stiff competition on lucrative cruise routes

Weekend Argus Correspondent

DURBAN. — The revival of luxury travel by "mail ship" could spark off a vicious sea battle between two competing shipping agents who are launching regular liner cruises early next year.

Airline companies, meanwhile, will benefit as competition heats up because most cruise passengers will fly back to South Africa after sailing to Britain and other destinations.

The new rival liners are the World Renaissance, run by TFC Tours, and the Astor, bought by Safmarine but managed by Safleisure, a subsidiary company to handle the cruises.

Both offer regular cruises between Britain and Cape Town — the first since the regular Union Castle route was phased out in the '70s.

Astor, a 18 834 ton West German ship, had a price tag of more than R55-million. The 12 000 ton World Renaissance belongs to a foreign consortium and has been chartered by TFC.

Tensions are mounting as the inaugural deadline approaches.

World Renaissance arrives in Cape Town on December 12 and starts a regular run to the UK on January 11 next year.

Astor is scheduled to sail during April and will make "seven or so" regular trips between Cape Town and Southampton every year.

"There is definitely not room for two vessels to provide this service," said Mr Alan Foggitt, general manager of TFC Cruise Lines. "Perhaps only in the high season. Anyway we have decided to risk it and our bookings have been tremendous.

"I can't see, however, that the situation will lead to a price war."

Mr Ron Fabel of Safleisure does not regard TFC as being much competition. "The World Renaissance is about 15 years old whereas Astor is only two years old. It's like comparing a hotel 20 years ago to one today."

Both operators say the emphasis of the cruises will be on luxury.

"World Renaissance operated in the Caribbean for many years catering for the American market and they are very fussy about the service they get.

"Prices will vary from R1 575 to R2 935."

Astor is being overhauled and upgraded before Safleisure takes delivery in February.

"It has only four suites at present and we want more. Every cabin will have separate facilities and we will cater for 500 passengers," said Mr Fabel.

"We are still putting together time-tables and tariffs but we anticipate, besides the South Africa-UK run in the cruising season, to provide alternative cruises to scenic island and perhaps even to South America. We have had so many queries about our service already that we will probably open our booking earlier than we planned."



# Putco calls for <sup>city</sup> Natal fares <sup>Press</sup> hike

332

23/10/83

## INKATHA ELECTION BAN IGNORED

DESPITE Chief Gatsha Buthezi's ban on Inkatha members getting involved in local authority elections, Inkatha's Evaton branch has teamed up with the local Stand owners' and Residents' Association to form an election pact.

Inkatha Evaton branch chairman J Ndaba appealed to residents at a meeting last weekend to vote for the association by D Moleko — in the November 15 election as they were fighting



● Evaton Stand-owners' Association chairman D MOLEKO

By ABIA TLOILENG

to keep Evaton a black freehold area.

Mr Ndaba said those who voted for the present members of the Evaton Community Council would

be "throwing away" their rights and properties.

In a manifesto issued by the Stand owners' Association and Inkatha, a strong call was made for a town council like in Johannesburg, Durban or Cape Town.

It said regulations pertaining to other townships could not apply to Evaton, which was freehold land.

(Report by A Tloileng, 62 Elliott St Ext JHB)

PUTCO bus company — already hit by a commuter boycott since it increased its fares by 13,5 percent in Natal last December — has applied for yet another increase in the area.

In its latest annual report, Putco chairman I P van Onselen says the company applied for the increase of 12,5 percent last month and is still awaiting for a decision by the authorities.

If permission is granted soon, Putco fares in the area will have gone up by 25 percent in the last 12 months.

Joint Rent Action Committee (Jorac) spokesman Ian Mkhize this week described Putco's application as "thoughtless and insensitive particularly in view of the volatile situation in the greater Durban



CP Reporter

area".

Mr Mkhize, Jorac's secretary/treasurer, referred to the continuing boycott in Inanda. He said blacks lived in outlying areas not because it was their choice, but because it was forced on them.

The Durban boycott, according to Putco, has resulted in the company losing more than R2-million, with passenger carriage reduced by 22 percent.

Although the boycott has fizzled out in some areas, residents of Inanda are continuing to use other forms of transport and Putco has accused "opportunistic" bus and taxi operators of "keeping the boycott alive by unfair and in certain instances illegal practices".

Violent scenes erupted with buses being stoned, community halls attacked and vicious attacks on bus drivers.

Putco spokesman were unavailable.

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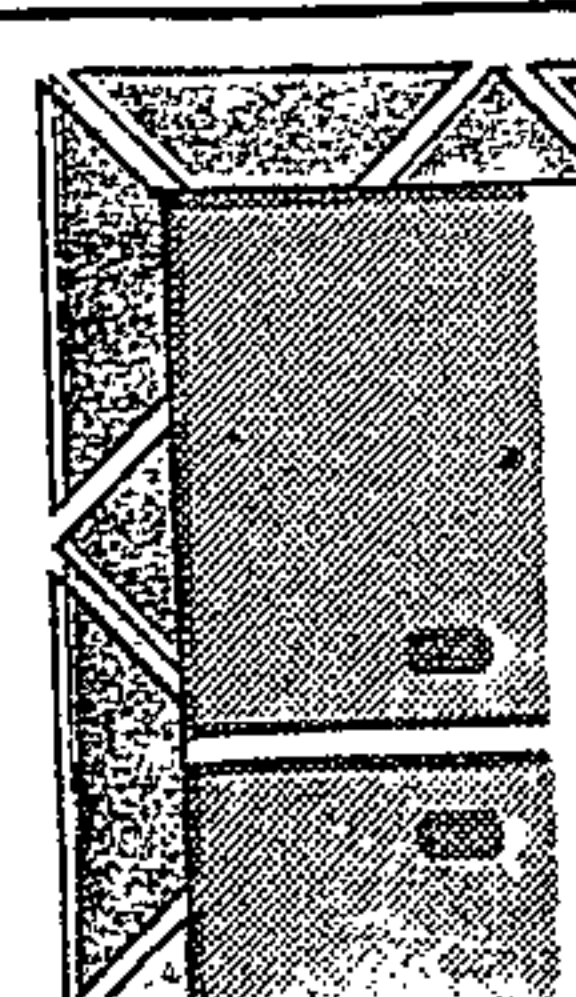
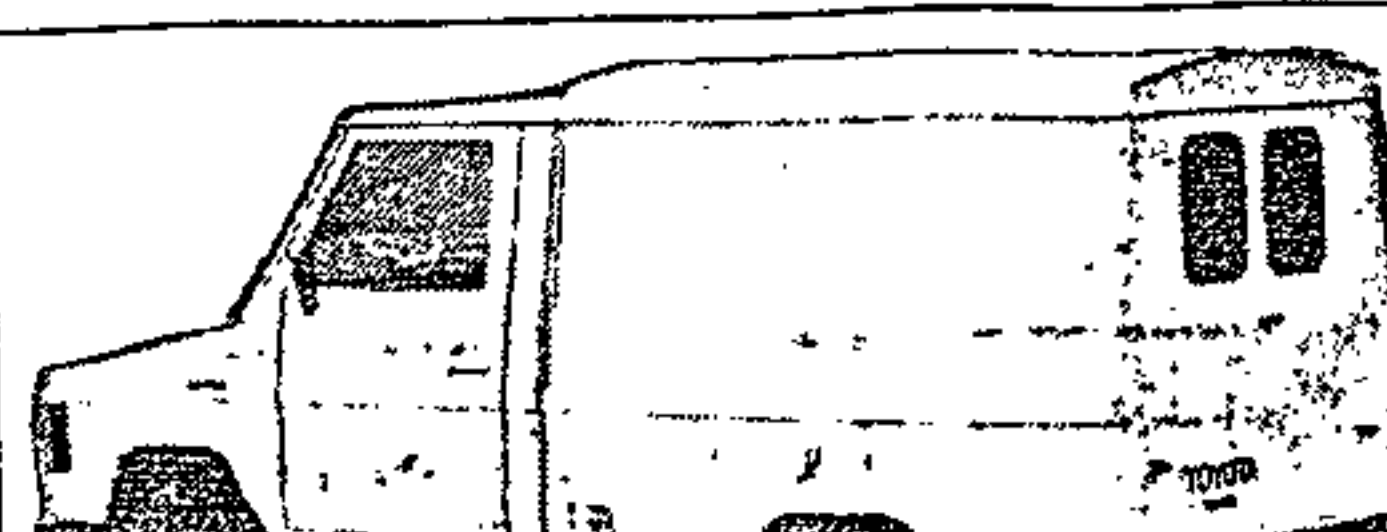
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# 'No' to curb on 'minis'

Labour Correspondent

THE Chamber of Mines, which rarely intervenes publicly on social issues, has urged the Government to allow black minibus taxis to continue to operate.

The chamber says many black mine workers "make extensive use" of the service provided by minibus taxis and would be seriously inconvenienced if the Government imposed clamps on the minibuses.

This is spelt out in an issue of "Mining Sun", a chamber publication for black workers on the mines.

It is likely to strengthen the hand of those who see clamping down on minibuses as a bar to black participation in free enterprise and who seek to thwart the move.

A Government inquiry into passenger transport recommends that minibus taxis, which carry up to eight people and provide extensive transport in the black community, be phased out over four years.

Instead, it wants only four-passenger vehicles to qualify as taxis.

The law would allow vehicles carrying between five and 25 people, but only on the same condition as buses — following a set route with fares and time-tables subject to official approval.

This has been condemned by the SA Black Taxi Association and other bodies that argue that the minibuses make up for the lack of transport in black areas.

They also argue that the minibuses offer a service which is more flexible than that of bus companies, which would benefit from a clamp on minibuses.

According to Mining Sun, the minibus service meets the needs of mine workers who work shifts "and require transport at irregular hours", without which mine workers would find transport difficult during their leisure time.

If the plan to curb the minibuses is introduced, the chamber fears that they would either cease to operate because of additional legislative requirements or operate only by charging fares that would put them "beyond the means of the employees concerned."

It therefore urges that the law continue to allow minibuses to operate freely.



# EXPRESSSCOPE ON THE APARTHEID SHUTTLE

## Working, travelling, working ...

By MIKE CADMAN  
and HERBERT MABUZA

THE procession starts at 2.30 in the morning.

A fleet of 230 buses grinds its way around dusty KwaNdebele collecting thousands of workers for the long, cramped journey to Pretoria.

More than 16 500 people a day are ferried to their workplace in Pretoria on the buses. A total of 165 000 people are carried to and from Pretoria each week.

Workers this week told of how they spend most of their day working and many hours before sunrise and after sunset being shuttled between the dry dusty 'homeland' and Pretoria — getting little sleep and seeing little of their families.

"We have got used to it — we have no option but to," Mr Peter Mashiyane, from the Kwagagastfontein area said.

"Nobody likes travelling on the buses for so long — but if you work in Pretoria you have to face up to it."

"The bus we catch takes between two and two-and-a-half hours, depending on the driver," Mr Mashiyane said.

"It's just part of living in this place."

Most of the people in the KwaNdebele 'homeland', official population 200 000, live in over-crowded, poverty stricken conditions. It is one of the least economically viable of these areas.

According to the Minister of Co-operation and Development, Dr Piet Koorhof, only 2 640 people were employed in KwaNdebele in 1980.

Most other KwaNdebele men and women not work-

● Before the sun rises, the 'buspeople' are on their way to work. RIGHT.

Latecomers must stand — for 150km.

Pictures:  
HERBERT  
MABUZA

ing in Pretoria find employment in Bronkhorstspuit, Cullinan, Groblersdal, Mar-ble Hall and several other areas.

The commuters seem resigned to the fact that they face long hours on the buses every day and try to establish some form of routine.

The buses are full but practice has taught people how to cope in the cramped conditions. They hang onto the thinly cushioned seats and overhead rails and do

their best to get comfortable.

Another commuter complained that the long travelling hours made life difficult.

"I see my wife and babies on weekends only, they are normally ready to go to sleep by the time I get home," Mr Solomon Mahlanga, who works in Sunnyside, Pretoria, said. "If I do overtime at work I miss the bus home and have to find a place to stay the night."

"Some of the people go to

town on a Monday and then come back on Friday night," he said.

"They either stay with friends or in hostels."

One woman said she wanted to move to a place closer to the city.

"I can't live a normal life because I spend more than five hours a day travelling," Mrs Betty Skosana said.

"I leave Pretoria at about 5.30pm and get home after 8pm. In the morning I leave home at 4am."

"My children get ready for school alone, eat supper alone, and if the bus is late, go to bed without seeing me," Mrs Skosana said.

"I would like to move closer to the city but the authorities won't allow it."

Figures released by the KwaNdebele authorities last year showed that there were 13 810 KwaNdebele people who used buses to get to work.

Of these:  
● 13% left their homes between 2am and 3am.

● 24% between 2.30am and 4am.

● 21.4% between 4am and 4.30am.

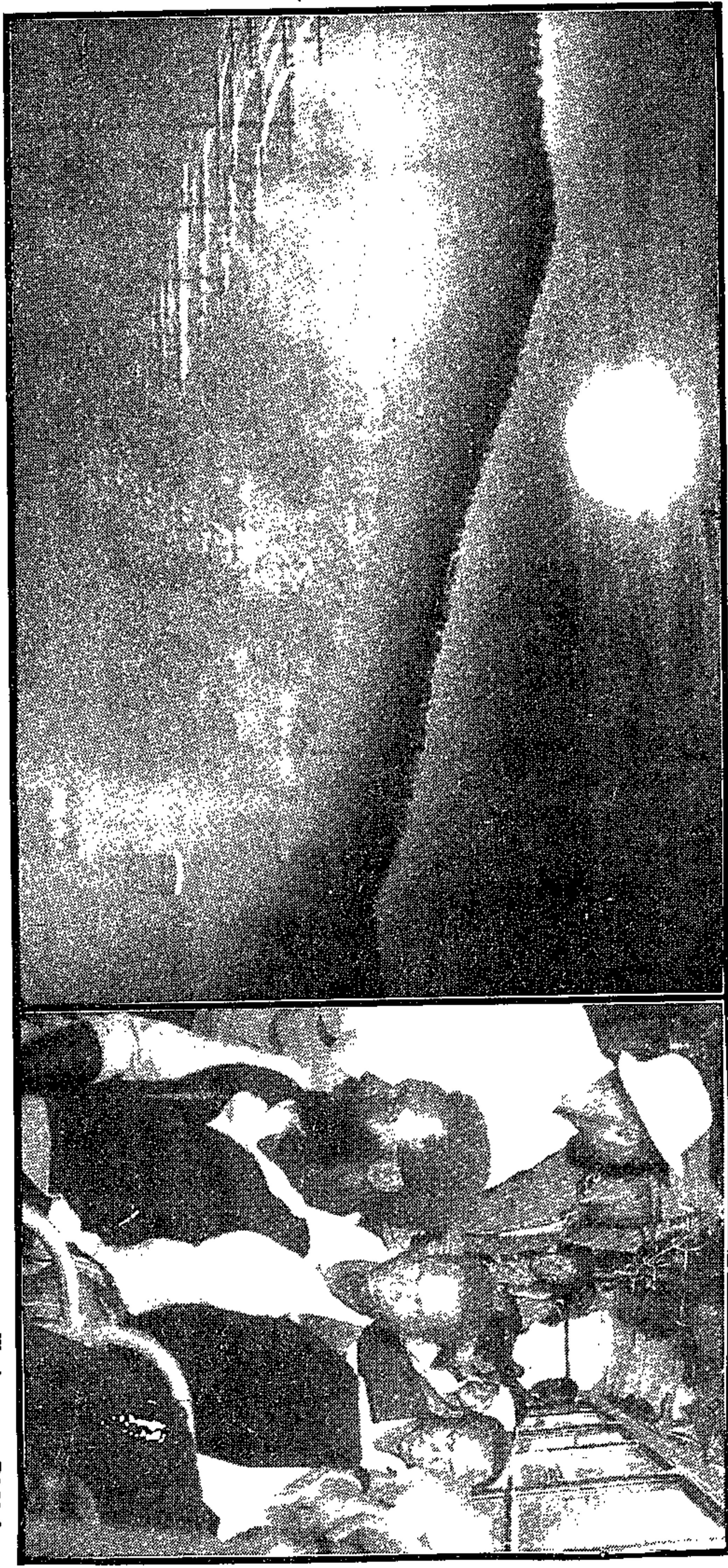
● 32.7% between 4.30am and 5am.

● 8.4% between 5am and 5.30am.

People who stay in the most distant part, Uivers-lagt and Vrieskraal, some 150km from Pretoria, (some also stay in the neighbouring Letowa area of Moutse) probably spend more time travelling to work than they do sleeping at home.

Workers pay R9.50 for a five-day ticket and R10.30 for a six-day ticket. Single tickets are not subsidised and a one-way journey costs R3.50.

The bus company, Putco, receives a R30-million subsidy from the Government to help make up the full fare price. The Government pays the subsidy because it feels the KwaNdebele people cannot afford to pay the full fare which Putco would have to charge to cover their costs.





# Tight security for a quiet day

TIGHT security arrangements by national and local police, characterised what turned out to be a very quiet referendum day, with almost no evidence of the disruption which had been expected.

A predicted stay-away by black workers did not materialise, and both Putco, and the Durban Transport Management Board reported no perceivable fall-off in passengers from black townships.

One incident was reported from Ntuzuma, L E Zone, where a group of youths tried to force commuters to leave buses. The group was dispersed by police, and the buses continued on schedule.

The acting regional manager of Putco, Mr Paul Nucci said many had felt that a stayaway was a possibility, but monitoring of bus usage showed this was not the case.

## Hoax

Security in the city, especially round polling areas were tight. The Durban Municipal Security Force, and the Durban police both mobilised extra men, while the Natal Command had 'a number of men on short notice standby'.

The road blocks which had been placed on incoming roads through the week were continued early in the morning, and no stopping zones near polling booths were strictly adhered to.

A heavily manned road block was set up on the Victoria Embankment early yesterday morning. Several cars entering the city were searched.

The chief of Durban's

Municipal Security Force, Capt Arthur Willis, reported that everything was quiet during the day.

'Taking into account the volatile situation we had most of our chaps on standby and brought in extra staff. Our job was to assist the South African Police at the City Hall, the only municipal polling station.

'Apart from a bomb hoax at the City Hall early in the morning the day was quiet.'

The Officer Commanding Natal Command, Brig M B Anderson said that apart from assisting the police with a few roadblocks, the army had not played an active part in the security arrangements.

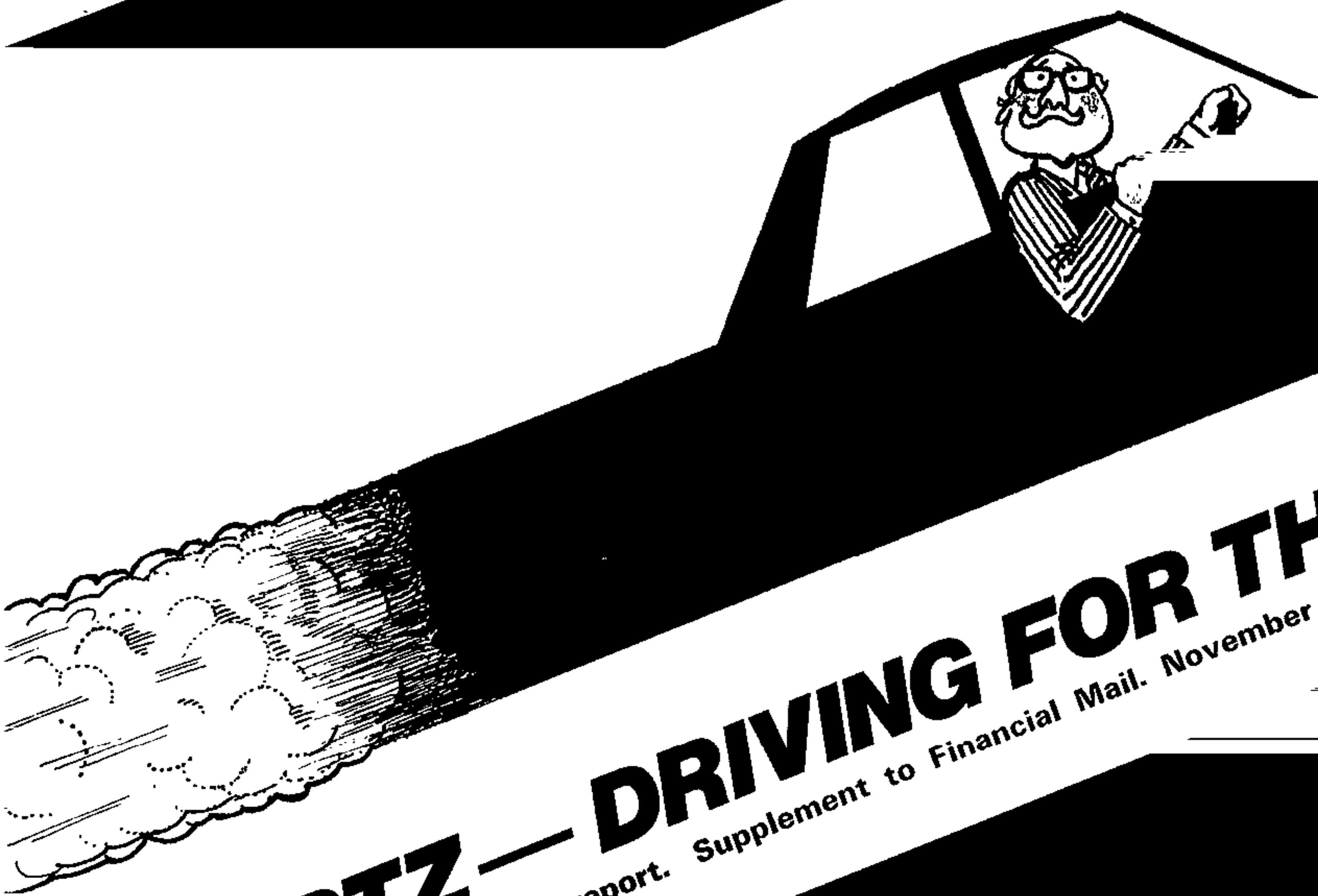
'We have a number of men on short notice standby and we are ready at all times to assist in any way,' he said.

A spokesman in the control room of the Durban City Police said it had been a quiet day.

'There have been no incidents. Everything is quiet,' she said.

A spokesman for the South African Police said the situation was under control and the area was being kept under close scrutiny.





# HERTZ — DRIVING FOR THE TOP

A corporate report. Supplement to Financial Mail. November 4 1983

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# Contents

<i>On the move</i> .....	3
<i>Looking after number one</i> .....	5
<i>Noel de Villiers — back in business</i> ..	8
<i>Cars to go</i> .....	10
<i>What's the difference?</i> .....	12

<i>Reviewing the fleet</i> .....	13
<i>In transit</i> .....	16
<i>All in the mind</i> .....	18
<i>Plastic power</i> .....	21
<i>People pleasers</i> .....	23

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# On the move

*In a tight market, Hertz in SA fights to justify its international tag as Number One*

Times are tough, and the car rental business is no exception. Hertz MD Noel De Villiers freely admits that life is even more difficult after being spoilt with growth rates of up to 40% in recent years.

But it is at this point in the economic cycle when the more innovative and determined companies rise to the top of the pile. And De Villiers feels that Hertz has just the right mix to ensure it continues to succeed.

Although Hertz is the biggest car rental agency worldwide, in SA it occupies third spot after Avis and Budget. Ironically, this is in no small part due to De Villiers himself.

During the Sixties Hertz had pretty much the whole country to itself and even as late as 1970 was the market leader. But Avis, under De Villiers' management, dethroned Hertz from the top spot and has held on to the lion's share of the market ever since.

After establishing Avis in SA, De Villiers left the business altogether. He felt he had achieved as much as he wanted. But in 1980 he teamed up with Sage's Union & London to find a suitable investment vehicle. Quite by chance, the most attractive proposition turned out to be long-time competitor Hertz.

After rising to dizzy heights during the early Eighties the car market went flat. Total annual sales are estimated to have remained static at around R40m for the past two years. Hertz was not able, however, to take full advantage of the boom, mainly due to cumbersome management, and it was at this point that De Villiers decided expansion was the only way to compete.

From a small but unwieldy organisation in 1980, it has already been transformed into a much larger, but more efficient operation. De Villiers inherited 25 branches and 340 staff. Today 315 people staff 75 branches countrywide. The expansion has been costly, not least because of the high level of interest rates — the car rental business is highly sensitive to interest rates because of fleet leasing.

With prime rates more than double the levels De Villiers was accustomed to during his Avis days, new skills were called for. In a perfect climate De Villiers splits his costs as follows. The cost of holding the fleet is estimated at 33% of revenue, salaries 25%, administration 15%, sales and marketing 12% and repairs and servicing 10%. This leaves a 5% profit margin, which can be quickly eroded by sudden fluctuations in any of the variables.

The easiest one of these five to manipulate is the size of the fleet and the return on used cars. Fleet size, like much of the financial data in this business, is a closely guarded secret. But De Villiers says that in good times the fleet will probably peak at over 2 000 cars. On resale values the company aims to recover almost 85% of the purchase price.

Cars are run for about a year before being traded in, but never more than 40 000 km. This is one of the most crucial elements to control, as a 5% deviation either side of the 85% would cost-benefit Hertz around R75 000.

De Villiers admits that Hertz is not going to make a profit in the year ended September 30. But his plan to get Hertz back into the top spot encompasses a five year strategy and by that time he is confident it will not only be back on its feet, but will have the other agencies running to keep up.

The main problem, however, is that the competition has the identical product. Therefore, the only variables possible are the packages offered and the service. De Villiers says it is in these two areas that Hertz management is concentrating its efforts.

Travelling businessmen form the bulk of all car rental agencies' customers, but De Villiers feels this need not be the case. During the 1980-1981 boom there were growing





1 The only portable VCR with a built-in tuner for recording off TV.

2 A hi-fi that plays both sides of a record without you having to turn it.

3 A small and compact portable radio that picks up London.

4 A VCR that automatically finds your favourite programme with APLD (Auto Programme Locate Device – another Sharp invention).

5 A microwave that switches off automatically when you open the door so it's 100% safe.

6 A calculator that works off artificial or solar light.

7 A laser operated compact disc player with in-built computer.

8 A portable video system weighing a total of only 6kg.

9 A portable radio/cassette player that allows you to compose and play your own music.

10 A VCR with 5 speeds: Stop frame, frame-by-frame, slow motion, normal and double speed.

11 A car radio that suppresses itself.

12 A microwave oven big enough to cook a large goose.

13 A music centre that gives hi-fi quality.

14 You wanted to stand your VCR neatly under your TV, so Sharp invented the front-loading system.

15 A compact disc player that tells you how much playing time is left.

16 A car radio/cassette player that automatically finds your favourite track.

17 A VCR with an infra-red remote control for total armchair-comfort operation.

18 A microwave oven that's also a conventional oven.

19 A calculator that draws as well as calculates.

20 A VCR with living stereo sound.

# Big ideas that make life a little easier.

## SHARP





efficiency is that the driver never realizes how hard it is working.

Equally unobtrusive is the modern Mercedes-Benz engine. Quieter than ever. More economical than ever. Yet at the same time more efficient.

It gives the new Mercedes-Benz cars lively reactions, especially in the critical medium speed range.

The fact is, a Mercedes-Benz is as efficient

as current technology will permit. In every area, it achieves the possible.

As a result it is perhaps the best-balanced car on the road. Not to mention on the wall.

**Mercedes-Benz. Engineered like no other car in the world.**

Mercedes-Benz





**Bill Stacey**, Hertz's 33-year-old financial director, joined Hertz in April 1981 with the somewhat anachronistic title of "treasurer." A short three months later he became financial director when the then incumbent resigned to take up a position with another company.

Hertz's accounting function is segmented into two divisions — a conventional accounting arm with an accountant and eight assistants and a receivables division with two accountants and 30 assistants. The latter needs to be far larger, because, says Stacey, "one of the easiest ways of stealing a car is to rent it." Naturally, the receivables function goes beyond this but it is well worth noting that in downward phases of the business cycle the incidence of bad debts tends to rise.

"Fortunately, we've geared ourselves to handle the recession. Our receivables division has been streamlined in such a way that the computer handles all routine matters, with the staff only being brought in to handle exceptional problems. Our rental staff ask customers to produce a Hertz charge card or a bank



credit card before concluding a transaction. If the customer is unable to do so, we require a large deposit."

Yet even such careful precautions can go awry. "It's happened that we've been fed with false information and in this event it's usually impossible for us to get paid and only possible for us to recover

the vehicle."

Stacey keeps an eagle eye on a whole range of balance sheet ratios. "The most important has to be fleet utilisation. Not far behind is the percentage of bad debts and maintenance and administration costs to revenues — on a branch, divisional and blanket basis."

The road back to the top is by no means an easy one, but De Villiers says there are several factors which give Hertz an edge over its competitors. Although Avis is currently number one in SA, customers here still perceive Hertz as the leading agency, he claims. He says that the Hertz name gives it an automatic advantage. He adds, however, it can also be a cross to bear.

The second is the arms-length partnership with Sage which, while giving the company a sound financial base, also allows for the flexibility necessary to keep the company ahead of new developments.

Although Hertz is going through a period of re-establishing itself it is still intent on growth and De Villiers does not rule out the possibility of expansion through acquisition.

The one area to be avoided, in his eyes, is the travel business. De Villiers feels it would be unrealistic to be tied to one operator.

Nevertheless, the company does appear to be going places and, with a sound management team and firm objectives in sight, Hertz has a sporting chance of regaining the number one spot — particularly if De Villiers' track record is anything to go by.

## Looking after number one

*First into SA, Hertz has had to lose its lead and reassess its identity before making another bid for the top*

Hertz, the world's first and biggest car rental company, has suffered a fairly severe identity crisis during its existence in SA. It has its roots in an altogether more gracious and leisurely era, when car rental was a service offered to gentlemen disembarking from passenger liners in Cape Town. Great care was taken to look after these customers, without doing anything as vulgar as selling.

The company didn't really need to. It was the only national car hire company in SA,

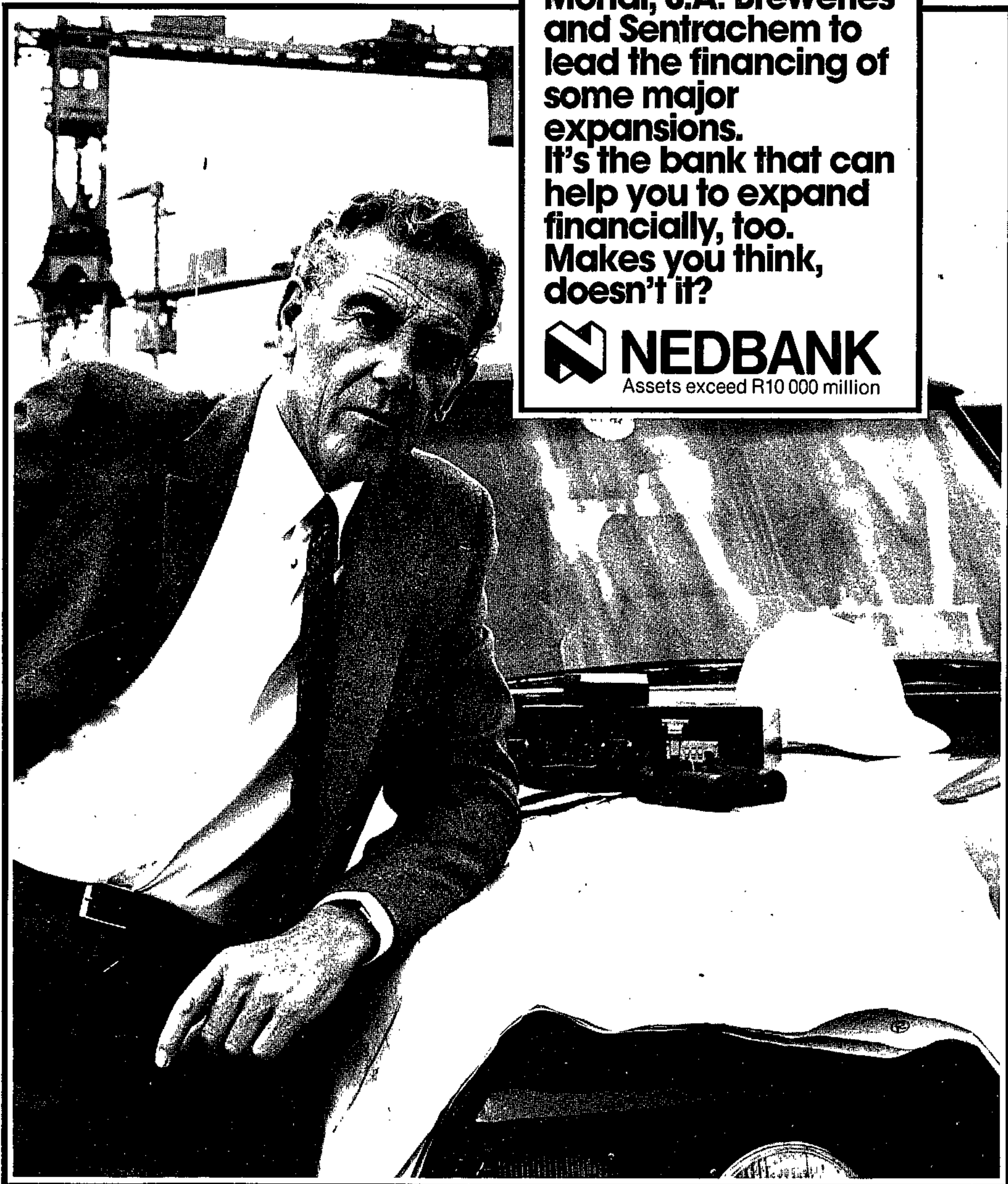
with a good 70% market share. Then in 1967, along came Noel de Villiers, fresh from Europe, his head full of fancy continental ideas. He later started up Avis nationally in SA and changed the whole profile of car hire from tourism, in which Hertz had been heavily involved, to airports. Hertz soon found itself left behind by the new world and its fortunes went steadily downhill, until it was rescued, in January 1980, by the man who had caused all the trouble in the first place. Having knocked the basic structure

back into shape, De Villiers is now fighting to regain the top position.

He has one big advantage. Hertz, affirms De Villiers, never lost face in the public's mind: its positioning as No 1 didn't falter, even during the down time. And the company has a wealth of tradition behind it. Started by Henry Ford in the USA in 1918 (it became Hertz in 1923), the SA operation dates back to 1919, though the Hertz franchise was not acquired till 1964, by veteran car rental man Robert Murray. Murray had been in the business since 1937, when he took over Delville Motors, the only car hire company in SA at that time. De Villiers still retains Murray on the board, valuing him as wise father-figure.

Murray was way ahead when he started Hertz in SA. South Africans had never heard





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Mondi, S.A. Breweries  
and Sentrachem to  
lead the financing of  
some major  
expansions.  
It's the bank that can  
help you to expand  
financially, too.  
Makes you think,  
doesn't it?**



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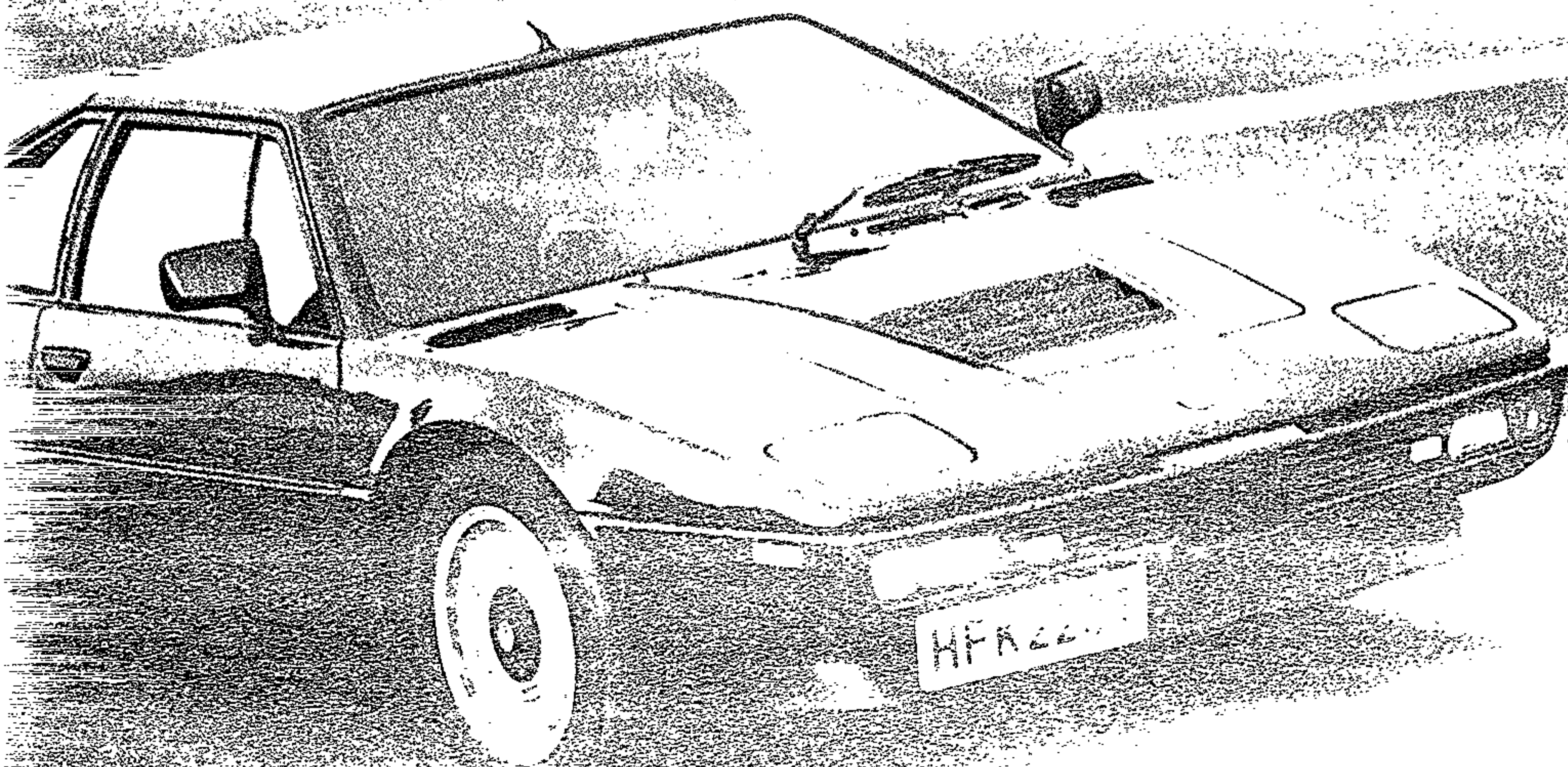
Assets exceed R10 000 million

**As a matter of interest: It is as much the size of The Nedbank Group's assets (today over R10 billion) as it is Nedbank's progressive and innovative approach to the scheduling of intricately detailed loan packages that have persuaded major corporations to use Nedbank. It is also this unique approach that Nedbank applies to all its customers. Whether your loan requirements or general financial needs are big or small you will be getting Nedbank's flexible, personal and professional approach to banking. An example of Nedbank's simple philosophy that combines quality thinking with management experience. And one of the reasons why people and companies interested in wealth-enhancing techniques bank with Nedbank. People who take money as seriously as their bank.**

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masses is its good breeding.

One only has to consider the bloodline. From the 518i through to BMW's M1. First raced in 1979, the M1 Pro-Car was, regrettably, a pleasure restricted only to Grand Prix drivers.

the 518i. Membership of the Marquee.

Fortunately, the joys of driving a thoroughbred BMW machine are, with the 518i, available to a somewhat wider group of driving enthusiasts. A very special breed who adopt the same attitude to life as they do to driving. Active enjoyment.

Which explains why they are attracted to the 518i. For apart from being the easiest BMW to own, it is also a superb example of engineering precision. Demonstrating that automotive excellence and technological innovation are characteristics as common to the 518i as they are to the upper echelons of the BMW range.

The 518i. The quality is in the breeding.

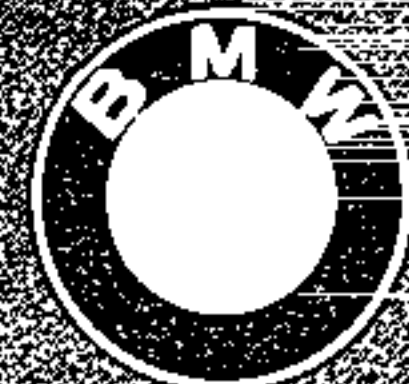
A thorough examination of the 518i serves to demonstrate why every BMW is regarded as a definitive driving machine.

Its independent suspension, for instance, explains why BMW owners relish the most vicious corners. Where the steering provides the sensation of increasing, rather than losing, control over the car.

While its fuel injected engine provides the pleasant sensation of refined motoring. As well as the security of being able to accelerate away smoothly and safely after a cold start.

Its fully integrated safety features, furthermore, explain why BMW is acknowledged as the safest range of cars on the road.

What likens the 518i to other BMWs is the elegant simplicity of its form. What distinguishes the 518i from other cars is the form itself.



Sheer driving pleasure





**Why just buy a car  
that comes off the  
production line  
when you can get one  
with a bloodline—  
BMW's 518i.**



why they were being so obtuse." The authorities regarded the airport as a necessary evil, not a commercial venture. They had never done it before, and didn't see why they should do it now. It was two years before Avis was finally given a tiny kiosk at Jan Smuts.

De Villiers did such a good job of convincing the authorities that car hire was a lucrative proposition, — a fee based on a turnover is paid to the Department of Transport (DT)—that it has, in a way, rebounded on him. Initially, concessions were granted to Avis and Hertz; soon after, Budget was allowed in. And Imperial has just been given the go-ahead.

This time, De Villiers went to Cape Town to ask the DT *not* to allow more car hire into the airport. The secretary was not moved. "The airport is too small for four companies. The cake remains the same size, it doesn't get bigger." The other major problem is parking. "We've been battling under congested circumstances for a long time — but if that's the name of the game, we'll have to play it."

Initially, though, the airport was an exciting breakthrough that helped push Avis to the forefront. Car rental seemed like a good business to be in, and others followed De Villiers' lead. But by now he was becoming restless. "A few things began to dawn on me. My dream of running my own company had worked in the sense that Avis was a success, but it wasn't mine. I only had 10%. It had been a long and happy stint, but I had reached the age where I felt that if I didn't change direction then, I never would."

In 1975, in a fit of mid-life crisis, De Villiers went back to his roots and bought a sheep farm in Ladybrand. "I had visions of expanding my corporate interests to the point where I could retire to farm. But the person having all the fun was the farm manager."

De Villiers didn't manage to combine business and farming: he opted for the rat race and joined Rennie's, officially as MD of the Travel, Tourism and Security Division. But in reality it was a trouble-shooting position, during a period of uncertainty and instability for Rennie's. Hiring and firing was not his scene. "I'm a builder. I felt fairly resentful about it, but I did learn an incredible amount. I realised that I really wanted to run my own business."

He left Rennie's and approached Sage, where he met Wally Gray, then head of Union and London Investment Trust Co, Sage's investment banking arm. It took two years to find a suitable company to buy. De Villiers bided his time with Freight Services, on the understanding that it was only until a suitable investment opportunity came up. (It was an amicable arrangement and De Villiers remains on the board of one of the company's subsidiaries).

After two years, in desperation, de Villiers considered going back into car rental. Word got around that he was looking. "We heard, to our surprise, that Hertz was for sale." Certain that it was out of their league, De Villiers and Union and London began negotiating and bought the company in January 1980. It's an equal partnership and De Villiers feels that he is running his own show; unlike the situation at Avis, where he was running a subsidiary of a major company. He has an excellent relationship with Union and London. "Questions are not asked around here about who controls what. It's an open cards policy: we keep them informed of what's going on."

De Villiers is back where he belongs, in a business he understands, companies whose assets are people. "I like motivating people, seeing them progress. I get a kick out of seeing them do well. I also believe that one is in business to make a profit. Some people probably think I'm hard-nosed, but I like things to function properly, to maximum

levels of efficiency. I suppose I'm a perfectionist — and it's sometimes difficult for people working for me. I have a strong feeling about what success is for the company, in terms of what I'd like to achieve."

This doesn't just mean financial success. De Villiers refers to his written creed. The company must "be a haven for people; it must take its place in the community ... The work environment should be uplifting and harmonious ... It must be part of each individual's support system, supplementary to their homes, complementary to their development in all spheres of life."

And if it sounds like something out of Pseudo Corner, De Villiers doesn't mean it like that. He believes in his people, he wants them to be happy, but he's determined to get the best out of them. Not in a vague unstructured way. His ordered mind needs goals: individual and corporate objectives are set and reviewed regularly.

How does Avis feel about all this? "My coming back into the industry did cause a



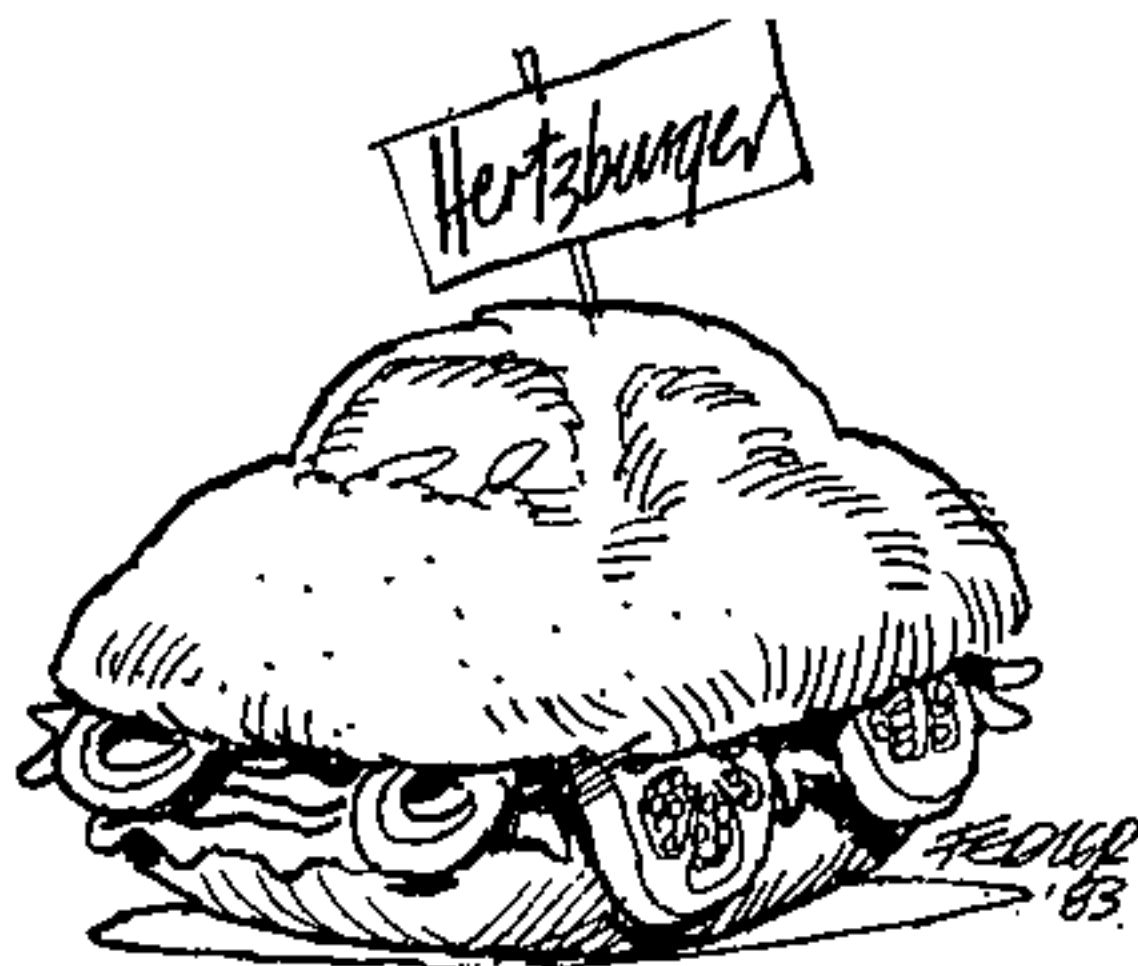
Noel de Villiers ... back in a world he understands



to be profitable and achieving this is a delicate balancing act.

Others have thought car rental looked like a good way to make money, but then found themselves out of their depth. "In boom times, motor companies got into the act. For them there's always the attraction of volume.

"They'd see us putting in an order for 200 cars and think, why aren't we in it? But they quickly find out that this is a very specialised business. It's a service industry and they're in retail. I think manufacturers have now decided that it's a business to leave to the professionals. One notable exception in



Europe is Renault, who owns Europcar."

However, the field in SA has broadened considerably since the early days, when there was just Hertz and Avis. "People began to realise that this was quite a big business. To this day I'm not sure why it's so competitive. I don't have an intelligent explanation. People almost cheer on the sidelines, rooting for their company. Of course one gets complaints, but we also get a lot of helpful letters from customers, suggesting ideas, which indicates the extent to which they feel involved."

When De Villiers started Avis in SA the market was wide open. "Wherever we looked all we saw was Hertz." And as a new company, with no structural or management restraints, Avis was able to go ahead in its own way. But quite soon a number of smaller companies emerged following in the same direction as Avis. The two biggest today are Budget and Imperial. "There are also a number of local companies, especially in Cape Town, who wisely have remained local and always provide a good service. I've always felt that the larger companies have been remiss in not giving attention to local markets. Hertz has tried to remedy that, with three downtown locations in Johannesburg. The airport factor can be mesmerising, one can forget that it's only 50% of our turnover. With proper effort, downtown could reduce that 50%."

The airport was a turning point in the car rental industry — and one which De Villiers himself manoeuvred. "The growth of the industry was very exciting. You can imagine how the businessman reacted when we got into airports. From using buses, having people to meet him, he had freedom. Car rental means mobility; you don't have to be reliant on others when travelling. In business or leisure, it's a concept associated with independence, mobility and freedom."

With widespread acceptance of car hire, the market has become very tight and fiercely competitive. Initially it was clear-cut. First there was only Hertz, then Avis came in and outstripped Hertz. When Budget came into SA, it was far behind Avis, but the gap later closed significantly. Now Hertz has made a comeback, and the three major companies are fighting for the top.

This, believes De Villiers, makes for an unhealthy market situation, creating instability in the industry. "In the short term, it makes operating conditions tough but in the long term it is better for the professionals. In the battle of the giants the really small ones tend to be squeezed out." But not all of them. "I regard every competitor with equal respect; anyone who has a car to hire is competition. We'd be fools not to take them seriously. In Europe, the major car hire companies became a little arrogant towards the smaller ones and it cost them dear."



Getting into airports changed the direction of the car hire industry





**ON THE  
FACE OF  
IT, ARE ALL  
CAR HIRE  
COMPANIES  
THE SAME?**





## We cast our network far and wide.

We've paid careful attention to the planning of our network. With the result that Hertz has the largest number of rental locations in South Africa. Over 75 in fact.

And you can rent a car at one branch, and leave it at another. More often than not at no extra charge. Just ask your Hertz girl for details.

## A "No Delay" Shuttle Service.

When you're in a "can't stop to fill in those forms" situation, the Hertz Shuttle Service can save the day. Simply fill in the documentation at your point of departure and a car will be ready and waiting for you at your destination.

No hold-ups — you get to your meeting on time.

## Payments are painless.

Hertz are contracted to all major charge card organisations, so payments are painless. In respect to cash rentals a small negotiable deposit is required.

And Hertz hold the winning card that entitles bearers to even better rates than normal.

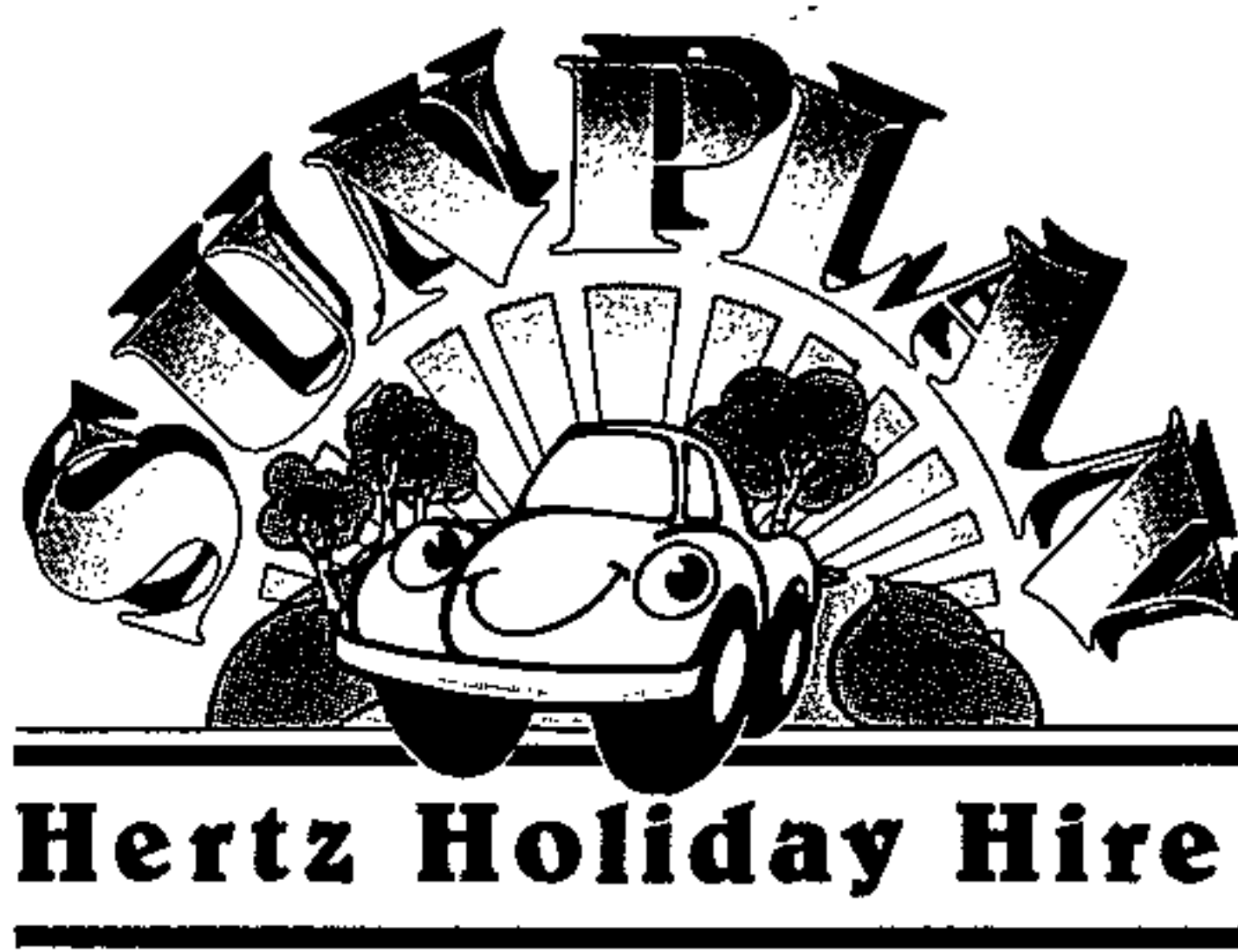
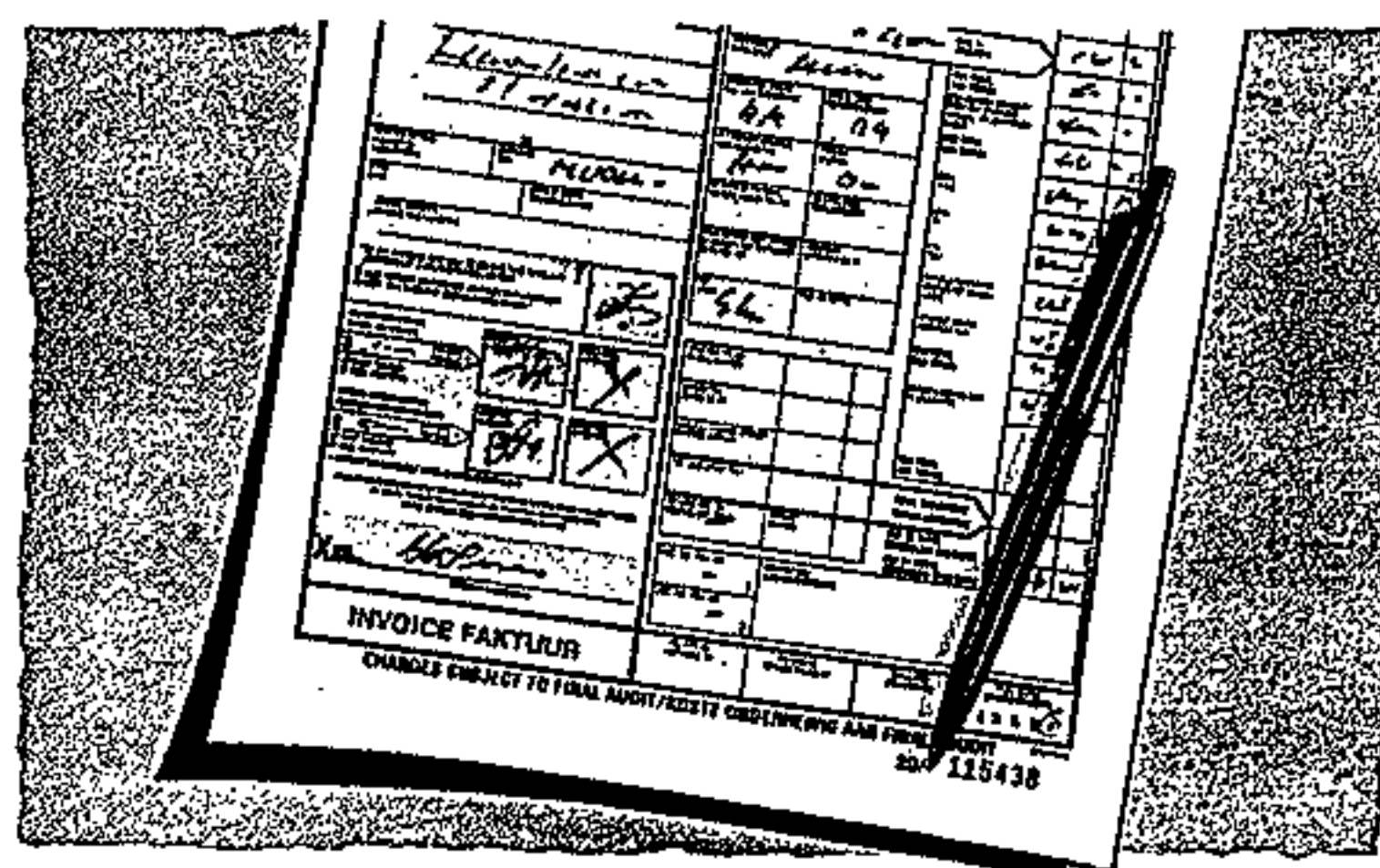
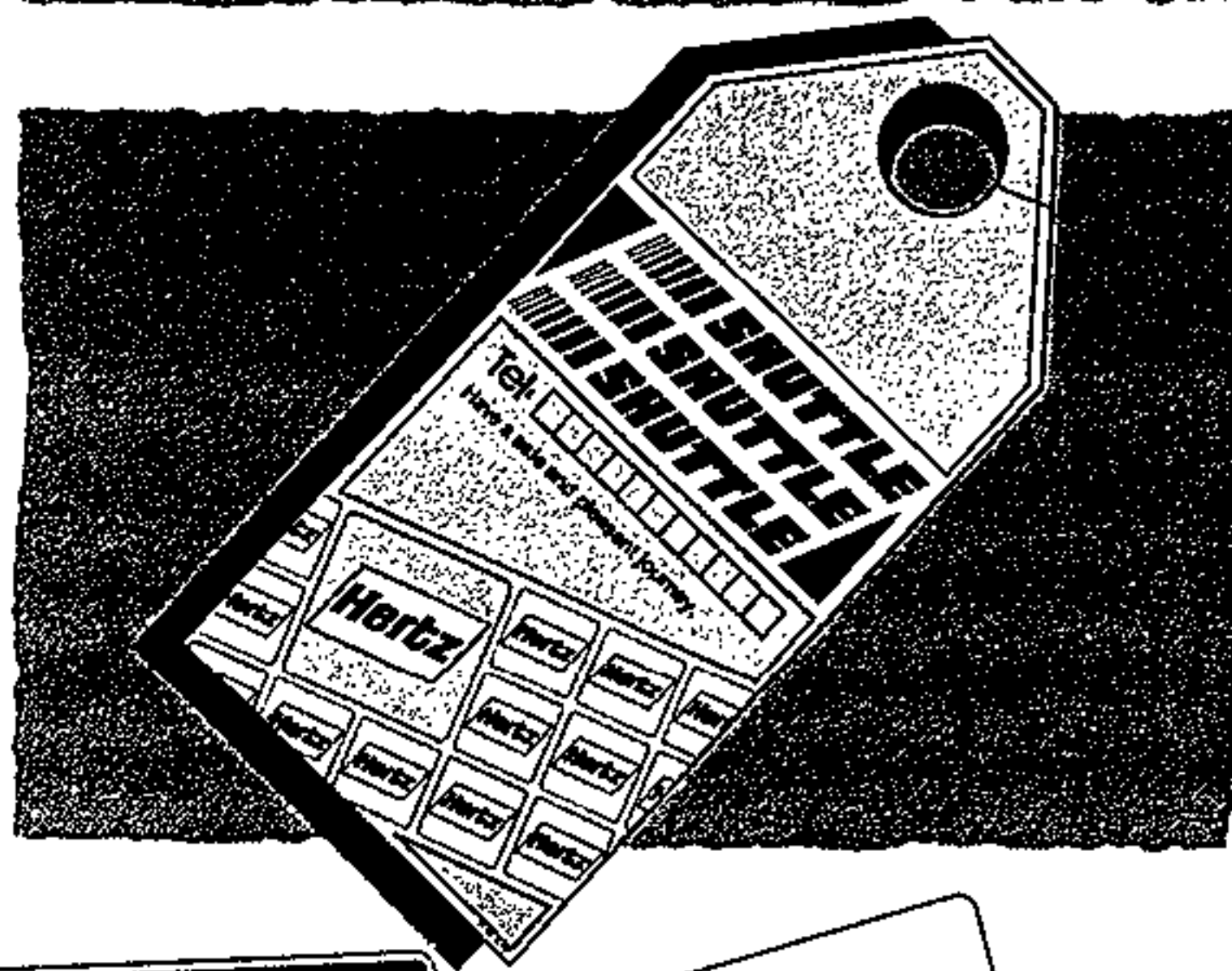
Available on application, our credit card is recognised world wide. All charges are automatically billed to you. No fuss, no bother and you save cash.

## We contract for your convenience.

If you don't want to get tied into the expense of buying a car, the Hertz Contract Rental Service is the answer to your call. For periods of 1 — 12 months you can rent the car or fleet of your choice on a hassle free basis.

## "Hire Lower" Holiday Hire.

With Hertz Sunplan rates you can hire lower. Special weekend and holiday rates allow you savings of 40% and more. Can you really afford to go on holiday any other way?







travel — dine in comfort, sleep overnight and arrive early and refreshed the next morning — and leisure, where flying is becoming prohibitively expensive. Hertz is al-

ready working in conjunction with Southern Sun on its Fun Train.

"As in industry, the onus is on us to make sure we can cope with what's required of us.

It's no good saying 'we've got parking problems at Jan Smuts airport.' Growth potential exists. Whether we get that growth depends on us rather than the market."

## Reviewing the fleet

*Hertz is a major buyer — and seller — of cars, which requires some very specific skills*

When you're buying a couple of hundred new cars at a time, you're a pretty important customer for the motor trade. In the US, the relationship between car rental companies and manufacturers is recognised to the point where Ford, for example, contributes millions of dollars towards Hertz's national advertising.

De Villiers did the same with Avis and Golf. It was a new innovation but it worked so well that Golfs have now become a feature of virtually all the car hire companies' fleets. Avis retains the line, "Avis rents Golfs and other fine cars."

De Villiers couldn't take that with him, but he did take Ray Green, who had 19 years' service with Volkswagen, as his Fleet

Director. "He signed the agreement to take over Hertz at 3 am; at 10 am he 'phoned me and said, resign, you're coming with me," chuckled Green.

Green has been in the motor trade virtually all his life, covering every aspect from used cars to credit, to retail, to fleet management. At Hertz he is responsible for looking after the fleet, for buying and selling vehicles (Hertz is a major seller of used cars).

One of his functions is to keep in close touch with the motor industry in SA. The two businesses need each other, he says. And that means not only knowing what's happening, what new models are being launched, but also knowing the people involved. If

faults need fixing quickly, if there is any problem with a new car, friendly co-operation is essential. The car hire industry, for its part, has a strong influence on public buying decisions, argues Green.

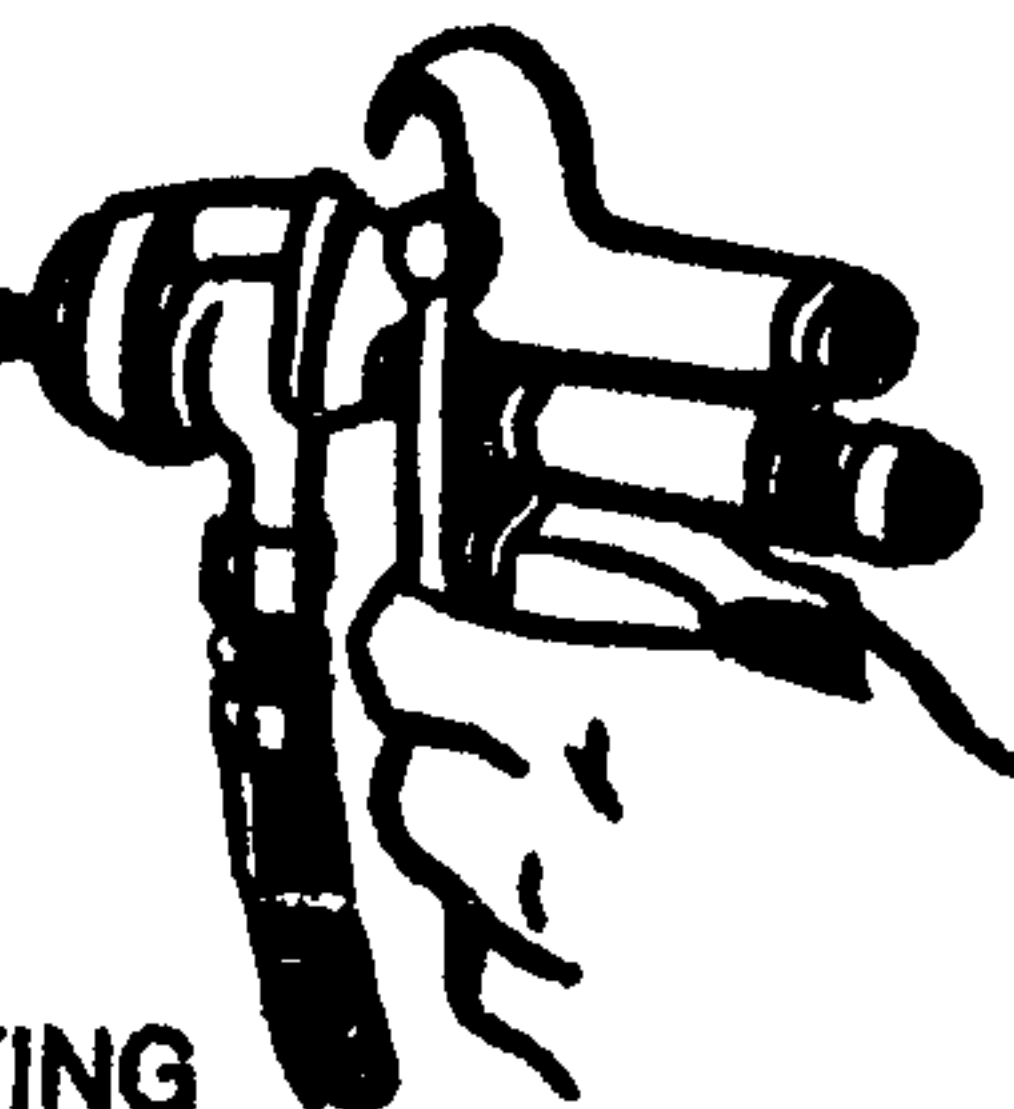
Driving a hired car is like a free test drive. There are people who deliberately hire a particular model for a few days, just to see what it's like. Others, when it comes to buying a new car, might remember a car they rented some time ago. The car hire companies get the car brand new so, for the motor manufacturers, it means "an instantaneous test drive by thousands of people." Research done by Volkswagen while Green was with them, indicated the extent of this influence but no independent surveys have been done since then. Some manufacturers actually resent the inference that car hire companies can sell their product better than they can.

Another bonus for manufacturers is that



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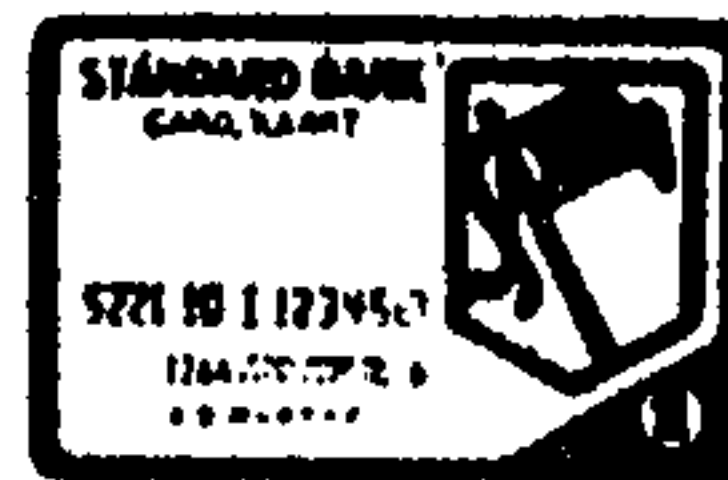
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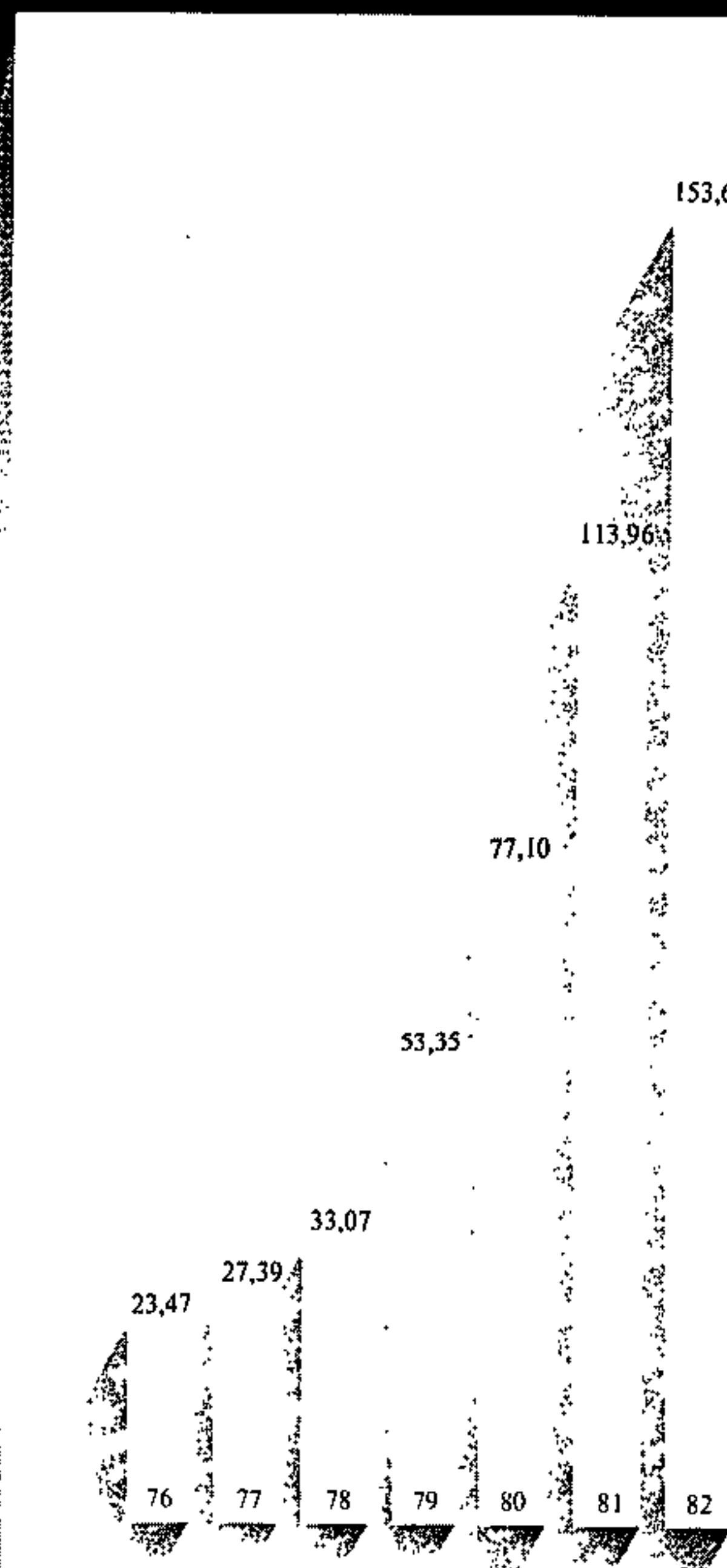


**PROP:-  
ALDO CORNA**

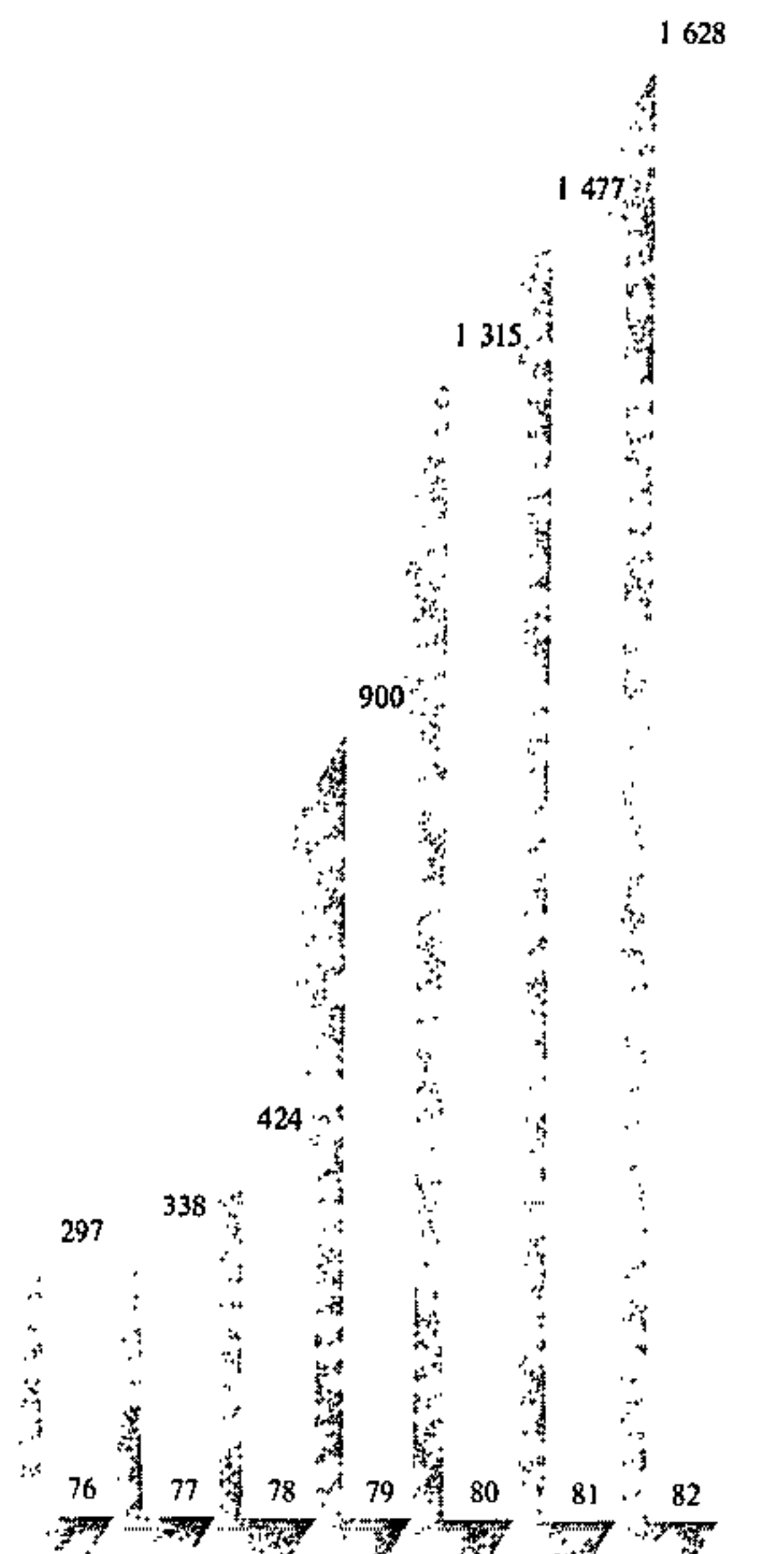




# GROWTH THROUGH PARTNERSHIP



Earnings (cents/share)



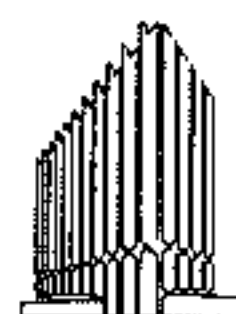
Net asset value (cents/share)

Since becoming a member of the Sage Holdings Group in 1975, Union & London's size and scope have increased significantly and its activities, formerly confined to the traditional investment trust field, have been broadened to encompass the areas of investment banking and entrepreneurial finance. The company's aim is to complement the entrepreneurial flair of successful individuals, or companies, with financial support and to acquire strategic interests in selected listed and unlisted companies.



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INVESTMENT TRUST LIMITED**

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In a world where cars are built to last for as long as they're fashionable, that's a fair question.

It seems, however, that millions of European motorists have the answer.

The Opel Ascona.

It's the biggest selling medium-sized car in Germany, one of the biggest selling cars in Europe, and the winner of the 1982 Japanese World Car of the Year Award.

All of which begs another question.

Why?

At Opel we believe it's got a lot to do with the way the Ascona's built. With care. And, of course, the attention to detail you'd expect from German engineers.

The new 5-speed Opel Ascona is, in fact, the only medium-priced car in South Africa that comes with a fully imported German designed engine and transmission.

And before they leave our factory we make sure they're built to survive. For good measure, we leave our test engines running for 500 hours.

Flat out.

The quality control standards we apply in South Africa are equally exacting. So, as soon as we've assembled the Ascona, endurance testing starts all over again.

To ensure it can handle the extremes of South Africa's climate, we drive a test car through sea water. Then we leave

it to dry all day in the sun. Not once, but 24 times.

This process has helped to make the Ascona one of the most rust-resistant cars on the road. But the beauty of the new 5-speed Opel Ascona is that it's also built to survive in a hostile economic climate.

The new 5-speed transmission makes for significantly reduced engine wear and at 5,5ℓ per 100 kms at 90 km/h\*, its fuel consumption is positively frugal for a medium-sized car.

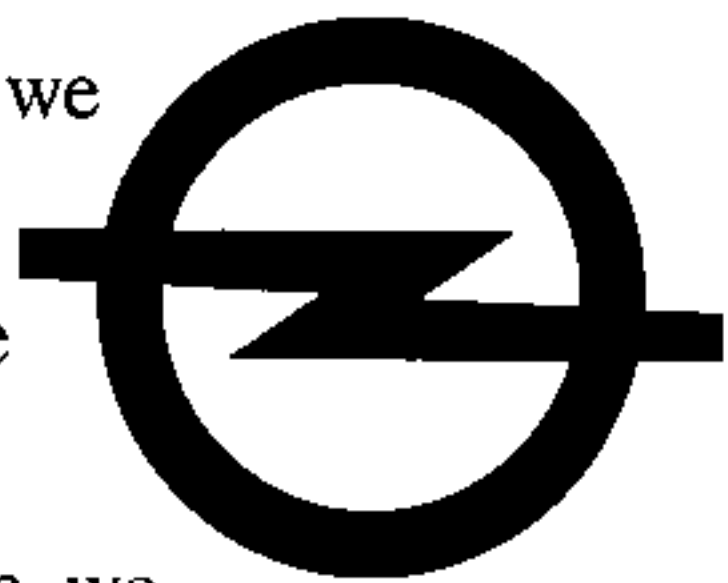
Moreover, the transverse engine technology ensures maintenance costs are kept to a bare minimum.

But for all its advanced engineering, the Opel Ascona actually offers you something that's fast becoming old-fashioned in the automotive industry.

Quality at a price you can afford.

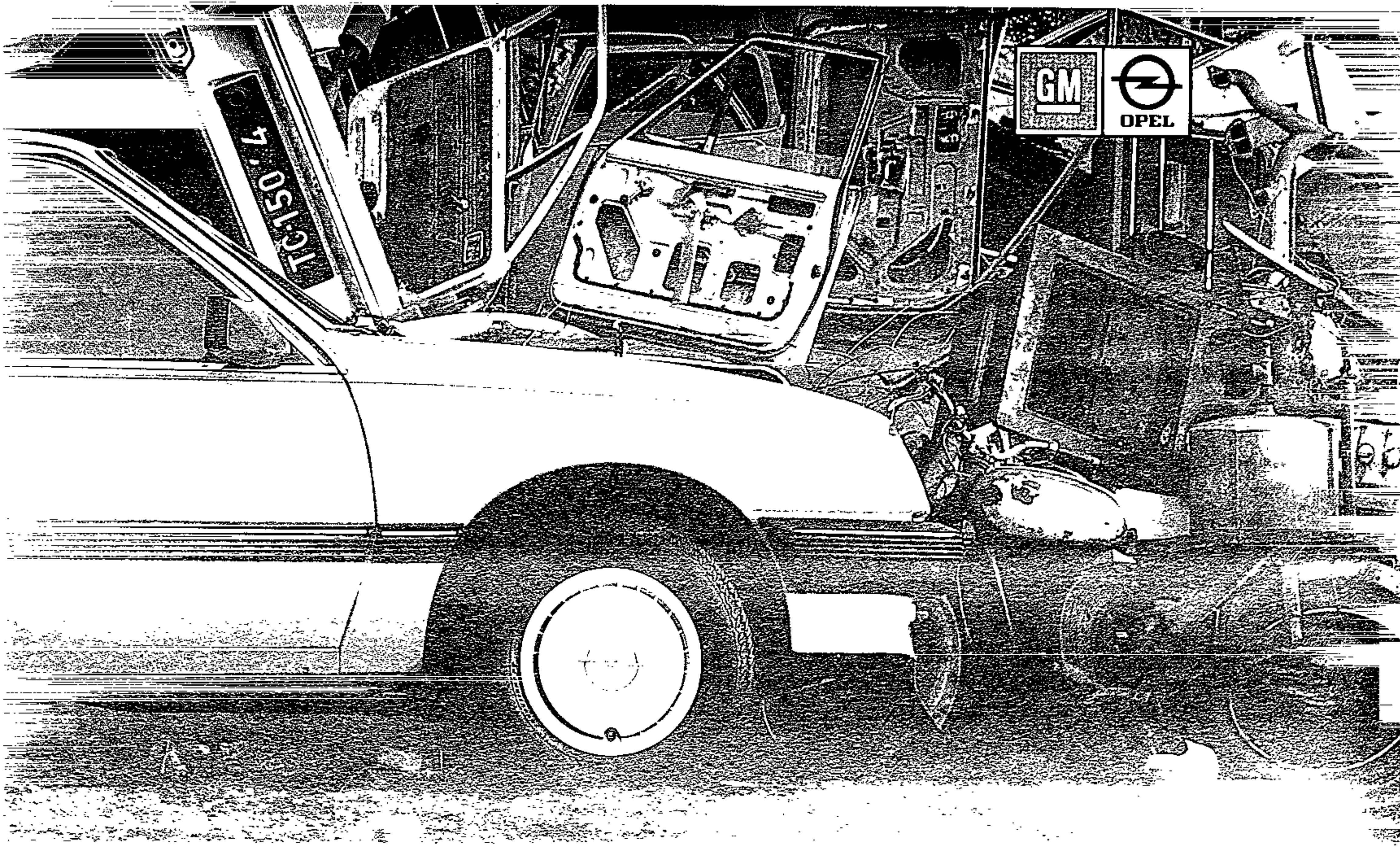
If you'd like to test drive the new 5-speed Opel Ascona, why not contact your nearest General Motors dealer.

It'll change the way you think about cars.



## THE NEW 5-SPEED OPEL ASCONA.

The quality you used to expect from a car.



including factory fitted air conditioning (optional). 1,600 cc features in addition to 1,600 cc: tachometer, volt meter, speedometer, temperature gauge, fuel gauge and economy gauge. Enhanced noise insulation package. Shaded windshield. 4-spoke softfeel steering wheel. Deluxe cloth seats and door trim. Body pin stripe. Full disc wheel trim. 185/70SR x 13 tyres.

\*Opel Germany.



International to market it for us. The second time visitor to SA is really the one to go for. He has been here before on a tour and now wants to come back and see the country by himself."

Airlines and hotel groups are obvious bedmates for Hertz but the company will collaborate with anybody who's "at the forefront of innovation," says De Villiers. Inevitably, though, the travel industry plays a large part in Hertz's life. "When he's making an airline reservation, the customer is in his most captive state. If the travel agent is on the ball, she'll suggest a car — and nine times out of 10 she can clinch a deal for us. We have a need to communicate with the travel trade." This is one of the functions of Hertz's "very productive" public relations effort. About to be launched is the Hertz Travel Club, which aims to woo members of the industry with all sorts of perks, benefits and special treatment.

Hertz has achieved two important tie-ups which could have a marked impact on business. It is the official car hire contractor to the AA, which has 610 000 members. As part of the deal, it is offering AA members an exclusive package: the One Way, One Day programme. This means that you can rent a car in December from any inland location to any coastal city for R35; and back the other way in January for the same price (the car has to be returned the same day). "You could move a family of four from Johannes-



The familiar Hertz rental counter

burg to Durban for R35," says De Villiers. "Getting linked to the AA is very important to us. It shows a vote of confidence in Hertz and gives us an audience of 610 000 of the most important motorists in the country."

Another coup is the arrangement with Standard Bank, whereby holders of the bank's new garage card, Motorcard, will be able to use it to hire Hertz cars.

Since the market is primarily business orientated, at weekends the cars tend to stand idle, which is uneconomic for Hertz. In order to stimulate the leisure market and ensure maximum use of cars, rates are substantially reduced over weekends and holiday periods. "We must be concerned about broadening the base of our market: the corporate market must soon reach saturation point."

The special Sunplan packages offer a variety of fly/rail/drive combinations for leisure time. And at the weekend you could hire a car for half the normal rate. The customer might even be your same businessman off-duty. Hertz has also linked up with a windsurfing company: hire of a rental car entitles you to cut-price equipment.

The fleet itself has been revamped this summer, and includes a special "S" category. These are sporty cars you might not normally drive, for those days when you're feeling "springlike."

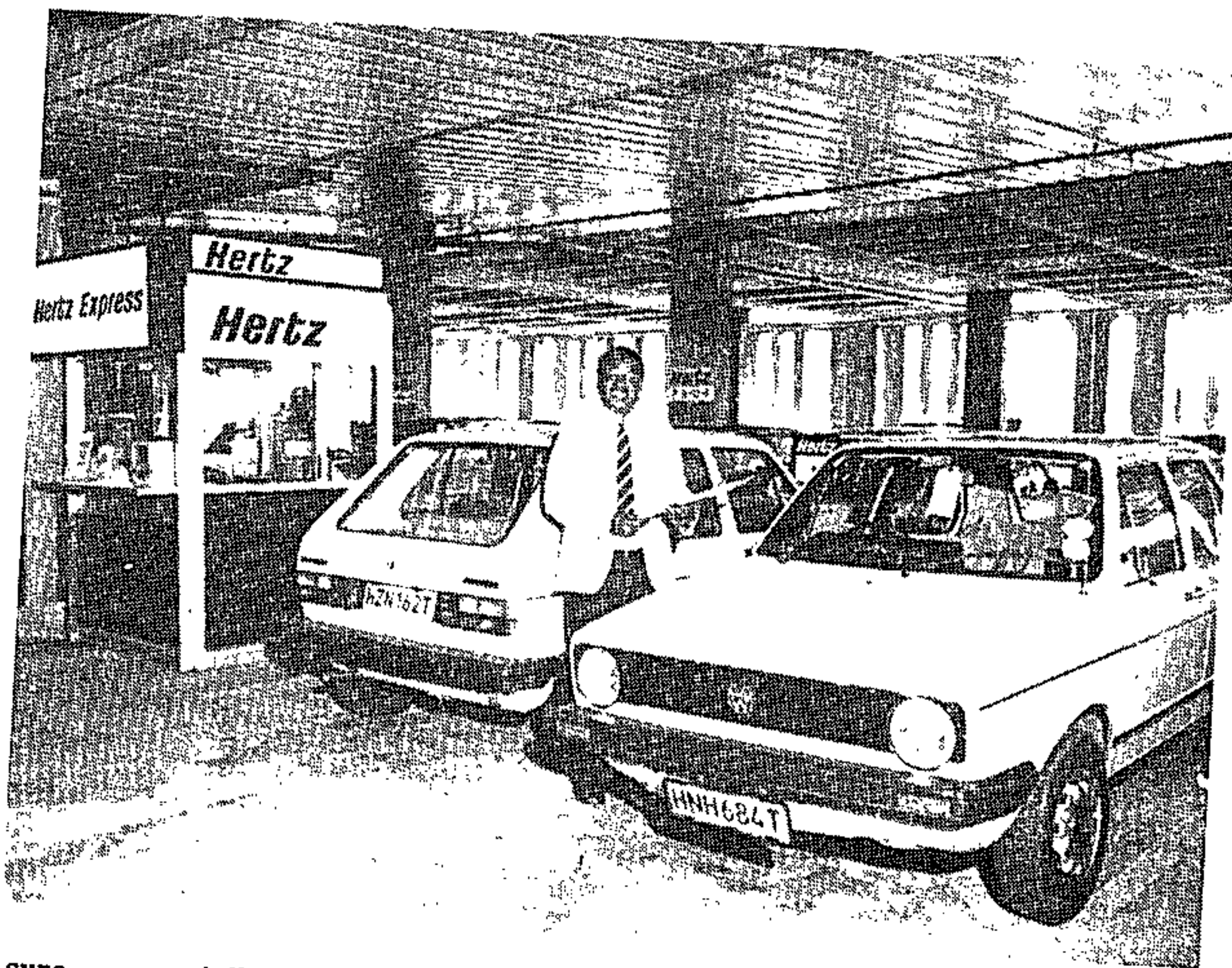
The professions are another target for Hertz: most professions qualify for a discount on car hire and Hertz is the official rental agent for Intercare, a body which looks after the interests of doctors. Conferences and exhibitions, especially where international delegates are involved, are also

Albert ("The Lion") Mambane is Hertz's window to the outside world. His is among the first welcoming grins espied by the overseas visitor renting a Hertz car.

"It's the Italians that present me with the most problems," he says wryly. "Very few of them speak English and when we struggle to communicate they often get excited. But nearly every time I manage to satisfy them. Sign language is international."

His dedication to his job has yielded a dozen or so Portuguese phrases, which he proudly fires from the hip. And that's in addition to his ability to converse fluently in several black languages. Albert is also entrusted with the training and supervision of the Hertz drivers at Jan Smuts Airport and Jet Park.

His ultimate aim? "To make sure every customer is satisfied. It sometimes happens, for example, that the car a customer has hired is too small to carry all his luggage. When that happens I arrange for his baggage to be delivered to a convenient place. Making the customer happy gives me much plea-



sure — especially when he asks me to diarise his return date to be sure that I

am there to meet him when he comes back."

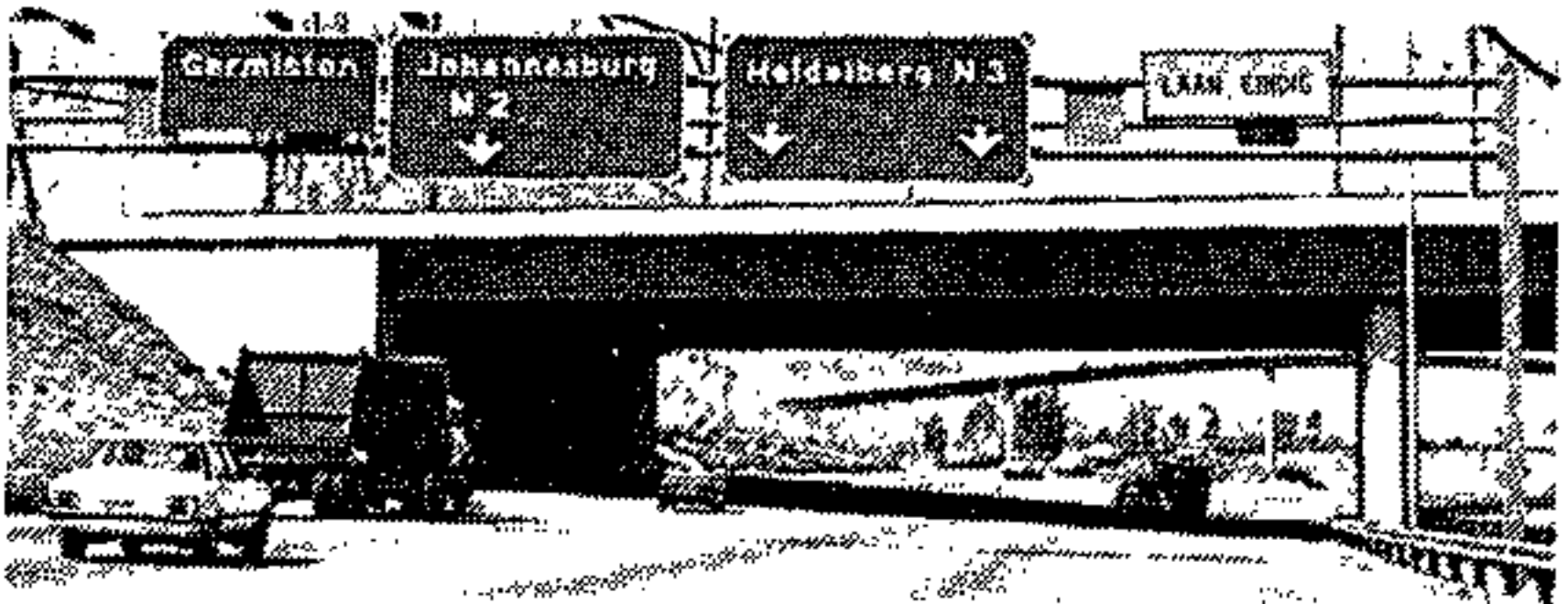


# How to enjoy 2 extra days holiday at the coast...

## Hot Run



8 am



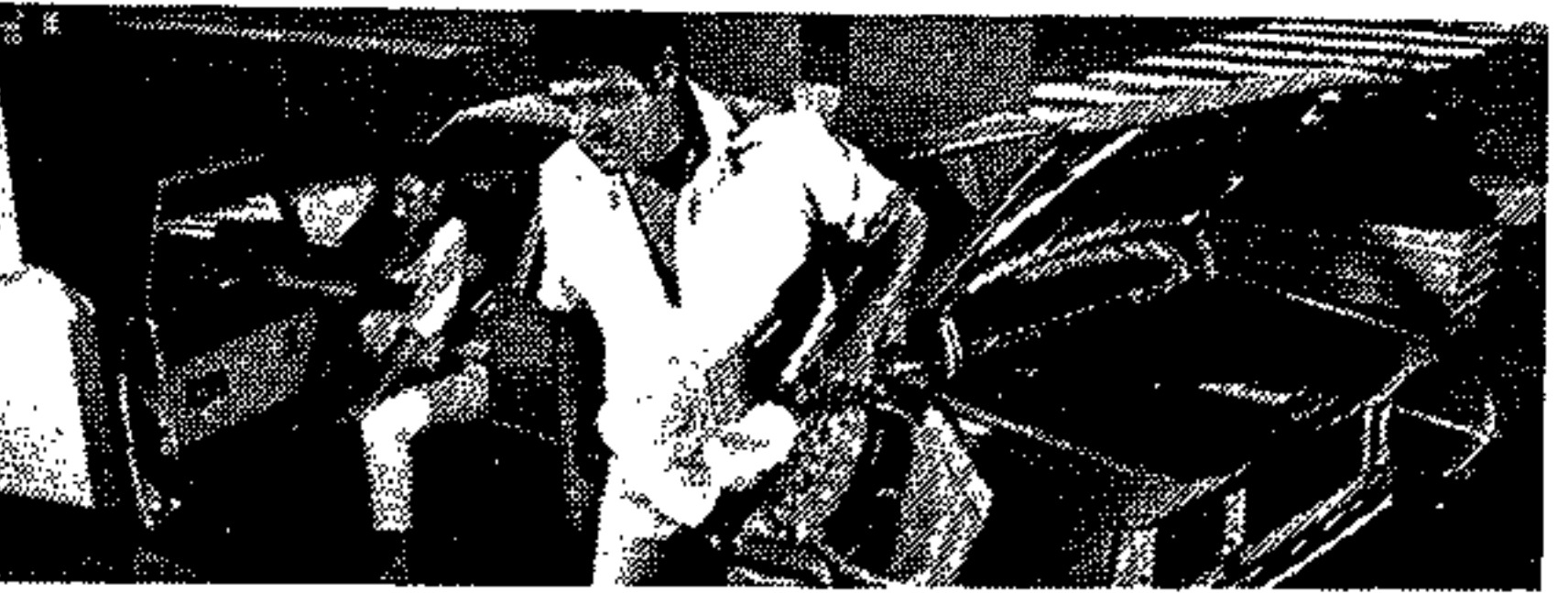
9 am



11 am



3 pm



6 pm

## Fun Run



SAA have really gone out of their way to make family travel easier and affordable. For full details of excursions such as the 30% discount on Apex and family fares (up to 75% discount) see your travel agent or SAA offices. And why not enjoy the Hertz Fly/Drive scheme — it offers really special low rates for SAA passengers.

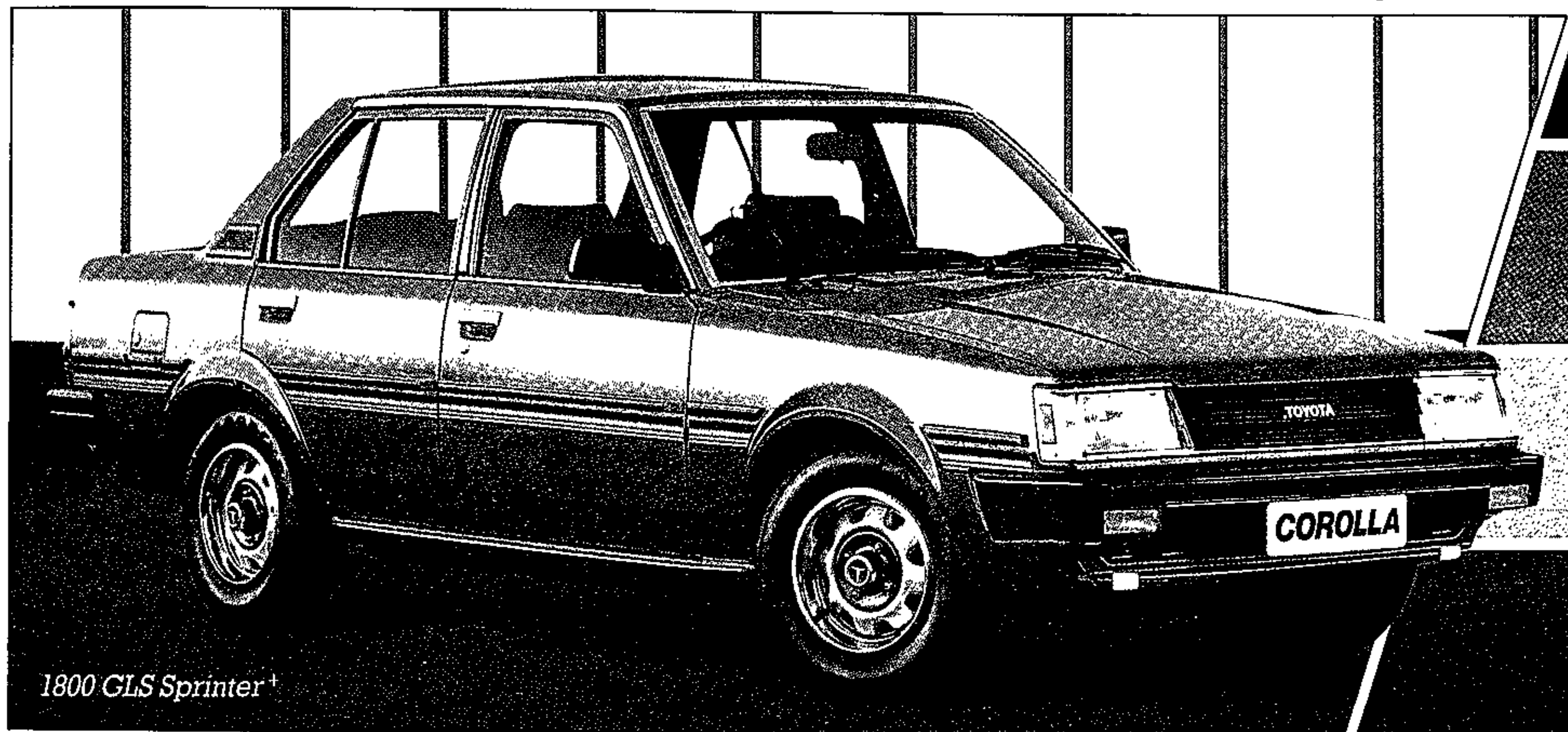


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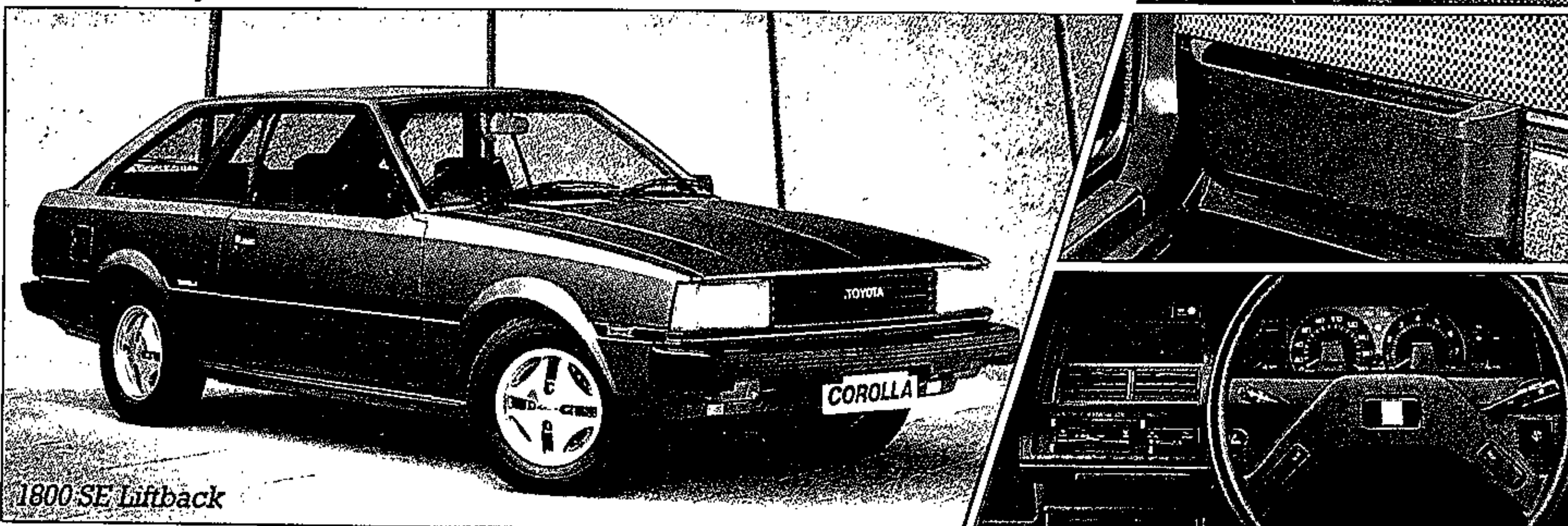
1800 GLS Sprinter<sup>+</sup>

# It doesn't talk but the features say it all.

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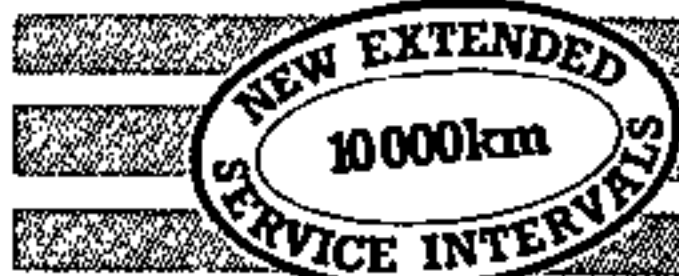
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1800 SE Liftback

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As befits a fast mover, the new 1,8 Jetta GLi is also a pretty quick-witted thinker.

In fact, it has not one but two sophisticated on-board computers.

The first is a multifunction computer with two separate memories, one for each stage of a journey and the other for the total journey. It shows seven separate functions for each memory, each at the touch of a button. Telling you everything you need to plan your journey . . . including what it's like outside.

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And while we're talking numbers, consider these: 0-80



km/h in 6,5 seconds. 0-100 in 9,3. Top speed 177,6 km/h.

The figures speak for themselves, while Car Magazine puts it in words: "A performance model of rare distinction."

Jetta also enjoys the distinction of having the biggest boot in its class. 520 dm<sup>3</sup>— enough to take five large suitcases comfortably, one for each passenger. And comfort for the passengers themselves is equally impressive.

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And which is worth, we believe, more than even the most sophisticated computer can calculate.

**1,8 litre fuel-injected Jetta GLi.**





# Plastic power

*Making it means sell, sell and more sell — all helped by a magic charge card*

The Hertz sales team had a very rocky road to travel when it set out, "virtually from scratch," to build up a client list, says national sales manager Dave Whitfield. It was only at the beginning of 1982, once the company had been reorganised on a sound structural footing, that a proper sales division was established. "We had a handful of salespeople, but it wasn't co-ordinated. Now we're 18 months down the road, figures are beginning to come out of our sales effort."

It's still tough. "We had a lot of ground to make up. We're forever on the search for leads; it needs perseverance, and a lot of cold calls." Hertz had to break into a market that was already fairly well tied up by the other car hire companies, especially its main competitor, Avis. "As you're leaving an office, the Avis person might be sitting

outside, waiting to go in. That's what makes it so tough. But if you can do well in car hire, I believe you can sell anything. In a service industry, at the end of the day, you're selling yourself. It's the rapport between you and the customer that counts — more than the commodity itself. In the case of beer, for example, you can be the worst salesperson in the world, but if the customer likes the product, he'll buy it from you anyway."

There is now a national team of salespeople out on the road; all have been carefully chosen. "We had to ensure that we had the right people. We had to establish systems to ensure that their job was effective and they were doing their best out in the field for the Hertz organisation. We're trying to train our people to sell specifically on services, on benefits, to establish the needs of the cus-

tomers — not to sell on discounts."

The sales effort is concentrated on the major city areas and the main objective is to get the Hertz "plastic" — the charge card — into as many pockets as possible.

The card entitles you, as a member of the Number One club, to perks both here and overseas. "We have worked closely with our overseas offices on the benefits marketed here. From a sales point of view, we lay much store on this facility; we've won a lot of accounts purely through our ability to offer these benefits on the international market," says Whitfield. If a customer rents a car overseas, for example, he can charge it and pay in SA. He is also given preferential treatment at rental counters: no initial charge, no deposits; and he receives a regular news bulletin.

The Hertz charge card existed before the takeover, but not much stress was laid on it. To MD Noel de Villiers it's "magic" and he has made it a focal point of all the company's efforts.



Hertz' sales effort hinges on getting the magic 'plastic' into as many pockets as possible



tails, in Oklahoma. And, if you need to hire a car at a very busy terminal that is on-line with Oklahoma — such as Heathrow — you can simply ring ahead of time, quote your

number and your rental agreement will be ready and filled out when you arrive. (SA does not qualify at present, but this is planned as part of future automation.)

For those who prefer human contact, Hertz assures us that it has no plans to automate the smiling girls behind the counter.

## People pleasers

### *How to keep that smile on the smiling face of Hertz*

When new people join Hertz, says training manager John Ridler, the company is often hard-pressed to define what kind of industry it is. Hertz is not actually selling a product, but a service — rather like a dry cleaner or a hairdresser. "If the customer is made to feel uncomfortable in any way about hiring a car, he won't come back."

The quality of service he receives depends largely on the quality of the people with whom he deals. And Hertz's success hinges to a great extent on recognising the right type of people, giving them the right type of training and keeping them motivated.

The whole style of training was revolutionised at the beginning of this year. Where previously a lot of time was spent on the mechanical side of the business, teaching staff things like how to fill in a rental agree-

ment, the emphasis shifted to the customer. In marketing, sales, training and every other aspect of the company, the new philosophy is to put yourself in the client's position and try to decide what you would want, what would assist you when renting a car. "In fact, it was not what we had been delivering," admits Ridler. Once management began thinking along these lines, instead of dreaming up clever ideas about what the client ought to like, it became easy.

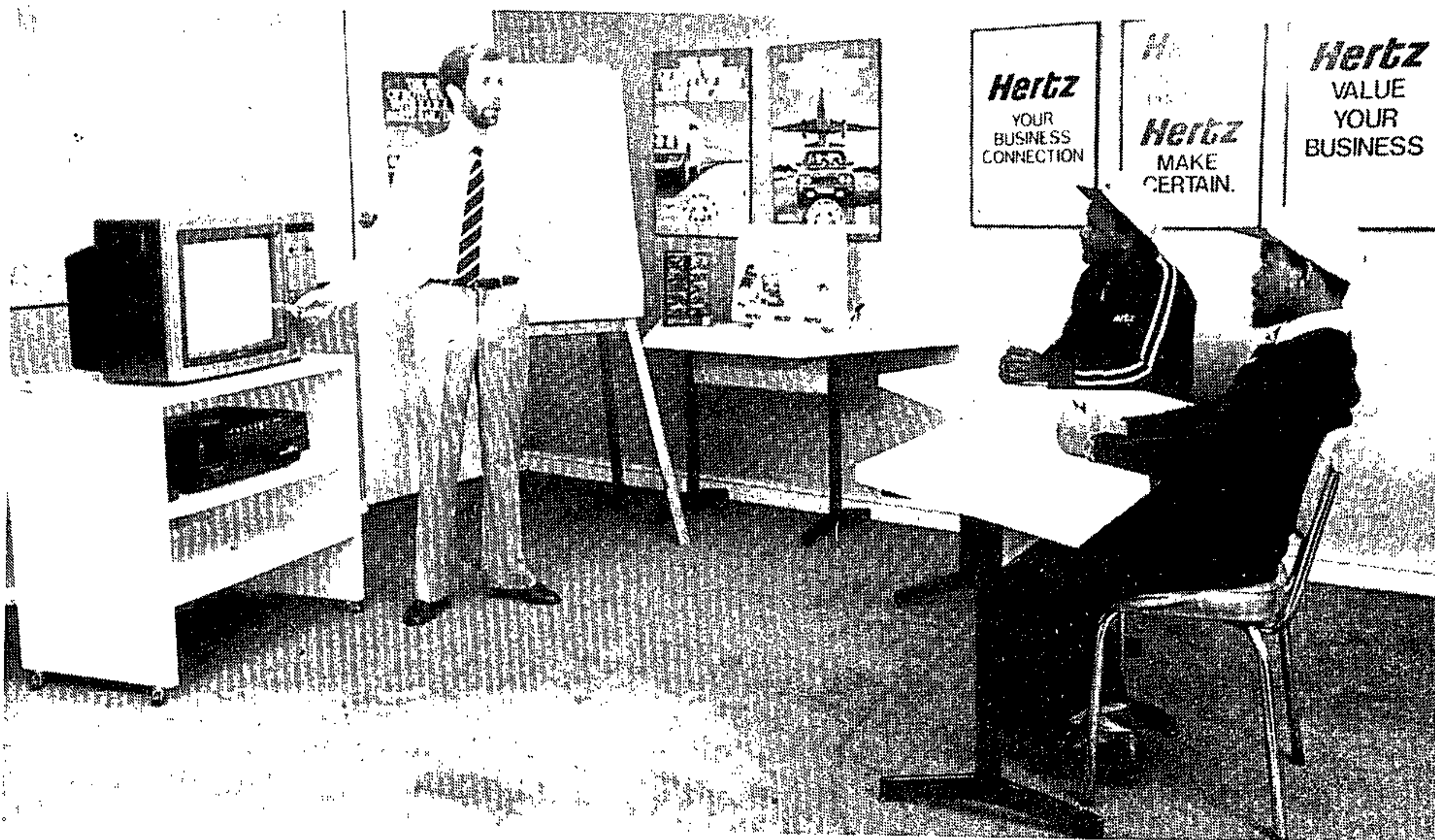
The other move was towards greater integration and better communication throughout the company. It was decided to put everybody, no matter what his position, through the same initial basic training course. In the past the reps repped, the managers managed and the reservations clerks took telephone reservations. All received a different training; there was no

link. The new training philosophy looks at the similarities between departments, rather than the differences. If everybody understands the working of the company, it makes for a better corporate effort. Since branch managers have been through the same basic training, they are better able to understand the problems of their rental reps.

"Communication, around the country, was one of our biggest problems. We have to make sure that people know what's going on inside the company," says De Villiers. "We took the decision long ago that even if there's a security risk, we can't afford to have any secrets. Everyone has to know what's going on."

Training is done mainly at Hertz's training centre in Johannesburg, although Ridler also does some on-site training around the country.

The new approach, he says, has paid off both in terms of clients and staff morale. This is particularly so in the case of the rental representatives, the frontliners who deal with the customer at the rental coun-



Training manager John Ridler in action



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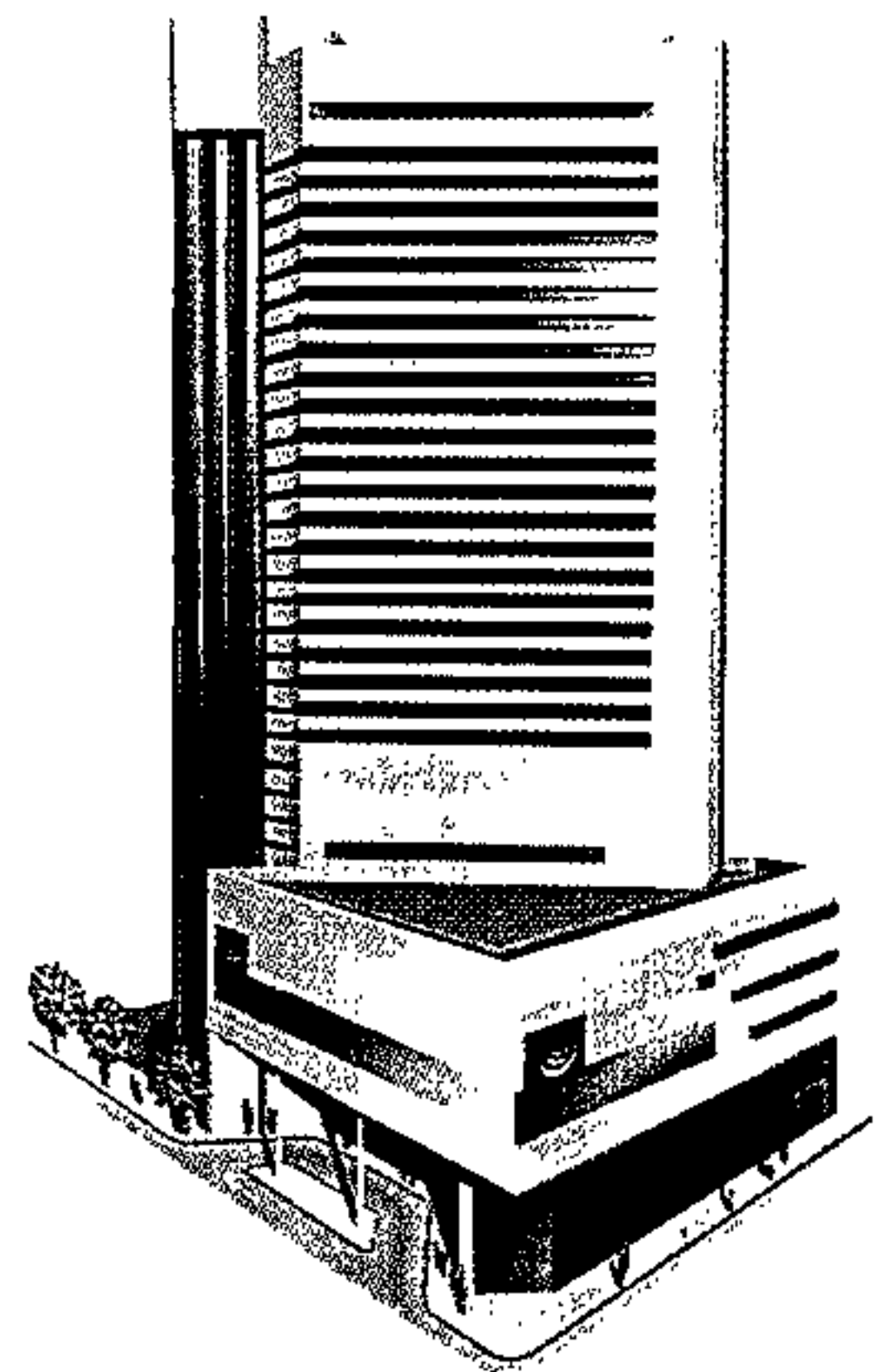
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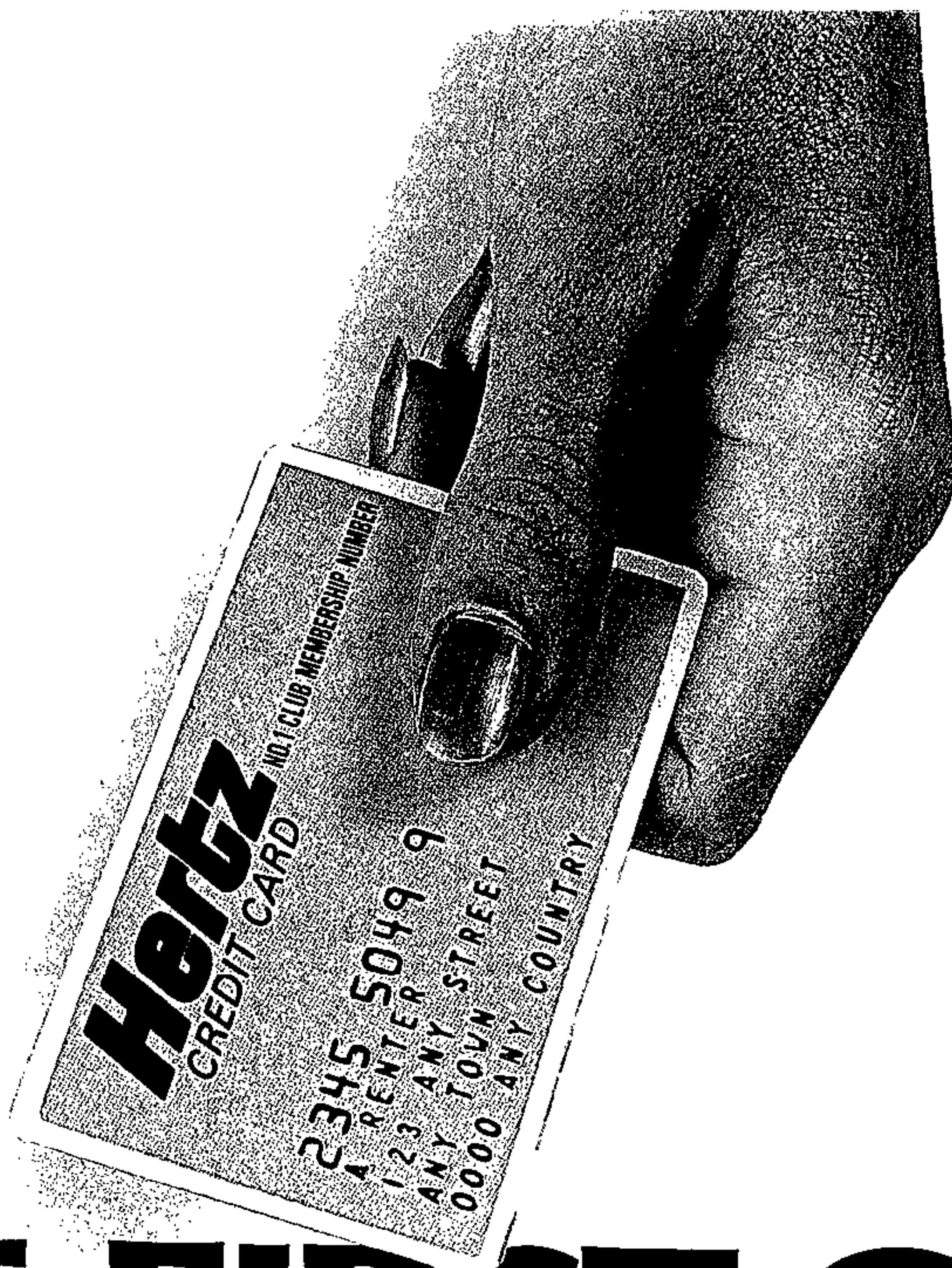
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Hertz. A corporate report. Supplement to Financial Mail November 4 1983

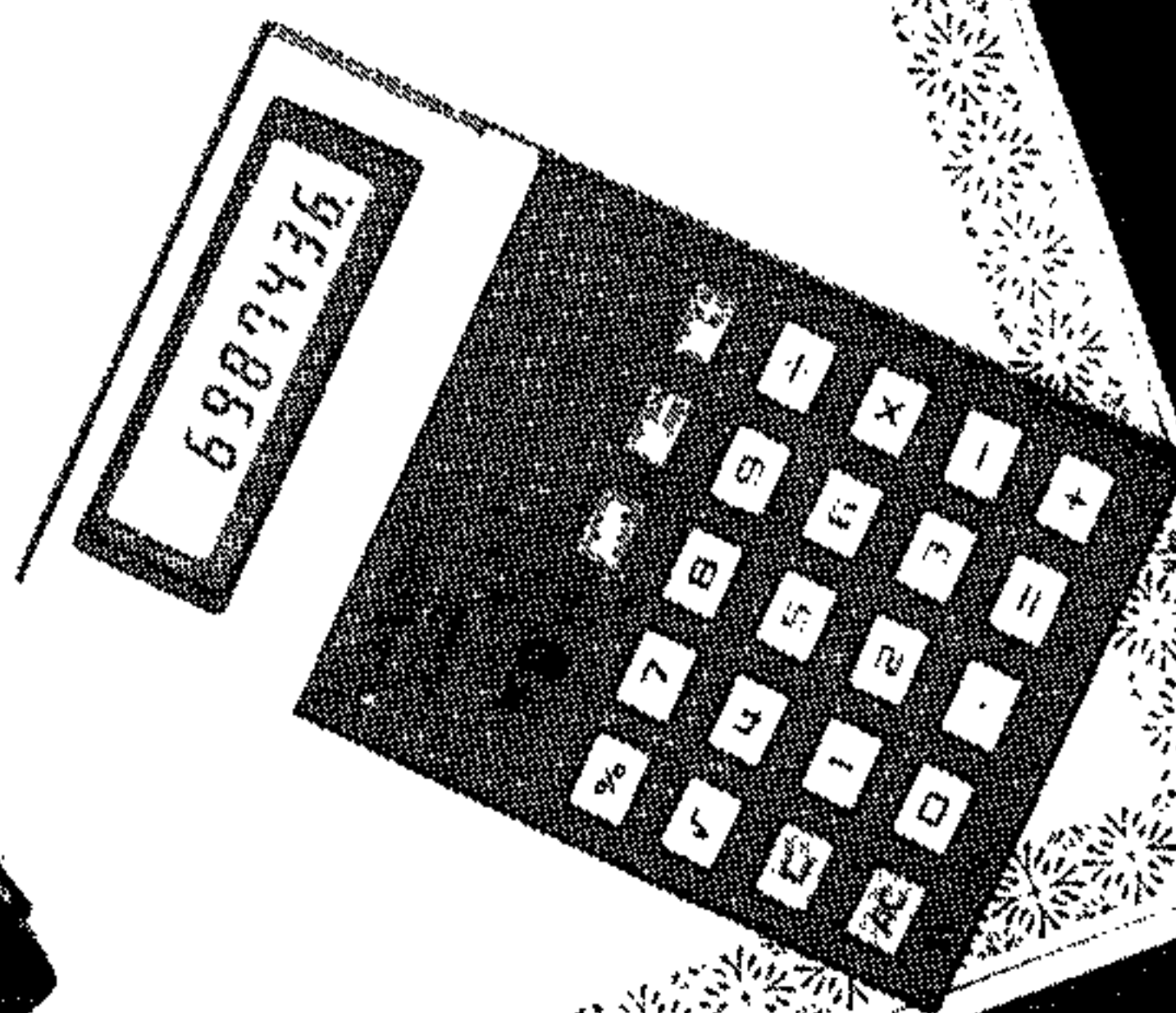
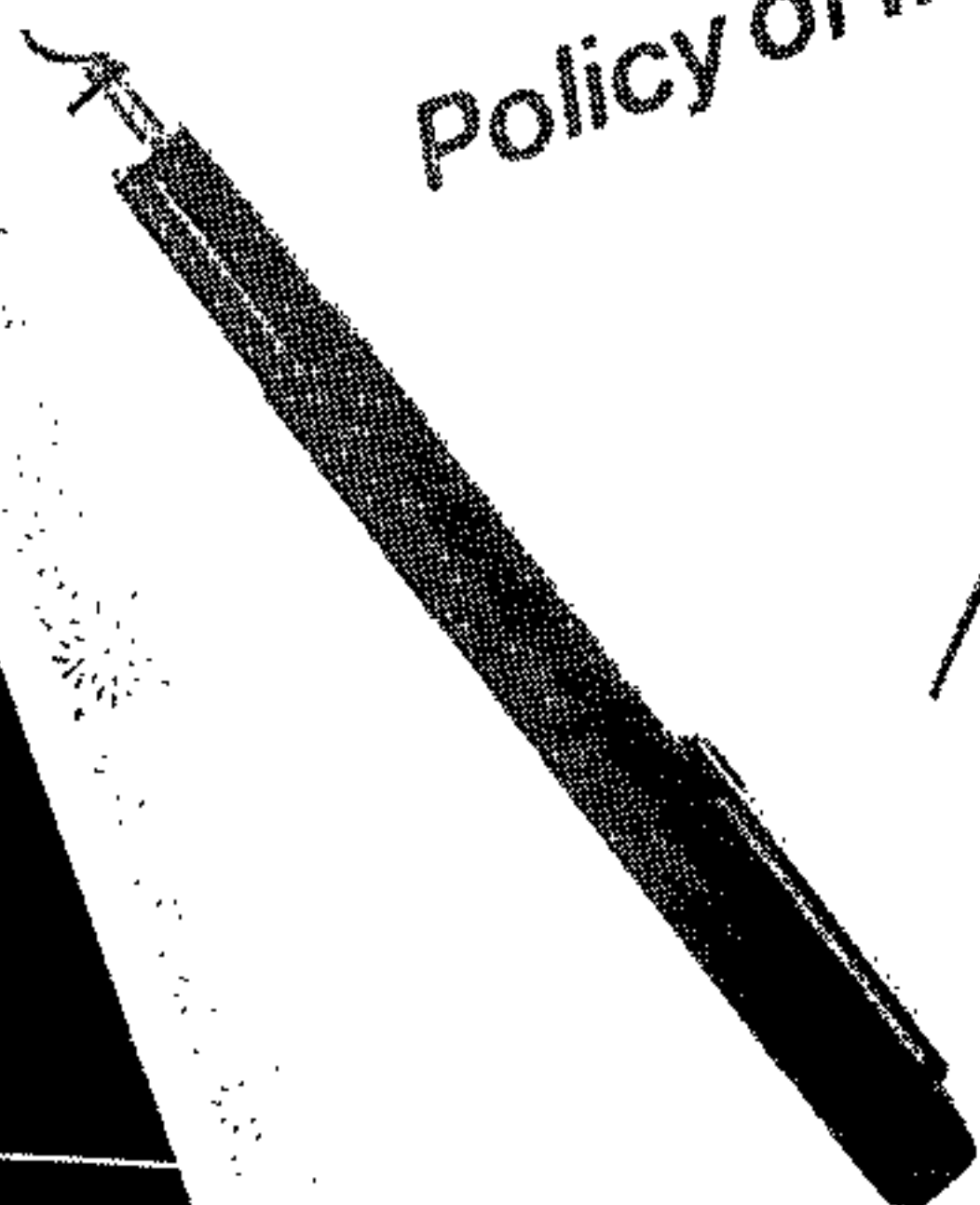


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ter. They're mostly female and tend to be young and single, because of the shift work and unsocial hours. They're sometimes nervous, unsure of themselves and lack confidence in handling busy, impatient businessmen.

"We teach our rental staff little things like voice tone and looking the customer in the eye," explains Ridler. "The customer is not an intrusion on your day's work, he's the very reason you're there. If you make it pleasant for him, he'll come back. The emphasis is on what the client wants from us, not what Hertz wants from us. The cherry on the top has been that the rental reps now see their jobs in a totally different light. Even a rushed businessman likes to have a chat. A few words about the weather in Cape Town shows him that somebody cares and his response gives the girls confidence."

Training extends right down the line. "About two or three years ago, we saw a need to train our checkers," says Ridler. They are the men, mainly black, who drive the cars from one place to another. They receive the vehicle back from the customer and take it to be washed, filled with petrol, checked over and back to the ready-car line as soon as possible. "They are often the

client's first point of contact when he returns a car." A one-hour film was made, showing the drivers how to handle the customer and how to greet him. It also covers practical aspects such as spotting faults in a new car and safety instruction. It has proved extremely successful, says Ridler.

Hertz is now working on an incentive scheme for these men, the Checker-Checker game. A reply-paid envelope is placed in each car, asking the customer to comment on the condition in which he found the car. The checkers earn bonus points which can be converted into shopping vouchers at Checkers supermarkets.

There is less training at management level, but plenty of talking. Monthly head office think-tanks are held and there is a lot of communication with Hertz International. Local staff visit branches overseas and *vice versa*. "It's one of those businesses where you learn every time you talk to people," says De Villiers.

Hertz is an equal opportunity company. At branch level, female managers outnumber males and De Villiers lost his driver when he was promoted to the position of rental rep. Encouragement and sponsorship is offered to staff members who wish to

further their education.

Staff are encouraged and rewarded in other ways as well. "We're constantly looking for reasons to celebrate," says De Villiers, who introduced the Superstar Club for outstanding employees. There are three categories of membership. At the first level, you receive a gold pen for your efforts. If you continue to "stand out in the crowd," you'll be rewarded with a pencil to match the pen. If you're a real high-flier, you stand to win a solid gold pendant or cufflinks. And "the absolute ultimate" is an overseas holiday for two, which is awarded to one super-achiever each year.

Membership of a club and a feeling of belonging is something that appeals to people in the car hire industry — or any service industry, says De Villiers. "The sort of people who like to serve others like to belong, to be part of a team and to be recognised as striving for a common objective." One thing that helps identify them is a uniform. Hertz's familiar yellow, the corporate colour internationally, was introduced in the early days, when the company was owned, for a time, by the man who started New York's Yellow Cab Company. He adopted his favourite colour for Hertz — and it stayed. Hertz was one of the first companies to use colour as an integral part of its corporate identity, and the first to put staff into uniforms, says De Villiers.

"Uniformity is a recognised tool of marketing, but all companies involved in providing uniforms for staff consider this one of the bane of their lives. They have to find a company to make them, there's the problem of different sizes, getting sufficient stocks of material..." De Villiers solved the problem by employing his own seamstress. "We set her up in a little sweatshop where she does nothing but make uniforms. When girls come up here for training, they go to her and have their uniforms tailor-made. Our staff are proud of being identified as Hertz employees. In fact, the head office managers also wanted uniforms, but we use them only for people who are in contact with the public."

While demanding a high standard from his employees, De Villiers like to keep them happy. Happy people are productive, motivated people. Life is especially tough for the sales people, who virtually have to start from scratch in building up a corporate client list. They're under enormous pressure to meet targets and to beat the competition. "Other staff members think they have a glamorous job — they see the cars and the flexible hours. But their efforts are very close to my heart — they're selling an intangible thing," says De Villiers. "We put them into air-conditioned cars to make them feel better. In a service industry you've got to be having fun. If you're not having fun, you're not going to succeed."

**Gail Rideal**, having sampled Hertz fare, swears she will never again return to the personnel placement business from which she joined Hertz.

"During my personnel days, I placed several people with Hertz, and while doing so much of the organisation's enthusiasm and excitement rubbed off on me."

The enthusiasm was contagious, and eventually Gail followed her satisfied customers — into the deep end of Hertz customer liaison, where the brickbats rained down on her slim shoulders.

"What surprised me, though, was that in addition to the routine queries, many customers actually phoned and wrote to thank us for a job well done. I'm not a sceptic; but I'm convinced that most people don't take the trouble to express their gratitude for something that they take as their due. I was more than pleasantly surprised."

Gail is now reservations supervisor for Hertz with seven girls under her wing handling more than 4 000 reservations a month. It is her responsibility to ensure that all matters relating to reservations, many of which are international, are collated, confirmed, processed and actioned.

"Maintaining good relationships with the travel agents is," says Gail, "a top priority. It's actually a two-way benefit.



If they're fully conversant with what we have to offer they're going to sell Hertz to their customers. On the other hand, if they are intimately aware of the wide range of attractive services available from Hertz, they have an extra string to their bow."



The sales thrust is aimed at two main targets: the business houses and the travel industry. "We're now able to measure the results of our efforts and we're starting to see a gain in market share as we perceive it. Our growth in these two areas is way above industry growth at the moment," says Whitfield.

On the business side, Hertz numbers among its corporate clients mining houses, large industrial groups, construction companies, insurance companies, banks, the government (a big customer, especially with the decentralisation taking place and officials visiting homelands). Many business executives have reached the stage where car rental has become an integral part of their international travel arrangements. And some of the larger companies are now setting up in-house travel agencies.

The travel industry is a prime area of concern. In the major metropolitan areas, Hertz has a travel industry manager, who calls only on travel agencies. Hertz is involved in a good deal of sales promotion with the industry, arranging workshops for

travel agents, or for secretaries responsible for making travel arrangements. Specific programmes are also developed with the airlines, both national and international. Weekend packages are particularly popular with the smaller domestic carriers who have a similar business pattern to Hertz: full aircraft during the week and a fall-off at weekends.

One thing that has endeared Hertz to travel agents is the TACO system (travel agents' commission order), which is operated internationally by Hertz. One of the travel agent's biggest bugbears is the question of commission on referrals. They have to deal largely on trust and their commission is often delayed or overlooked. The central Hertz computer system in Oklahoma records any business referred to Hertz by a travel agent, no matter where. "It's a unique system that takes the burden off the agent. If there is a query, we guarantee that we will track down any commission earned," says Whitfield. It has a dual purpose, keeping a record of the amount of business put Hertz's way by each agent: commission is

earned according to volume, as part of an incentive programme.

Although Whitfield talks slightly enviously of the Oklahoma centre's technological wizardry, Hertz SA has a sophisticated computer system, which is used to effect in sales planning. Whitfield is able to monitor "down to the finest detail" the number of calls made each month, the categories into which they fall, the success rate, and he is able to keep tabs on every rental account on a monthly basis. "Using that information, we structure a rate agreement with a client and can check on his potential. It's a magnificent tool for the salespeople. If an account isn't coming up to scratch, we'll take a look at it and see if they have a problem."

Another tool that has aided the sales and marketing effort is the data, kept on microfiche in the central Johannesburg reservations centre, on Hertz counters all over the world. It enables staff to give the customer prices instantly and tell him of any special features, no matter where he wishes to hire a car. For example, if somebody wants to pick up a car in Nice and drop it off in Rome, the reservations clerk can soon tell him the cost, the fuel consumption, the distance involved and answer any other queries he might have. This facility has also helped to make SA the second largest hirer of cars (after the US) into Europe, through Hertz special packages. "Our international connections give us a head start with the travel industry," comments Whitfield.

Reservations can be made anywhere in the world, free of charge. Once a day, the lines are open between SA and Paris for international reservations, though urgent calls can be put through at other times. It is planned to increase automation of the local reservations system as much as possible, to introduce a terminal to each regional centre and to link the whole lot with the main centre in Oklahoma. This will enable Hertz to collect more statistics — such as the number of calls received, their length and the percentage that result in reservations.

Hertz is already a main provider of information on Beltel, a telephone-linked service which is currently being given a trial run by the Post Office. And it is about to link up with Satamars, a multi-access reservation system for travel agents. Until now, the travel industry has had a direct link with SAA, through the Safaari system. In future agents will be able to make on-the-spot bookings for airlines, hotels and car hire, without consulting the principals. "I see that as being a significant move: it'll come through directly to the Hertz reservations system," says De Villiers.

You don't really need to talk to anyone when you want to hire a car. When you receive your charge card, you're allocated a number that is unique to you worldwide. It's recorded, along with all your personal de-

Making the change from being a sales and property development executive with an oil company to national sales manager for Hertz was a big step for Dave Whitfield — but it was a move he says he has never regretted.

Three years ago, he met MD Noel de Villiers over the negotiating table and shortly afterwards De Villiers asked him to join the Hertz team. Initially, Whitfield was drafted into operations for Hertz but early in 1982, he moved into sales.

"I was asked to establish a fully-fledged sales division — an aspect of the company which, at that stage, was barely functioning because of the need to first get operations and finance into ship-shape condition. It meant building up our sales function from grass roots — installing systems and disciplines and putting together a sales team."

This year, all Whitfield's pioneering efforts are starting to pay off and the company is making gains.

The sales effort is concentrated in two broad areas — the corporate side and the travel business. For Whitfield, this effort means directing the sales managers in the company's three regions — Transvaal, Cape and Natal — and co-ordinating their various activities. He assists in negotiations with large national accounts, maintains contact with the travel industry and is responsible for reservations and training.

Whitfield continues to push for more gains. He is currently engaged in developing an in-house training course for sales personnel and is aware of the need to sustain the sales call rate at a high level. "Two years ago, our sales people were averaging 1.5 to two calls a day. It's now risen to a figure which is in line with Hertz's international average."







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the outside temperature is 23°C.  
My computer and I  
hope you enjoy the trip."**





**Car hire is growing in the leisure market ...**

Dan Breedvelt joined Hertz in 1944. It was his first job and he has been with the company ever since.

Now at the age of 59 he can still relate experiences of travel to parts of the African continent that few South Africans have ever visited — or are likely to. For Breedvelt started with Hertz as a courier and this meant taking parties of tourists on Hertz safaris. From 1946 until 1956 — when things got too hot for South Africans up north — he shepherded tourists on months-long trips from Cape Town, through SA and then to Rhodesia, Northern Rhodesia, the Congo, Tanganyika, Kenya and Uganda. Frequently, the sava-

customer, it becomes easy and ideas just follow, says De Villiers.

Giving the customer what he wants has a convenient way of doing very nicely for Hertz, too. Who is this all-important customer? "Ultimately he's the most important thing in the whole cycle. We try to find out as much as we can about him. There's an interesting and close relationship between the customer's ego and car rental. When someone is renting a car, it's one of the few



occasions when he's tangibly demonstrating who he is. He's arrived, he's reached a level

ris originated in the US, with Breedvelt accompanying his party from embarkation point right through the whole trip and back again.

That period is something which, not surprisingly, he looks back upon with fond memories.

When politics put a stop to the African safaris, Breedvelt moved into fleet management — an area in which he had already been involved during the winter months, which were the off season for safaris.

He has now been Hertz's fleet manager for the Cape region for more than 30 years.

of responsibility — his company is trusting him to take out a R20 000 car; he's an upper-echelon type of individual. He is conscious of time, of neatness and efficiency and he expects us to be on his level. We strive to be like him, to deal with him in an efficient manner. We take care over the condition and quality of the car, it's cleaned out of respect for him, the ashtrays are emptied. In all our dealings, we are acknowledging who he is."



fair game.

Another small, but potentially lucrative, segment of the market is the replacement market. "Every morning there must be at least 500 families with a transport hassle. The second car has been in an accident or it's in for a service. The kids have to be taken to school, the shopping has to be done. Those people still call on neighbours and friends to help. We think that market is bigger than has been anticipated. In Europe, it's acknowledged that if you're involved in an accident, the other party pays for car hire while your car's out of action. We haven't reached that stage yet ..."

Making things easy for the customer in-

cludes strategic positioning of rental counters. "Where we have the choice, we look for a high degree of visibility; it must be easy to get in and out of the agency. You wouldn't be hiring a car if you weren't in some way being put out of your normal circumstances. We don't want to make things more inconvenient for you. We try to position ourselves near to where the customer is likely to want us."

Railway stations have not been exploited in the past. But, with the introduction of leisure rail packages such as Southern Sun's Fun Train, they are becoming an increasing growth point.

De Villiers is a past master at position-

ing — it was he who first got car hire into the airport. And he has also secured a prime location on Durban beachfront. "We went to the municipality and said, the beachfront is marvellous, it caters for everything, but there is no information bureau for the tourist. We said we'd build a rental agency and give them a tourist information bureau at the same time." The municipality agreed and the new structure will form part of the total redesign of the beachfront by architect Revel Fox.

Hertz has also given Johannesburg Publicity Association an office in one of its major downtown locations, resulting in a healthy spin-off for both parties.

## All in the mind

*Hertz stands or falls by its efforts to create the right impression*



Making pictures in the customer's mind

To the outsider there doesn't seem much to choose between the different car rental companies. A Hertz Golf is much the same as an Avis or a Budget Golf. And in a fiercely competitive field where everyone is watching over his shoulder to see what the other is doing, whatever Hertz does, Avis can also do. The only thing you can be is first.

"It's a feature of the industry that there isn't much differentiation between the companies," admits Noel de Villiers. It's all in the customer's mind. Hertz stands or falls by its marketing efforts, which are directed totally towards creating the right impression in the mind of the potential customer.

"Everything we do from a marketing point of view flows from the overall direction the company is moving in. Our whole objective is to try and determine what the customer wants and then give it to him."

With this in mind, Hertz has changed its entire internal structure. Previously there were three separate divisions: Operating; Sales and Marketing; and Administration, but this was found to be rather inflexible. "It made people introspective and in this type of business you need to be integrated. We couldn't get any co-ordination between the divisions. We broke up the tripod structure and analysed the whole business cycle. Now everyone understands the role played by everyone else in terms of trying to satisfy customer requirements and in turn the Hertz position."

Hertz has a traditionally strong image as No 1 worldwide. "Everyone is pitching their effort against Hertz. It's tough in a way, but it's correct. Our positioning is No 1 and it does give us an element of exposure, so we capitalise on it." (Avis deliberately positioned itself as number two in one of the best-known advertising campaigns ever: "We try harder.")

Once you start trying to think like the



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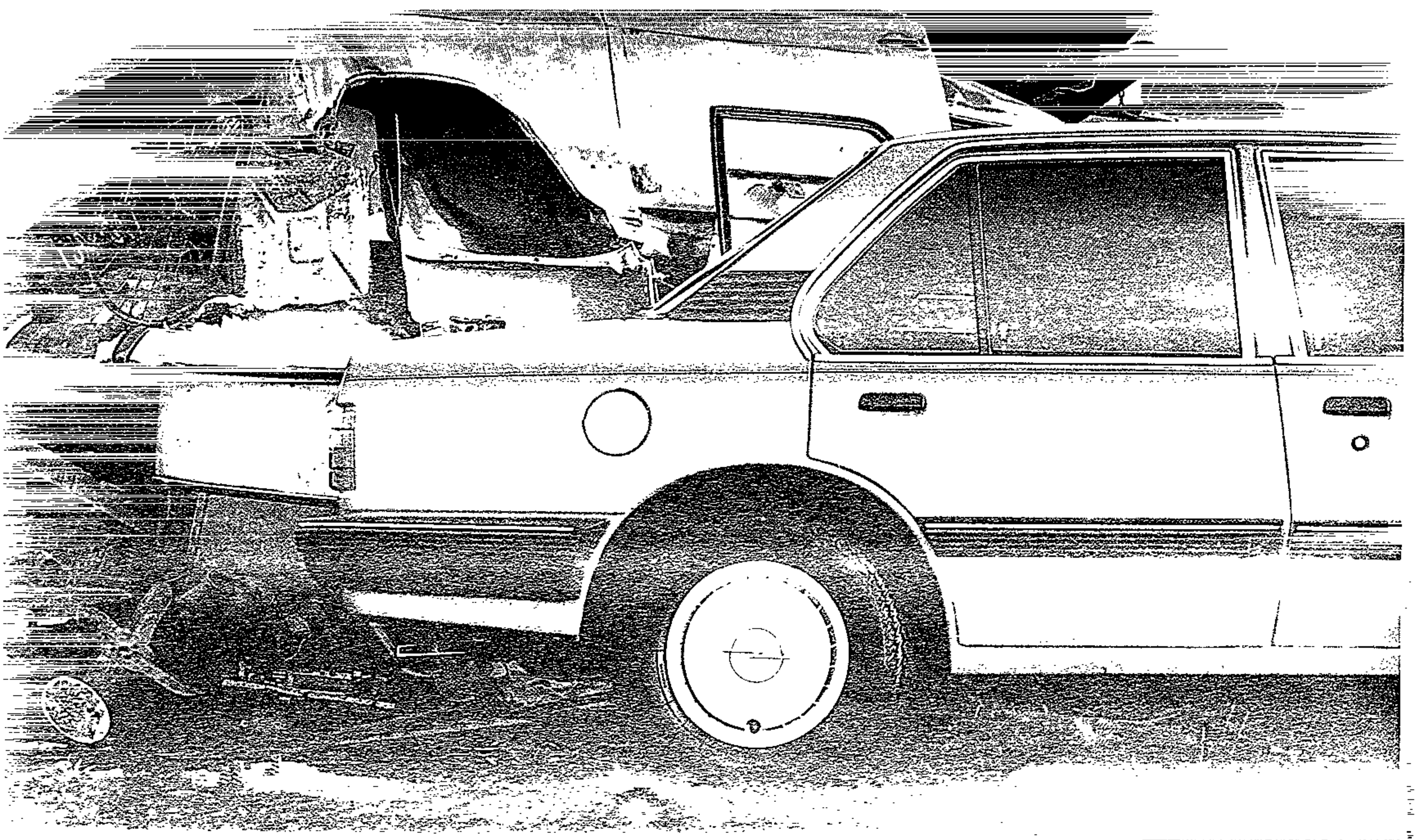
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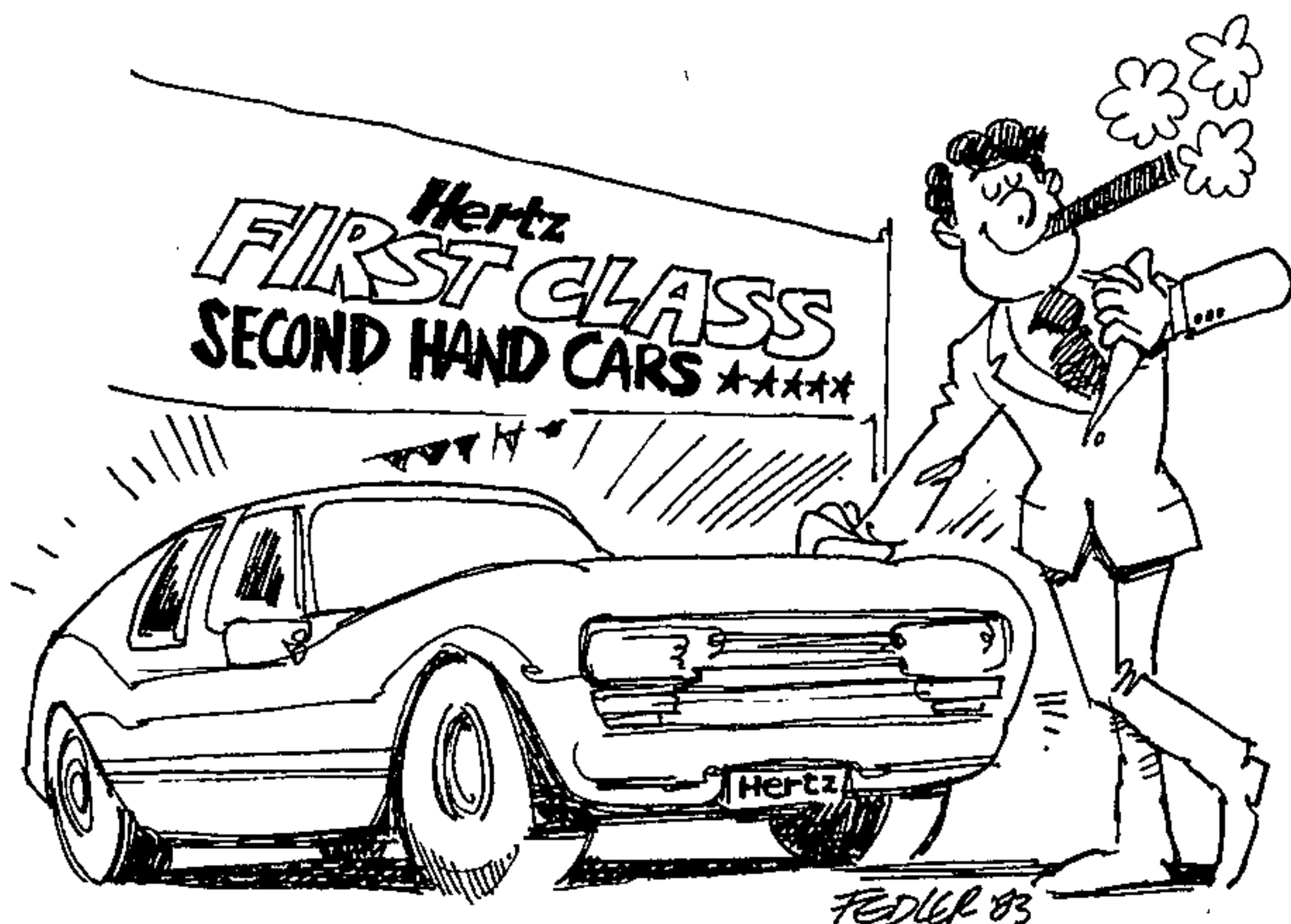


# IN TODAY'S PLASTIC THROWAWAY SOCIETY IS THERE STILL PLACE FOR A CAR THAT'S BUILT TO SURVIVE?



1.3 Sedan, 4-cylinder, 1600 cc engine. Develops 50 kW at 5800 r/min. 4-Speed transmission. Halogen headlamps. Inertia seatbelts. Intermittent wipers. Trip odometer. Colour keyed instrument panel. Locking fuel cap. 165SR x 13 tyres. **1.6GL** (features in addition to 1.3): 1.6S OHC engine. Develops 66 kW at 5800 r/min. 5-Speed transmission – automatic transmission optional. Acceleration: 0-80 km/h in 8.9 seconds\*. 5.5¢/100 km at 90 km/h\*. Electronic ignition system. Remote control door mirror. Deluxe cloth seats. Head restraints. Colour keyed interior. Rear window demister. Body side protection.





Once the cars have run their course, Hertz sells them. Car hire companies usually have buy-back agreements with motor manufacturers. At the time of purchase, the manufacturer arranges to buy back the cars at a pre-determined price after a fixed period.

This has the advantage that car hire companies can then base their income on pre-determined depreciation rates. "We prefer to go for flexibility," says De Villiers. "Although the cars are sold after a certain period, it means that we can shorten that time if we want to defleet. We think we get a

better used car price by dealing with the trade ourselves."

Green negotiates with dealers all over the country. "It's not impossible for us to call Ray on holiday and say, 'put away your golf sticks and come and sell some cars'," says De Villiers. Much of the selling is done by 'phone on a basis of trust.

"They buy on the strength of his word. We have a written warranty about the condition of the car. If it's not in the condition we specify when it's delivered, we'll send a cheque in the post the same day to cover any

repairs that need to be done."

Hertz sells about 10 used cars a day, and it is in its interest, as well as that of the manufacturer and the buying public, to keep the resale price of its cars up. "It puts us in a better financial position, as far as holding costs are concerned; it's better for the person buying a new car from a manufacturer, and it's better for us long-term if we can keep the price up." Hertz sold the first Toyota Corollas in SA on the used car market. "We sold when they were five or six months old, when we defleeted, and we got far better prices than the lot that came afterwards. We have retained that value," says Green.

People always ask about the risks involved in car hire: accidents, theft and so on. They are certainly there — Hertz has 40 cars missing at any one time — but there is a pretty high rate of recovery. The company's computer system helps track missing cars, keeping a record of "thefts" — where a car is stolen from a *bona fide* customer — and "conversions" — where the customer never intended to return the car. Hertz staff have an uncanny knack of recognising their own cars and those at the rental counter develop an instinct for spotting suspicious customers.

With Hertz's mania for numbers, all sorts of facts and statistics are kept on record to trap the unwary. The car control department monitors every fleet car: where it is, how many kilometres it has done and who is driving it. So all those people who think it's okay to park on a double yellow line in a hired car have a nasty surprise in store...

## In transit

*Airline passengers, AA members, rail travellers — Hertz has something for them all*

About 80% of Hertz' market is the business person. And he is often in an inordinate hurry — particularly at the airport.

"It doesn't take long to fill out a rental agreement and get a car, but some people really have no time at all — Hertz's new shuttle system caters for people with no time to spare. It enables you to conclude your whole rental transaction at the point of embarkation," says Noel de Villiers. So, if you're flying from Jan Smuts to Durban, for example, you can sign all your papers in advance, a car will be assigned to you in Durban; you'll be told the colour, which parking bay it's in, and be given a shuttle card. At the other end, you look for the person wearing a shuttle banner, present your card and you'll be given the keys,

without having to queue.

A worldwide first is Hertz's new vouchers system, which is being marketed through Hertz and SAA agents overseas. In the past it could be quite a complicated business for an overseas visitor to rent a car in SA. Cost, currency, language were all potential barriers. Hertz came up with a voucher system, whereby you simply decide on the size of car you require and the length of time you'll need it, buy vouchers for the requisite number of days and prepay these before arriving in SA.

Once in SA, even if you don't speak a word of English, you'll be able to recognise the yellow rental counters, exchange your vouchers for the car of your choice — and the only extra cost is fuel. Each voucher is

valid for one day's rental with unlimited kilometres, and unused vouchers can be redeemed on your return home. Initially the vouchers are available exclusively to SAA passengers, but the market might be broadened later on.

The concept was launched in June and, says Hertz national sales manager Dave Whitfield, has something for everyone. It makes life easier for the overseas visitor to SA, and is an attractive proposition for the travel agent. The agent, building in his own commission, is paid up front by the customer and is billed by Hertz only when the voucher is presented at a rental counter in SA — which could be two or three months later.

This marks the opening up of the international market which is smallish at present but has "extraordinary potential," believes Whitfield. "It has never been marketed before to this extent. It's expensive to do so, but in this case we're using SAA and Hertz



the car hire companies can act as an early warning system, recognising any fault in a new model before it goes on to the mass market. Hertz staff drivers are trained to spot such problems.

Hertz has a good relationship with the motor trade, says De Villiers, based on mutual trust. "There was a time when the car hire companies had so much clout that they were pushing deals with motor companies that were one-sided. We'll never put the guy under water; it has to benefit both of us. We're not pushing for big discounts. That's why we have a good relationship with the trade, there's a lot of trust. There has to be — they give us advance information which is very confidential."

In making the final buying decisions, Green and Hertz's fleet committee look not only at the car, but at the company producing it. There must be confidence in its man-

agement. They must be sure that they will receive excellent back-up and that the company isn't likely to go under suddenly. "We have made mistakes," admits De Villiers, "but 95% of the time we've made the right choice. You develop a sixth sense."

It's not all intuition, however; there are certain tangible qualities that Hertz looks for in its fleet cars. They must be of good quality, tough enough to withstand all sorts of quirky driving habits and the upholstery must be easy to clean. Two-door cars are avoided as they are not generally popular in SA and so are not good for resale. And you won't find a green Hertz car: people are still superstitious.

Hired cars should be easy to drive: gears or switches in unaccustomed places are not practical. Radios are wired in to the ignition — "otherwise the customer could get out of the car, forget he's left the radio on and

come back to find the battery flat." Finally, says Green, "the competition plays a certain part, though we like to feel we're the leaders."

Hertz builds up towards a total revamp of its fleet at the start of each summer. This year several new categories have been added to the standard Golfs, Toyota Corollas, BMWs and Mercedes. There's a "fun" section that includes sporty models such as the Golf GTi, Escort convertible and Alfa Romeo.

Another option is the new Ford Bantam. "It's a cute multi-purpose vehicle," enthuses De Villiers, "that looks like a sedan car at the front and a bakkie at the back. It can be used for business, town deliveries, garden deliveries, amusing the kids..."

And Ford has introduced a new model specifically for the Hertz fleet: it will be launched to the public at a later date. It's a 1,6 l Escort with air-conditioning, designed as a solution to a particular problem that Hertz was experiencing. "In the past 10 years there has been a tremendous and continuous swing from large to smaller cars. Now 75% of our fleet is in group A and the emphasis on larger cars has gone. In rental terms, small cars are easier to handle.

"This has caused a problem: if you offer only small cars there's no choice, but how can you differentiate between them?" The 1,6 l Escort is a small car but with a fitted air conditioner.

Having decided on the models to buy, how does Hertz work out how many? As in other aspects of its operation, it refers to its highly sophisticated computer system, feeding in statistics such as what happened last year and last month; how many cars were hired in each group; and how many altogether. The computer then spits out a projection for the next three months, which is used as a basis for further calculation each month.

There are often variables which nobody can predict. For example, there is no way of knowing what sort of volume Standard Bank's Motorcard will bring in. (This garage card can also be used to hire Hertz cars). "We try to give ourselves the greatest flexibility possible; we have to be in touch with the motor manufacturers to supply cars as fast as we need them. And with a dealer network which can absorb a few hundred units," says De Villiers. At its maximum, the fleet stands at about 2 000 cars, but, unlike most stock, it can be increased or decreased as the market and finance dictate.

No car is kept after it has done 40 000 km and its lifespan is usually about 11-13 months. Hertz does not get into any major maintenance problems, since the cars are still under warranty. The first service is done by the delivering dealer and after that Hertz does its own maintenance. Manufacturers train Hertz mechanics in the workings of their own models.

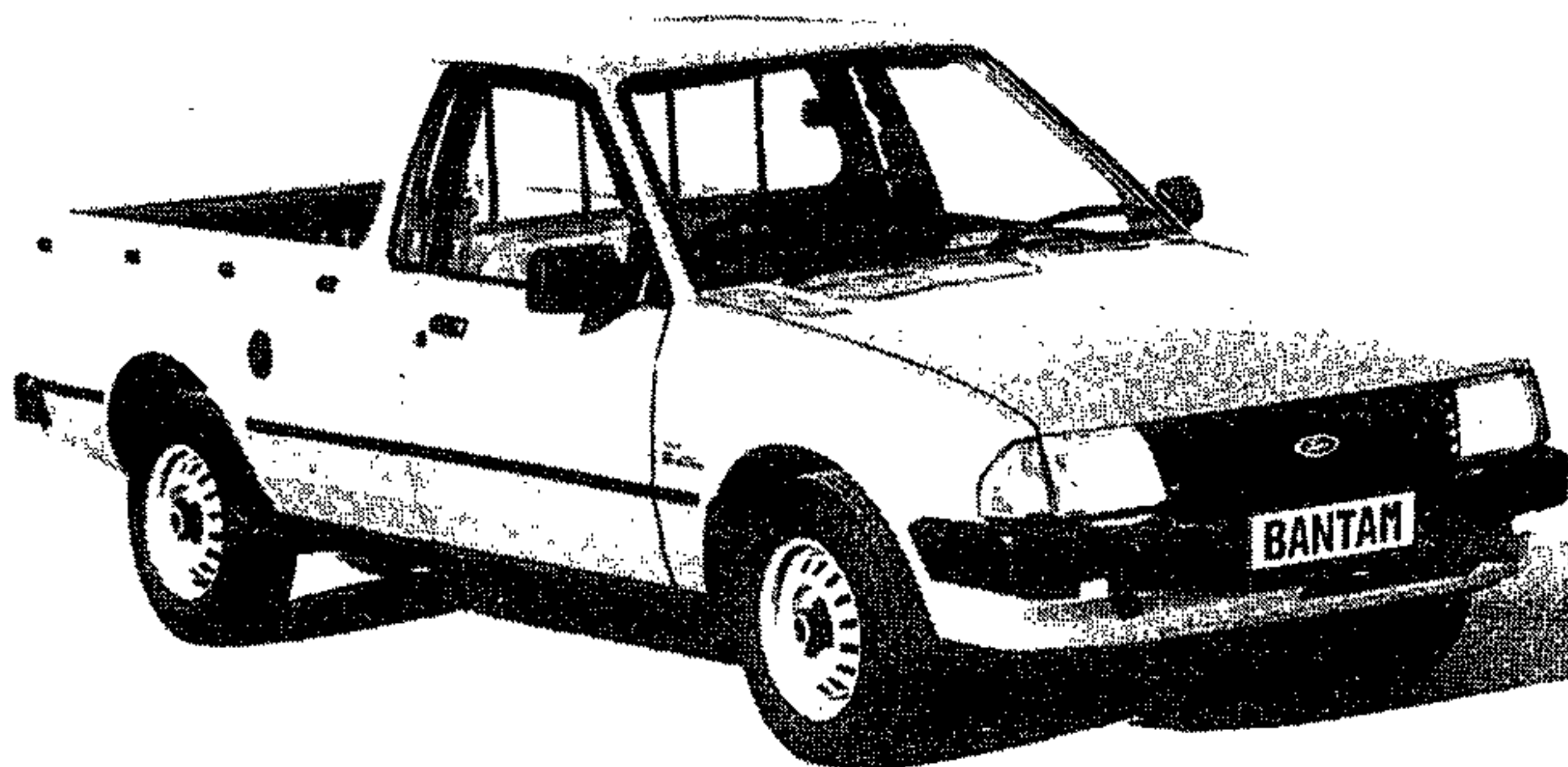
**Breaking yet more new ground in the car rental industry, Hertz is to introduce two new categories to its fleet range. A special "S" category will offer an exciting range of sports and fun cars, while a "Z" category contains the multi-purpose Ford Bantam (pictured below).**

Hertz is spending in excess of R1m on expanding its fleet for the "S" and "Z" additions and, says MD Noel de Villiers, will increase it further should the demand warrant it.

The company is kicking off with an "S" category range that includes the Escort convertible, the Alfa Sprint 1.5, the Golf GTi and the Suzuki 4-wheel drive.

"But," adds De Villiers, "it's not going to stop there. As far as we're concerned, the sky's the limit. We'll follow through on anything as long as Hertz customers want it. In other words, we'll swell the "S" category with a Ferrari if that's what the public wants."

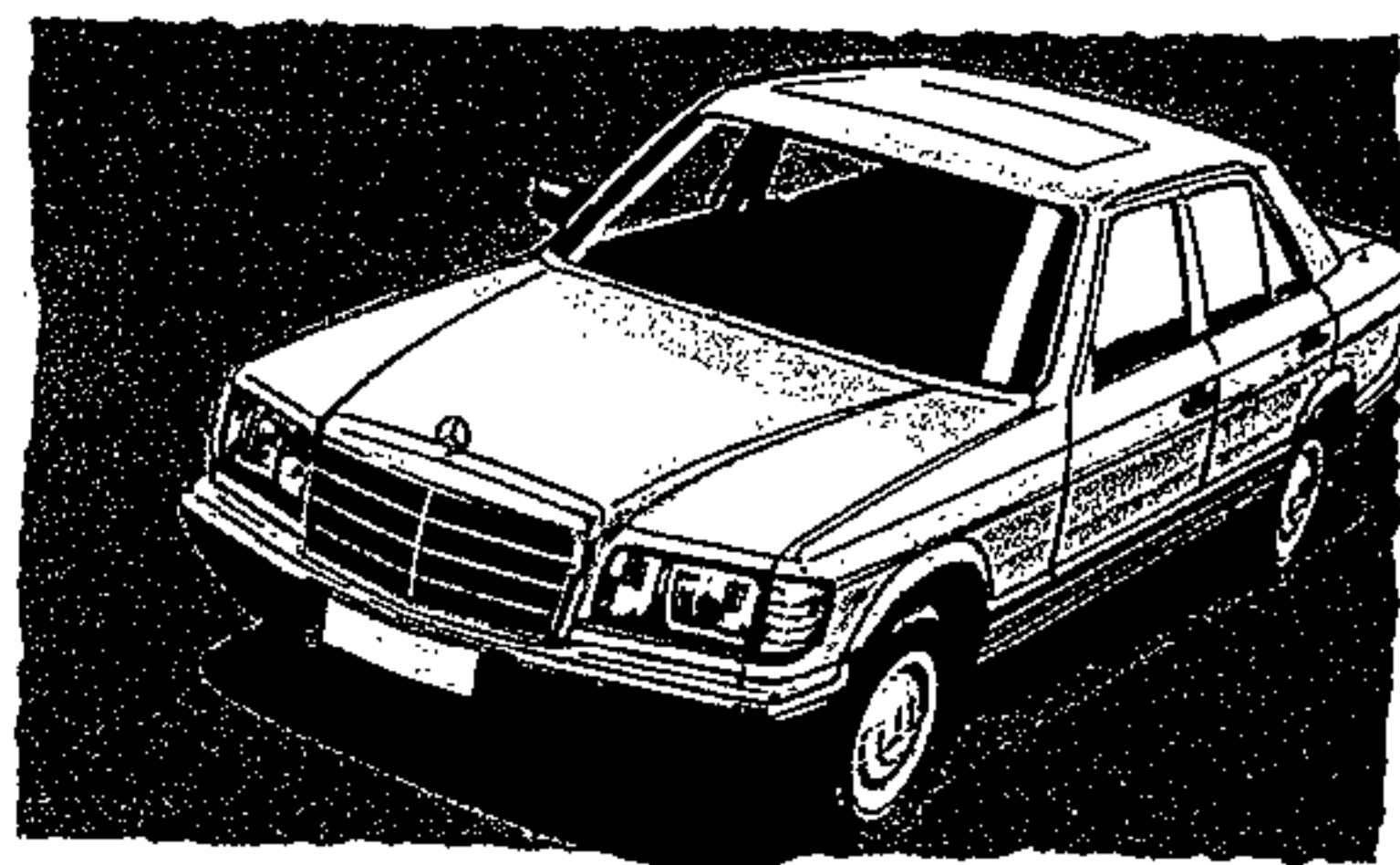
The introduction of the Ford Bantam represents another break with convention. Features of this "Z" category include highly economical rental rates and the attraction of a multi-purpose vehicle that is suitable for gardening work, shopping, a fun weekend for the kids, a family holiday trip or simply as a normal sedan car.





# We deliver the goods.

Should you be in a position where you're office or house bound, we'll gladly deliver and collect cars on a local basis.



# We've got a message for you.

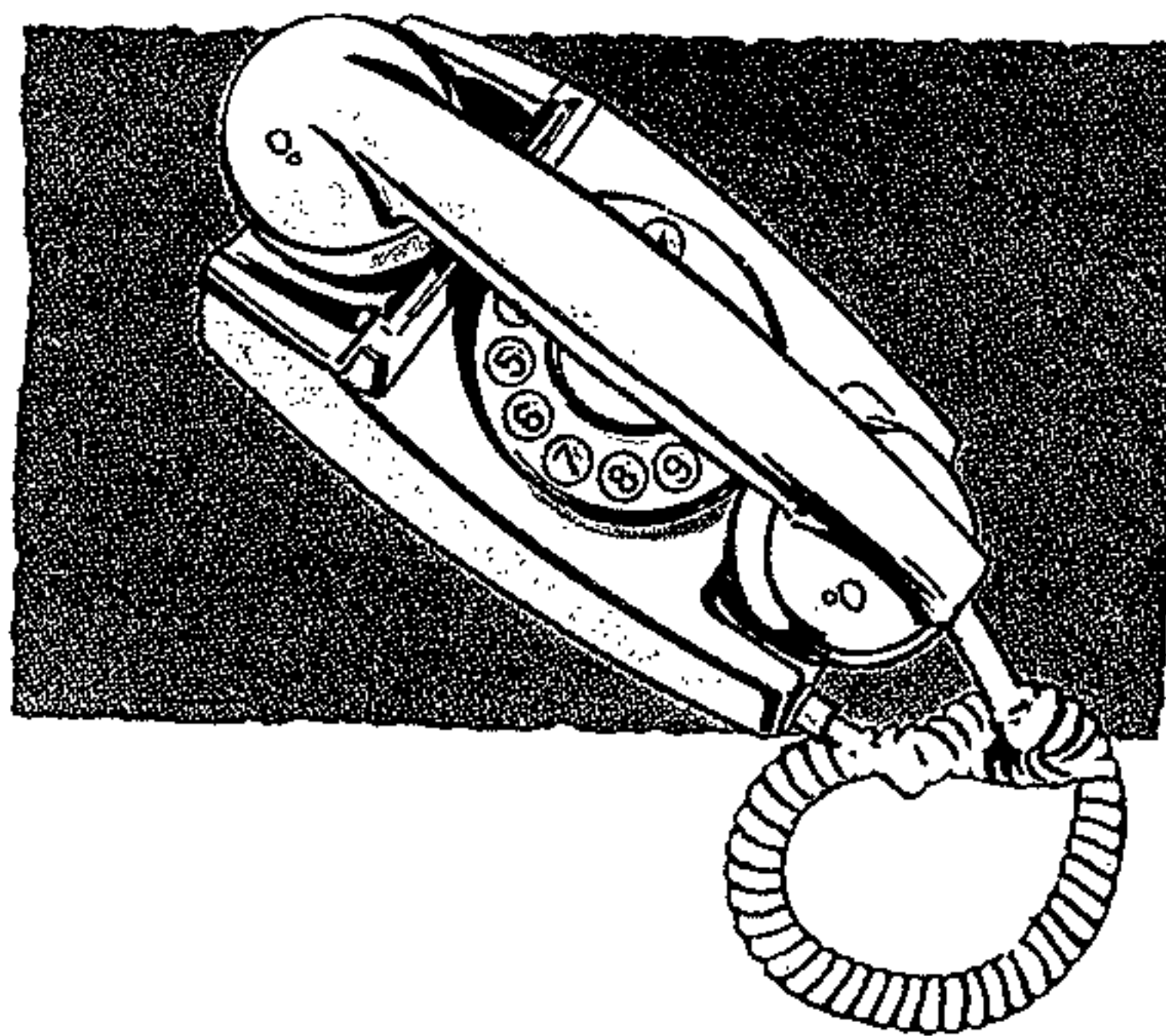
Hertz offer a unique service whereby customers can be contacted through any Hertz counter around the country.



# Go overseas, not overboard.

When you're going overseas, you don't have to go overboard on your rental charges. Hertz offers special holiday rates for South Africans visiting Europe, America, Asia and the Pacific area provided bookings are made seven days in advance.

Local and overseas car hire reservations may be made free of charge, either telephonically or personally at your nearest Hertz office. It's just another Hertz way of saving time, trouble and money.

A black and white illustration of a hand holding a Hertz car rental card. The card has the Hertz logo and some text, though it's partially obscured. The hand is shown from the side, with fingers gripping the card.

**WITH THE NO.1  
CLUB YOU'VE GOT  
SOMETHING  
TO SMILE  
ABOUT.**

***Hertz***





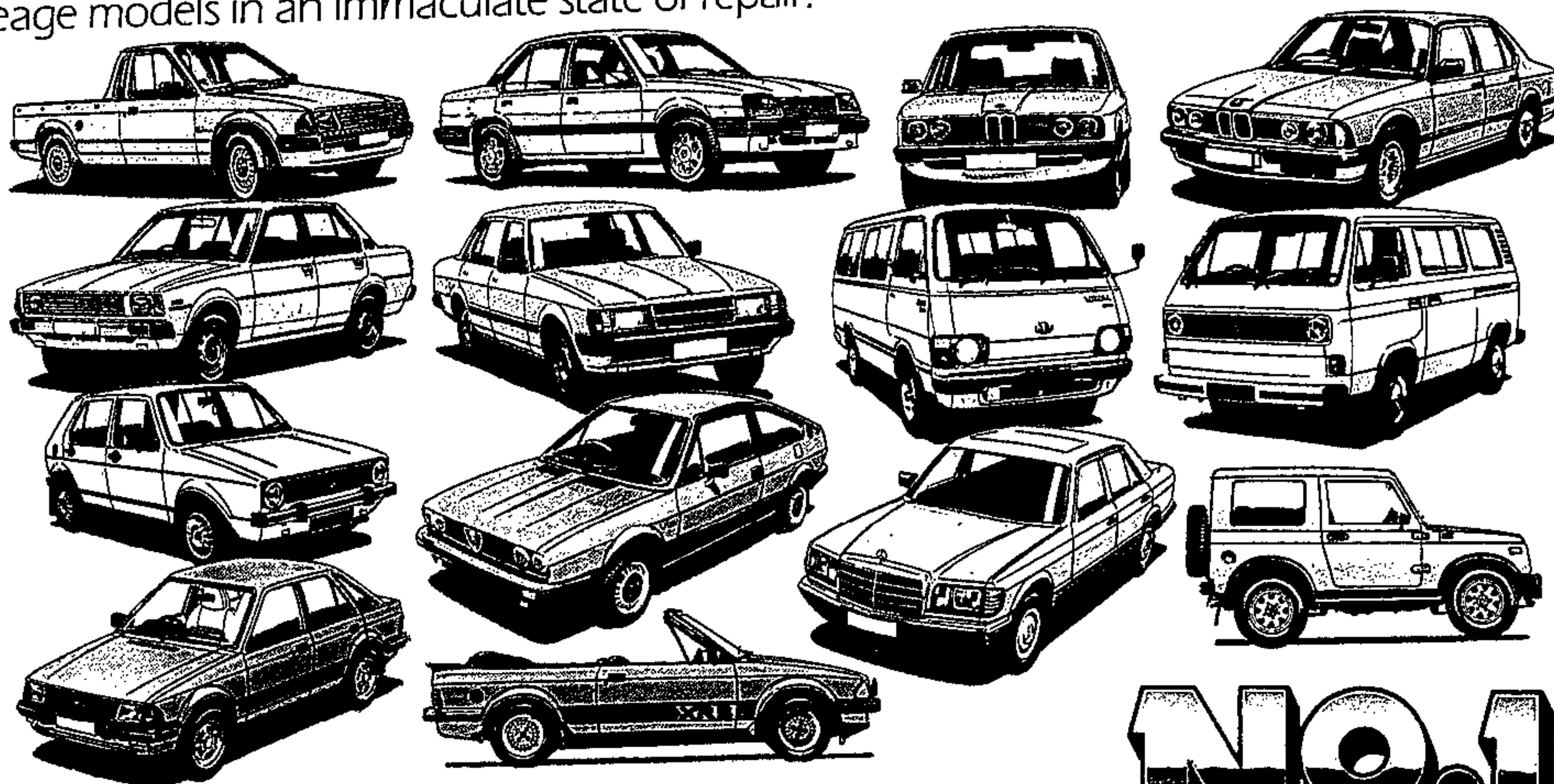
# YOU BE THE JUDGE

Just a pretty face never made any company the world's number 1 when it comes to car hire. Now we're not saying a smile ever hurt, but it's you, the number one man we want to see smiling. Because Hertz gives you more to smile about. And makes car hire one less thing to worry about. Here's how.

## We put our fleet on a first class footing.

Hertz have built up a first class fleet of cars for every occasion. Over 20 different models to choose from, from top of the line executive specials to rugged bakkies and off roaders.

We feel, that if your car lets you down, so have we. That's why all Hertz cars are low mileage models in an immaculate state of repair.



## You can join the Club.

Your Hertz credit card automatically puts you in line for membership of our No. 1 Club.

It's your passport to easier car hire, right around the world. It's just another way of saying, at Hertz you're No. 1.

# NO. 1 CLUB





# What's the difference?

*To the first-time customer, car rental companies are all much of a muchness. So how to grab his attention?*

Although there has been little discernible difference in approach between Avis and Hertz until now, MD Noel de Villiers believes he detects a slight parting of the ways. Where Hertz is coming on very strong on the marketing side, introducing a series of new and innovative promotional packages, Avis seems to be forsaking this in favour of spending huge amounts on direct, above-the-line advertising. "This could be the very beginning of stabilising the market."

There is actually no tangible reason for a customer to choose one company rather than another. Avis and Hertz have similar price structures; Budget is cheaper — that's its marketing stance — though, says De Villiers, not appreciably so. "It's a fact of life that the cars are going to be roughly the same," agrees De Villiers. The girls are all pretty, they all have nice smiles. The difference is only in the customer's mind. "Although people say customer loyalty no longer exists, I think it's still there. If a customer goes away to another company, in my experience he doesn't stay away for long. The difference is in his mind, so we try and see things his way." People renting a car are saying something about who they are: they've arrived, they can afford it. They're not going to use us just because the ashtrays are cleaner. That ego connection is very important to us."

During the recession, price might have played a more important role than it did before. At the same time, argues De Villiers, price is related to whatever you're selling. Hertz prides itself on its No 1 positioning worldwide and if people want to rent on price alone, that's too bad.

The company does have "very competitive" weekend and holiday rates, to fill cars that would otherwise be standing empty: about 80% of its customers come from the business sector.

Prices throughout the industry have not kept pace with inflation and are considerably lower than in Europe. During the boom period, competition was so fierce that nobody could afford to cut prices: tariffs were already so low that there was simply no leeway.

"Hertz has become known as a price leader. Everybody prices themselves on Hertz. People wait for us to set our tariffs then they go a few cents cheaper so they can

say, look, we're cheaper than Hertz. That aspect of leadership is quite difficult."

SA's car hire rates are among the cheapest in the world and although different rate structures occur from country to country — making direct comparisons sometimes difficult — the accompanying table clearly shows SA as highly competitive in its pricing sphere.

The table spotlights the "A" category of vehicle at Hertz offices in SA, the US, Canada, France, the UK and Germany. Locally, this category covers the cost of renting a VW Golf LS 1.3 or a Toyota Corolla LS 1.3, and much the same vehicles in the other countries quoted. Current exchange rates have been used to convert foreign currencies into rands.

## USA (Oklahoma)

Daily rate (1-6 days)	Per Km	Tax	CDW R	PAI R
R 54.61	—	6.5%	6.70	2.51

## CANADA (Toronto)

Daily rate (1-6 days)	Per mile	Tax	CDW R	PAI R
R 35.28	23c	6.5%	5.42	2.03

## FRANCE

Daily rate (1-6 days)	Per Km	Tax	CDW R	PAI R
R 17.25	20c	18.6%	1.94	3.69

## U.K.

Daily rate (1-6 days)	Per mile	Tax	CDW R	PAI R
R 22.26	25c	15%	4.12	1.89

## GERMANY

Daily rate (1-6 days)	Per Km	Tax	CDW R	PAI R
R 20.55	15c	13%	5.99	2.57

## SOUTH AFRICA

Daily rate (1-6 days)	Per Km	Tax	CDW R	PAI R
R 14.00	22c	6%	5.00	1.00

CDW: Collision damage waiver  
PAI: Personal accident insurance

Price wars as such can become self-destructive. Though aggressive, car hire marketing in SA has not become as cut-throat as it did in the US in the early Seventies. "There things got ridiculous." The industry was going through a volatile and uncertain phase and, at the same time, the US was going through a very tough recession, companies were scratching around for a market and "the fur started flying" between Avis and Hertz.

Everyone joined in and soon car hire companies were giving away a sizeable part of their budget, amounting to millions of dollars' worth of gifts with hire. "The customers, of course, loved it, they were all collecting things for their kids but it eventually became an absolute dogfight. I'd be very concerned if that sort of thing happened in SA. We wouldn't let anyone get away with it. Companies destroy their viability in the end. Nobody gains by a gift programme. If Avis started one, we could do the same and in the end no-one gains market share, you just end up by giving away money. I believe that the best man wins on the basis of good marketing ability and service."

The standard of service in SA is now the best in the world, reckons De Villiers. "The industry here can claim some credit for keeping a tight rein on running costs — we've been more productive than our European counterparts. You can't say the same of the Americans; they're a generation ahead in terms of running costs, but I think they've foresaken something in terms of service. Here we have a very discerning public. Customers want outstanding service and they expect to pay for it; it keeps us on our toes."

The size of the market is still growing. "There's no area that I can think of where I don't see potential. Car hire makes so much sense from a logistical point of view. For some people it's nonsense to own a car."

De Villiers quotes recent AA figures: if you buy a car for R9 000 to R10 000 and sell it six years later for 40% of the price, in all, it will have cost you R37 000. "In Hillbrow, for example, where there is public transport, you should be saving that money for the house you're going to buy: that's something that will appreciate. It costs money to run a car; parking is nonsense. The alternative is to hire a car when you need it. Over the weekend you can take the car of your choice, at half the weekday rates."

"Public transport has to become much better than it is now: it's an ecological necessity. I can't imagine that we'll allow car ownership to grow at the rate it is now."

And rail travel, predicts De Villiers, will be a thing of the future. Both for business



stir," De Villiers admits. "I left with a great deal of love and respect for its people. I imagined that a five-year gap would be okay, but I have to admit that I did feel some pangs. It is difficult to be highly competitive with people one knows so well. But it's a good fight."

On mature reflection ("though at the time I thought I was a very clever fellow") De

Villiers attributes his success largely to luck and good timing: Avis wanting to come into SA just after he had started his car hire business; getting into the airport at the right moment; clinching the Hertz deal, after two years of searching, just as the economy took off. "I'm not a whizz kid: I see my role as that of a catalyst, a motivator of others."

How long will De Villiers stay with

Hertz? The restless spark is still there, but these days it finds its outlet in travel. "I do move around a lot, I enjoy it a great deal. I like to see people: the office can very quickly become oppressive to me."

When it becomes unbearable, he gets into his "antique" aeroplane and takes off into the desert. "I like open spaces, I'm probably happiest in a wild life environment."

## Cars to go

*Car hire, once foreign to South Africans, has definitely caught on*

"The last car in the world will probably be a rental car ..." That's the extent, believes MD Noel de Villiers, to which acceptance of car rental has grown, and is still growing. Today it's like any other takeaway business.

It wasn't always so. Only 10 years ago, people were rather nervous of the idea. Hiring a car held a certain mystique. "People imagined it was complicated. They'd think of 50 reasons why it would be difficult,

because they'd never done it before. We've gone right through that threshold. Now, if people have to wait 10 minutes for a car at the airport, they get upset."

Another barrier was the SA hang-up about ownership: "You don't drive someone else's car, you drive your own."

Outsiders think car rental is a rather hazardous business. What if the cars get stolen, what if they're involved in accidents?

"We get pretty clever at recognising risks. On the accident side, we compare favourably with the national average." Which isn't very favourable. "But people are probably more careful with a hired car which they're not familiar with."

From a management point of view, car rental can be hazardous. "It's difficult to forecast what you're going to need in terms of volume; if you miscalculate utilisation of your fleet, it has a severe impact on the bottom line. And if you don't have enough cars to satisfy customers then your marketing efforts will have all been in vain." The Hertz fleet requires a 72% utilisation level

If you don't do it right, you can find yourself with thousands of cars and many thousands of customers with the twain never meeting.

"This is why," comments MD Noel de

Villiers, "fleet utilisation in the car rental business is of crucial importance." Optimum utilisation demands that the right number of cars are available in the right place at the right time. And when

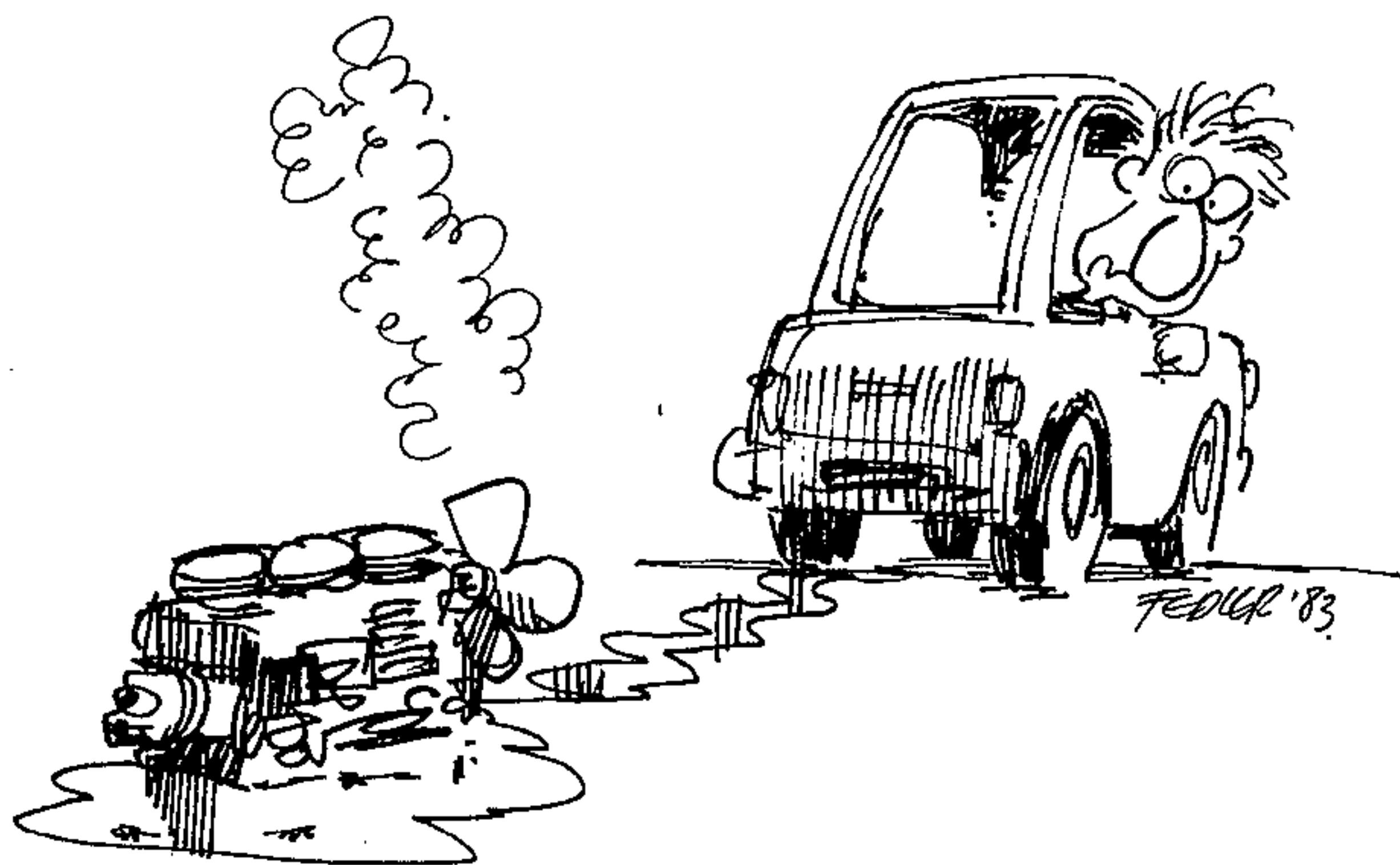
you're looking at hirers running into hundreds of thousands on an annual basis, you're talking about a juggling act requiring the ultimate in dexterity."

Without Hertz's sophisticated computer capability, the company would, De Villiers is convinced, flounder in a maze of inefficiency. "The fierce tempo of competitiveness in our industry places a premium on fleet utilisation — not only to ensure customer satisfaction but also to maximise profitability in an environment where margins are pretty thin."

It isn't uncommon to find that on a particular day, one location will have 80 cars to service 62 customers, while at another only 62 cars are available for 80 customers. "That's the sort of situation we're constantly striving to avoid and, as our experience curve grows in maturity, the utilisation shortfall is steadily narrowing."

With its large countrywide network, Hertz is able to monitor fleet utilisation at each location only via its computer set-up.

Detailed analysis of fleet utilisation is not the computer's only job. Information on stolen vehicles, fuel bills, kilometre readings and full profiles of every car in the fleet are also stored, interpreted and processed.

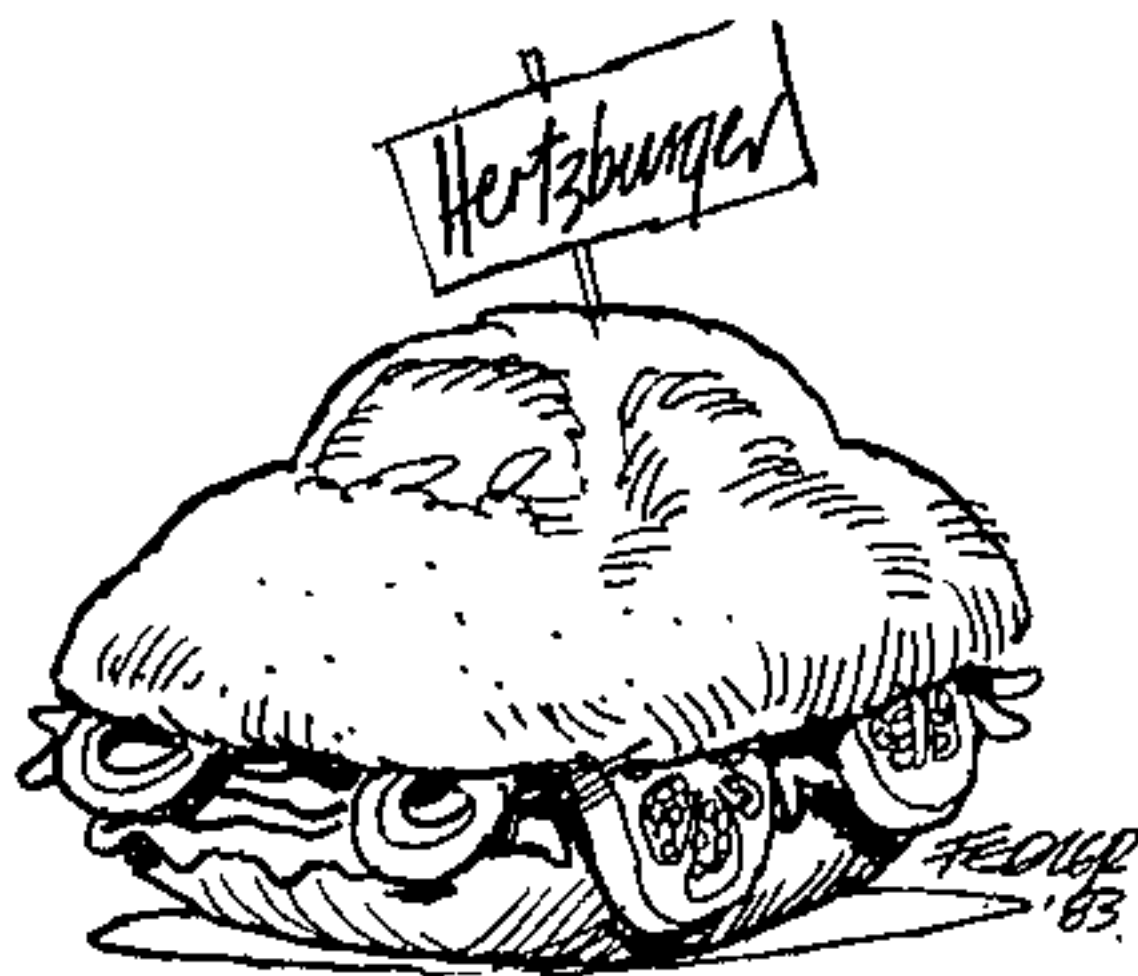




to be profitable and achieving this is a delicate balancing act.

Others have thought car rental looked like a good way to make money, but then found themselves out of their depth. "In boom times, motor companies got into the act. For them there's always the attraction of volume.

"They'd see us putting in an order for 200 cars and think, why aren't we in it? But they quickly find out that this is a very specialised business. It's a service industry and they're in retail. I think manufacturers have now decided that it's a business to leave to the professionals. One notable exception in



Europe is Renault, who owns Europcar."

However, the field in SA has broadened considerably since the early days, when there was just Hertz and Avis. "People began to realise that this was quite a big business. To this day I'm not sure why it's so competitive. I don't have an intelligent explanation. People almost cheer on the sidelines, rooting for their company. Of course one gets complaints, but we also get a lot of helpful letters from customers, suggesting ideas, which indicates the extent to which they feel involved."

When De Villiers started Avis in SA the market was wide open. "Wherever we looked all we saw was Hertz." And as a new company, with no structural or management restraints, Avis was able to go ahead in its own way. But quite soon a number of smaller companies emerged following in the same direction as Avis. The two biggest today are Budget and Imperial. "There are also a number of local companies, especially in Cape Town, who wisely have remained local and always provide a good service. I've always felt that the larger companies have been remiss in not giving attention to local markets. Hertz has tried to remedy that, with three downtown locations in Johannesburg. The airport factor can be mesmerising, one can forget that it's only 50% of our turnover. With proper effort, downtown could reduce that 50%."

The airport was a turning point in the car rental industry — and one which De Villiers himself manoeuvred. "The growth of the industry was very exciting. You can imagine how the businessman reacted when we got into airports. From using buses, having people to meet him, he had freedom. Car rental means mobility; you don't have to be reliant on others when travelling. In business or leisure, it's a concept associated with independence, mobility and freedom."

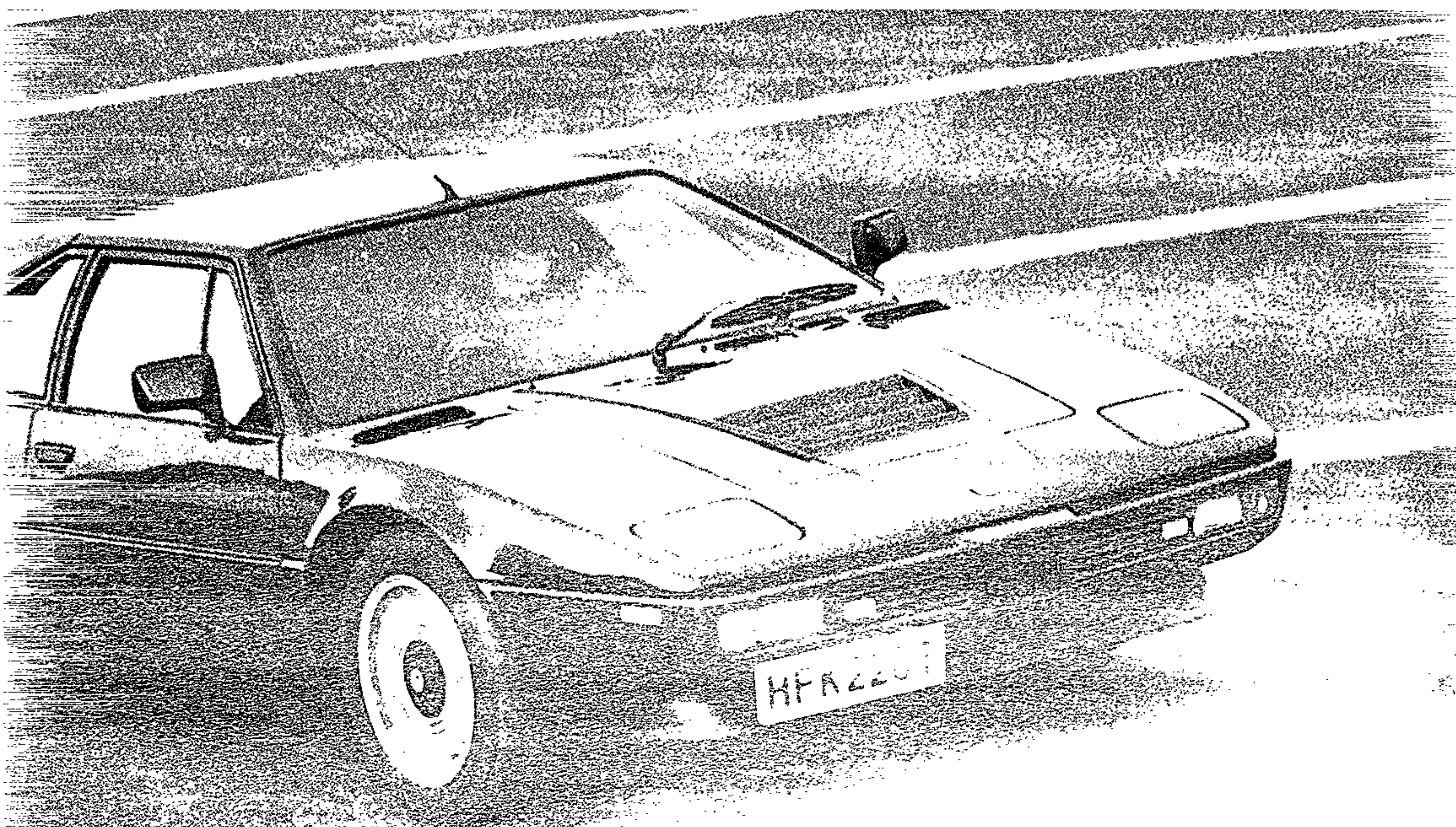
With widespread acceptance of car hire, the market has become very tight and fiercely competitive. Initially it was clear-cut. First there was only Hertz, then Avis came in and outstripped Hertz. When Budget came into SA, it was far behind Avis, but the gap later closed significantly. Now Hertz has made a comeback, and the three major companies are fighting for the top.

This, believes De Villiers, makes for an unhealthy market situation, creating instability in the industry. "In the short term, it makes operating conditions tough but in the long term it is better for the professionals. In the battle of the giants the really small ones tend to be squeezed out." But not all of them. "I regard every competitor with equal respect; anyone who has a car to hire is competition. We'd be fools not to take them seriously. In Europe, the major car hire companies became a little arrogant towards the smaller ones and it cost them dear."



Getting into airports changed the direction of the car hire industry





masses is its good breeding.

One only has to consider the bloodline. From the 518i through to BMW's M1. First raced in 1979, the M1 Pro-Car was, regrettably, a pleasure restricted only to Grand Prix drivers.

The 518i. Membership of the  
Marque.

Fortunately, the joys of driving a thoroughbred BMW machine are, with the 518i, available to a somewhat wider group of driving enthusiasts. A very special breed who adopt the same attitude to life as they do to driving. Active enjoyment.

which explains why they are attracted to the 518i. For apart from being the easiest BMW to own, it is also a superb example of engineering precision. Demonstrating that automotive excellence and technological innovation are characteristics as common to the 518i as they are to the upper echelons of the BMW range.

The 518i. The quality is in the  
breeding.

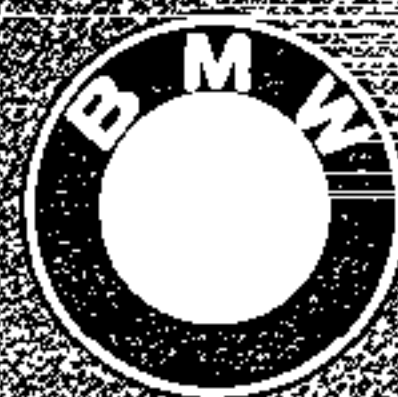
A thorough examination of the 518i serves to demonstrate why every BMW is regarded as a definitive driving machine.

Its independent suspension, for instance, explains why BMW owners relish the most vicious corners. Where the steering provides the sensation of increasing, rather than losing, control over the car.

While its fuel injected engine provides the pleasant sensation of refined motoring. As well as the security of being able to accelerate away smoothly and safely after a cold start.

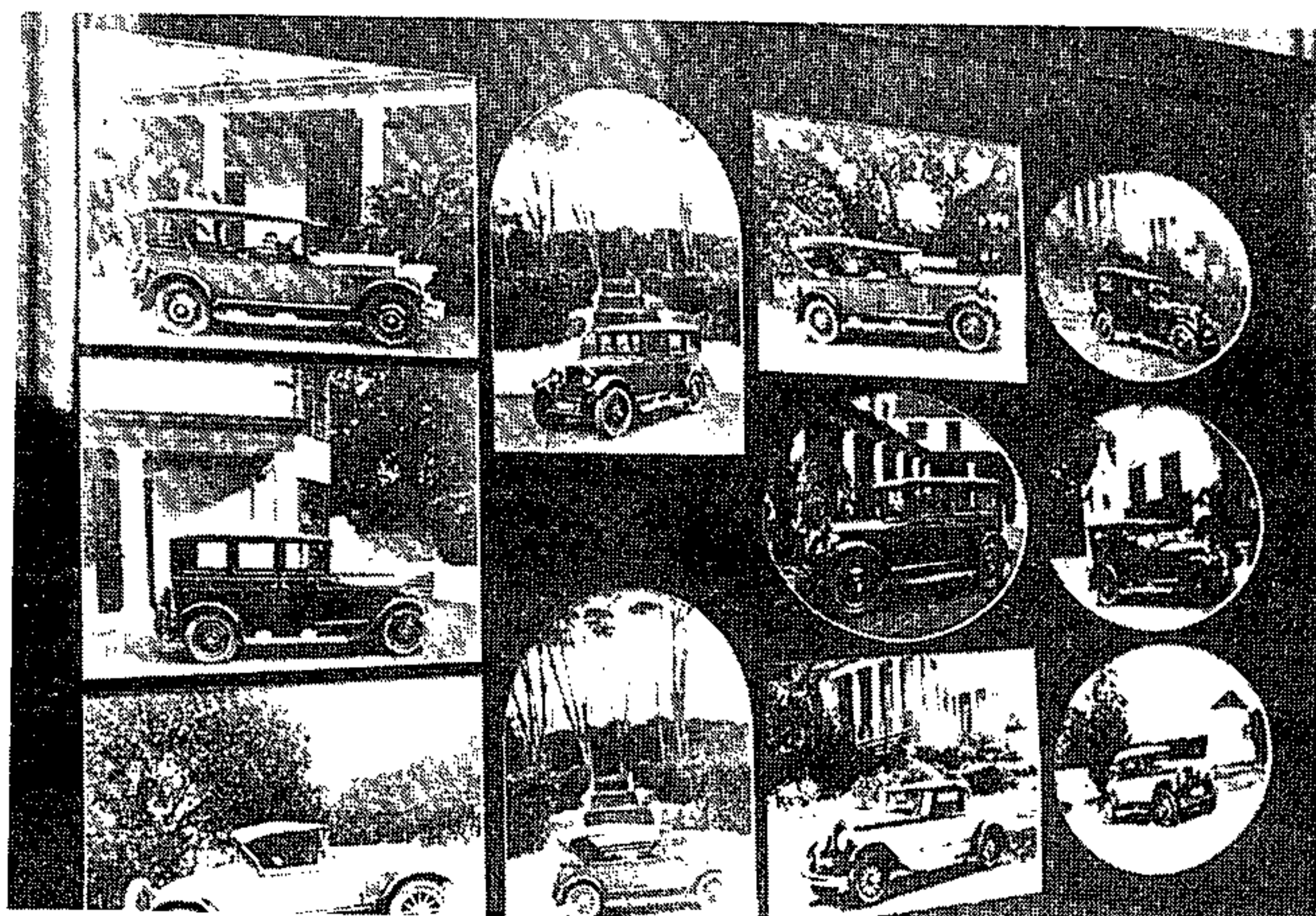
Its fully integrated safety features, furthermore, explain why BMW is acknowledged as the safest range of cars on the road.

What likens the 518i to other BMWs is the elegant simplicity of its form. What distinguishes the 518i from other cars is the form itself.



Sheer driving pleasure





Hertz has its roots in a more leisurely, elegant era ...

it is traumatic, there's no escaping that — came the revitalising process. Very rapidly there was a significant increase in the volume of business, but a lot of this was illusory. Everyone had underestimated the size of the boom. In addition to real growth we were getting some "fantasy growth." You couldn't get cars at that time, so somebody who had to wait three months for a new car, had to rent one. When the recession came and this illusory growth disappeared as well, we were in a negative growth situation

for the first time. It really set the industry back on its heels. During the boom, there was up to 40% growth. Suddenly the thing just went. the 12-month period gone by was a very tough one for us; we've taken a step back from when we took over."

If the timing of the takeover hadn't been so good, however, Hertz would have been knocked back even further. And at least it enabled De Villiers to get the company on a sound footing, leaving him free now to concentrate on what he likes best, marketing.

"What I like about Hertz is the fact that it's positioned well in the public's mind. The service was always outstandingly good, so there was no reason for it to drop in the public's mind. It was simply not orientated towards growth and development. The name is known; the colours are recognised worldwide. We did some research last year to see whether people's conception of Hertz was still the same and it was.

"Our image is completely intact: it's very strong, positive, one of leadership. We're now building on that image: that's who we are, that's what people expect of us, and we're going to give it to them. I spent a lot of time building up morale when I took over the company, but that's the mood of the company now."

Marketing is tough in an industry where, as De Villiers admits, there is little obvious differentiation between the competitors. It's especially challenging at the moment, when Hertz, Budget and Avis are all vying for the top spot (though market share has not been defined).

Whilst Hertz is fighting to regain this position, it is concentrating purely on car rental. "It's a very specialised business. We dabble in leasing, though it's really contract hire. We can lease a car with maintenance, insurance, service all included: we have experience in estimating car values and we know the risks involved, so it's really an extension of our existing business. If it does grow, it'll be a separate division, that's all. At this stage, we're so involved in rent-a-car, we're not looking for things to do. But inevitably at some stage we will be ..."

## Noel de Villiers — back in business

*The man who built Avis in SA from scratch is back in the car hire business — for Hertz*

Hertz MD Noel de Villiers' background is not what you would expect. When you consider the impressive business record, the innovative skill, the urbane charm, it comes as a surprise to learn that he's "a farmer's son," born and educated in the Free State. And — though highly articulate — "not a very good student."

He just wasn't interested. "I had a strong desire to become independent as soon as I could. Looking back, I suppose I regret it now." He left school after matric and went straight into the motor trade, not because of any burning interest in cars — but it was a job.

"I wanted to earn some money, be my own master. I was very lucky in a way, since there was nothing commercial in my back-

ground. I knew nothing about the motor trade but I found quite quickly that I enjoyed business and meeting people. I was reasonably successful on the sales side so I was given special projects. I felt I had a capacity for learning, but in a practical sense. If I saw people doing things I caught on quite quickly."

De Villiers then went overseas for a spot of the mind-broadening he considers vital for young, insular South Africans. He travelled all over Europe. "I really can't recall why the car hire business interested me, but it did so to the point that I contacted a company in the UK. The business was so big over there and not in SA, that I said to them, won't you tell me all about it?"

Back in SA, the time seemed right to start

on his own and De Villiers moved to Johannesburg in 1968. His previous employers put up the cash and he started a small car hire company, with five cars.

A year later, Avis expressed interest in the company: they wanted to establish themselves in SA. "We didn't really want to sell, as we were a young company, but at the same time we knew the value of an international affiliation." De Villiers entered into a joint venture with Avis in 1969.

The company grew rapidly, soon overtaking Hertz — at that stage the only other national car hire company — and changing the direction of the industry from harbours and tourism to airports and business. De Villiers had seen the huge amount of car hire business done at airports overseas. Why not here? "The moment I got into the business, I started talking to the airports."

It was a sobering experience. "It was very frustrating; my first experience of bureaucracy. As a young man I couldn't understand



of Hertz, and many had never heard of car rental. The company was sold to United Transport in 1969 — the year De Villiers launched Avis. The new owners, maintains De Villiers, never really understood Hertz. They were in heavy transport, and weren't used to marketing, which in car rental is "the name of the game."

"One has to be fair when criticising management," says De Villiers. Hertz had to change its whole infrastructure to keep pace with the changing market. With its stress on harbours and tourism, its head office was in Cape Town. This had to be moved to the Transvaal. Staff had to be retrained, the whole focus had to be redir-

To run smoothly, every machine must be thoroughly lubricated. This is what 26-year-old Lynette Carpenter does for the Hertz engine room. She joined Hertz seven-and-a-half years ago as a rental rep and since then has done everything in the organisation, from running branches to assisting with the company's internal public relations programme.

In June this year, she became what can only be described as Noel de Villiers' second right arm. "I not only act as his personal assistant on a day-to-day basis. I hold the fort for him while he is (frequently) away, still look after the PR function, handle the quarterly staff magazine, produce our cardholder bulletin, have regular dealings with the group's top executives, oversee the customer liaison department and get involved in lots of other aspects of the business."



ected to airports and to the more aggressive business market. "Hertz was completely on the wrong track; the company faced a period of considerable readjustment."

Other companies soon sprang up, following De Villiers' lead and Hertz slipped further behind. When the company was sold to Union & London and De Villiers in January 1980 it was very run down and making a loss.

The partnership is a very happy one, says De Villiers. He operates a two-tier board system: there is the holdings board and the management board. The shareholders are kept fully informed of what's going on within the company, but De Villiers retains complete management control. His team is small — "We try to run our headquarters as lean as possible, we like them to be a slave to the operations rather than vice versa. We've aimed everything at making it easier to hire."

When De Villiers took over Hertz, the whole company needed restructuring to turn it into a "pure, thoroughbred car hire company. If you can talk about the old and new generation in this context, Hertz was still being managed in the old generation — although by now it was out of touring.

"We had to make many management changes and we had to be pretty ruthless: we did get rid of people. But Hertz had been in the business a long time and had some very good people who had been with the company 20 years or more. So although a pretty substantial surgical job had to be done, we had to be very careful to identify those people who should stay.

"The name of the game today is volume, and Hertz was not geared to cope with it." Expensive and sophisticated computerisation was introduced — of booking, accounting systems, fleet monitoring procedures and other aspects of the company. One of the keys to the efficient working of the entire network is a very sophisticated statistic-producing facility. "Now, in world terms, we're up to date with what's going on.

"We focused attention on the Hertz charge card, which was not recognised as having the importance it certainly has. It is our most vital way of expanding our customer base, enabling you to rent a car wherever you go. We straight away upgraded our training facility; we taught staff how to do national and international reservations. There was a very ragged sales team, but Hertz hadn't got into the new approach of selling a car. They were still in the old era where people came and asked for one; today it's very aggressive. We doubled the number of branch outlets very rapidly. Today Hertz has the widest countrywide network of branches." There are 75 in SA, Namibia and Swaziland. In Zimbabwe, Hertz is still operated by United Transport.

As Hertz grew in this country, it became

easier to strengthen ties with the overseas offices. "We got very close to Hertz internationally and we now enjoy a rewarding relationship. Although this is a purely local organisation, there is no longer a 'them' and 'us' situation. SA is now quite an important market to Hertz and they value our opinions; we're now generating international business." Hertz SA reports to head office in the US through Europe.

The local company is wholly SA-owned, and franchised to its American parent, paying a fixed royalty based on turnover. It is unusual, says De Villiers, for an entire country to be franchised, but in this case it is convenient. In 1964, when the franchise was first granted, SA wasn't considered a terribly big market, and the distance posed a problem, particularly in a fast-moving service industry. Even though SA is now a significant producer, "it suits them to have a country like ours, a long way from base, autonomous."

Hertz is not yet No 1, but it is now regarded as a serious contender. De Villiers gives a part of the credit for what he has achieved so far to "a stroke of fortune" — buying at the start of the economic boom.

"After the trauma of the takeover — and

**Hertz has clinched what it regards as the biggest coup in 60 years of operation in SA. The car rental group has been appointed the Automobile Association's official car rental contractor in an agreement which could shake-up this highly competitive industry.**

For the AA's 610 000 members, the Hertz/AA union carries a number of advantages, and there could be more benefits in the near future.

AA members will now receive a 15% discount on standard Hertz rates (both locally and internationally); they will have available to them a whole range of tariffs designed exclusively for their use; they can apply for a specially-embossed Hertz charge card valid for use on a worldwide basis; and they will enjoy access to Hertz's 73 branches in southern Africa and to its 4 300 locations in 119 countries throughout the world.

Additional benefits currently under consideration are a facility for AA members to purchase Hertz second-hand cars and a uniquely packaged deal with a hotel group and SA Airways.

Hertz MD Noel de Villiers expects the AA agreement to boost Hertz's turnover "by a considerable margin" and in the process to trigger off a re-alignment of market share, which has been by and large constant over the past 12 months.



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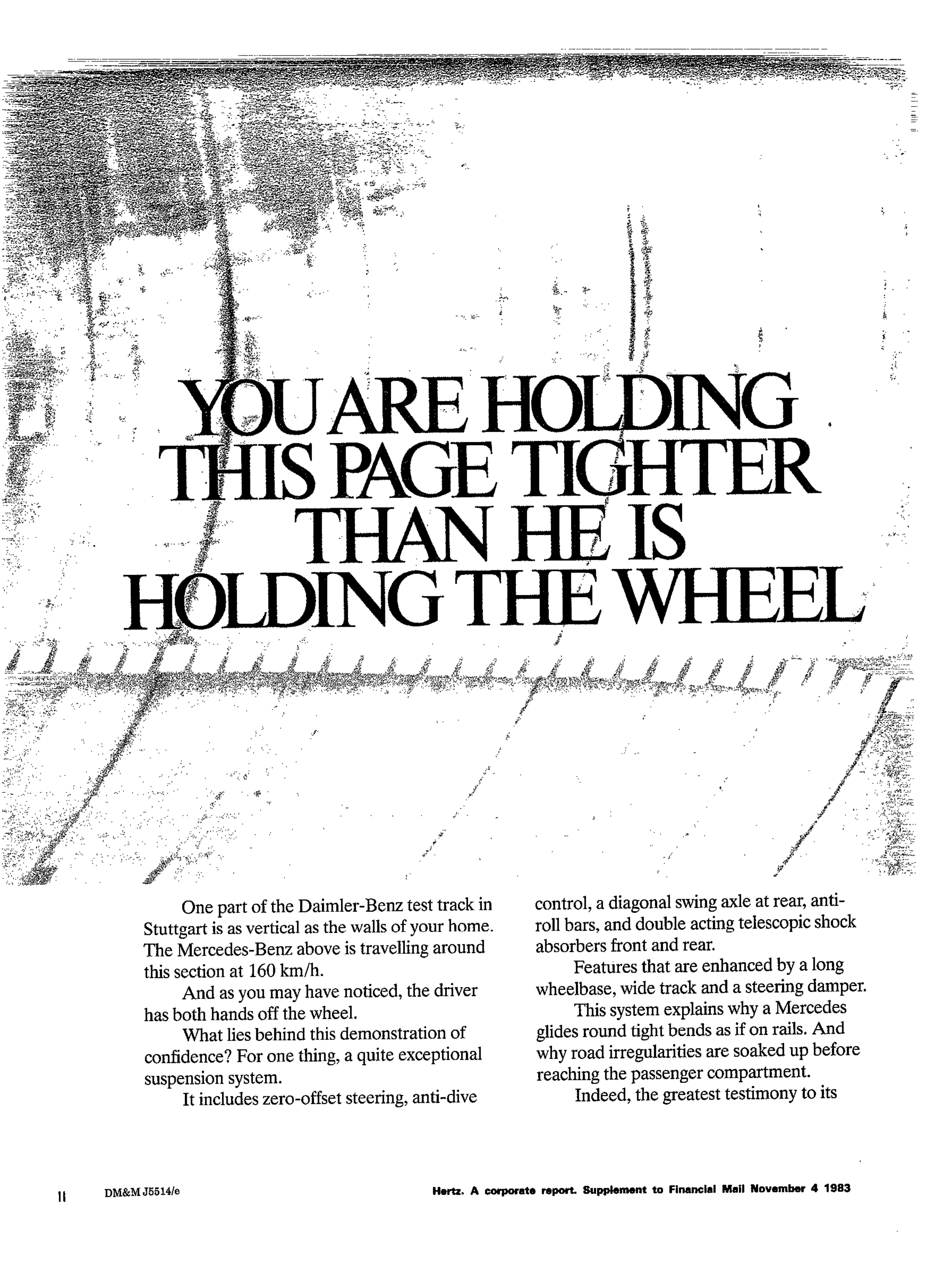


car a shield too tough to break down.

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# YOU ARE HOLDING THIS PAGE TIGHTER THAN HE IS HOLDING THE WHEEL

One part of the Daimler-Benz test track in Stuttgart is as vertical as the walls of your home. The Mercedes-Benz above is travelling around this section at 160 km/h.

And as you may have noticed, the driver has both hands off the wheel.

What lies behind this demonstration of confidence? For one thing, a quite exceptional suspension system.

It includes zero-offset steering, anti-dive

control, a diagonal swing axle at rear, anti-roll bars, and double acting telescopic shock absorbers front and rear.

Features that are enhanced by a long wheelbase, wide track and a steering damper.

This system explains why a Mercedes glides round tight bends as if on rails. And why road irregularities are soaked up before reaching the passenger compartment.

Indeed, the greatest testimony to its

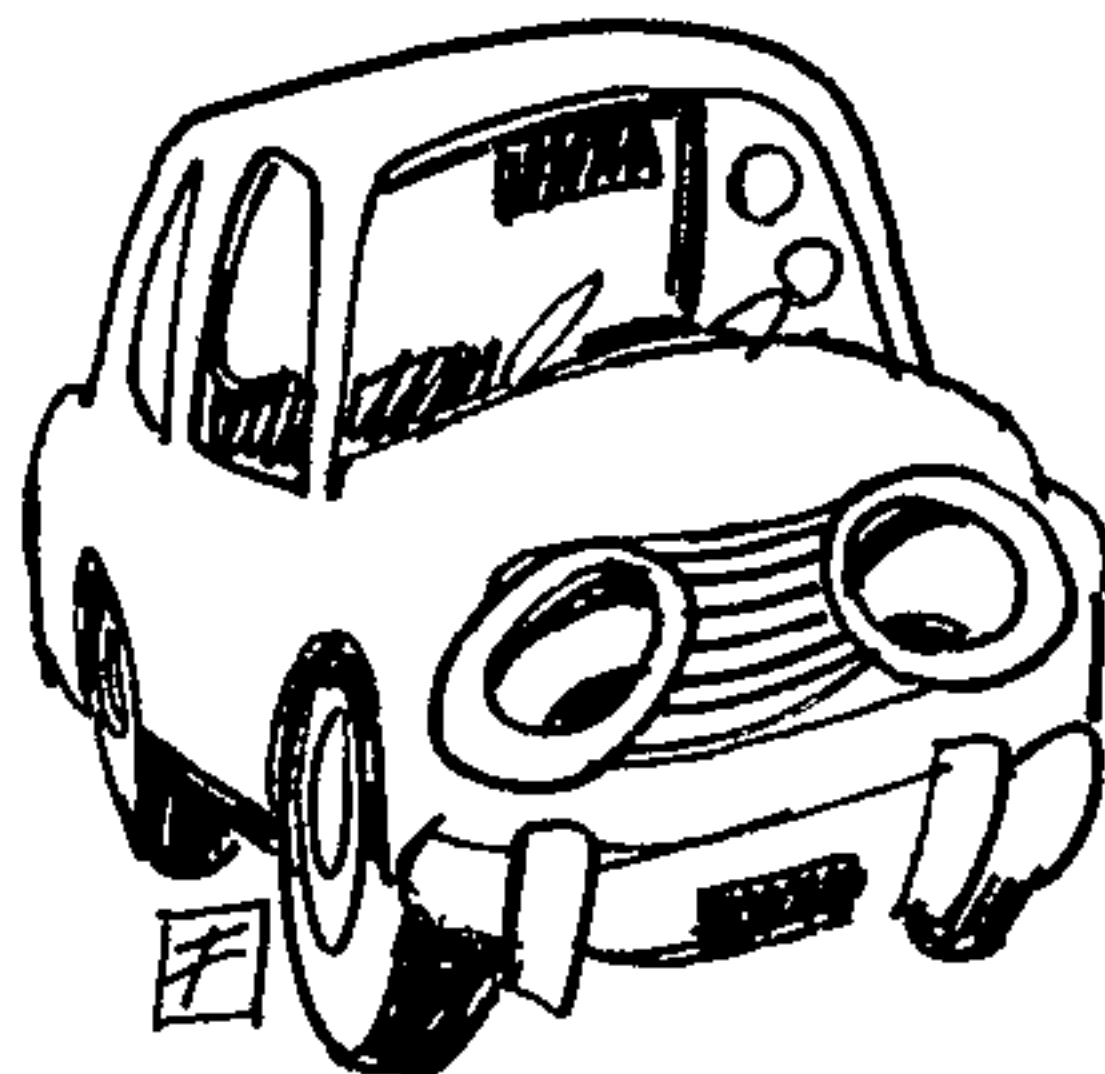


signs that non-business use was on the up. This was particularly the case with families who have a car off the road. Rather than do without, or borrow from friends, they were renting. This practice all but evaporated when the economy turned sour, but Hertz is looking at ways of rekindling the market.

The growing number of city dwellers occupying flats also represents a vast potential market. De Villiers sees it all as a matter of educating the public. Why should a flat dweller pay to keep a car housed all week, when he is only going to use it on a weekend? He reckons that with the right package, aiming directly at the economies of the practise and peoples' egos, it can be accomplished.

And it is this second area which may prove to be the trump card. A car is so closely identified with the character of its owner that the option to change your car with your mood may prove an attractive proposition.

De Villiers says the cars need to be rented out 72% of the time for Hertz to be in profit. With 80% of demand coming from businessmen — and concentrated during the week — any weekend demand for cars will be an added bonus.



Another innovation that comes on stream this month is a tie-up with Standard Bank. Hertz has arranged with Standard that a customer's Stannic motor card can now also be used for car hire, in addition to its existing petrol and repair facilities.

This development also illustrates Hertz's independence, which De Villiers feels is strongly in its favour. Although closely tied to Sage — Sage's U & L holds 40% of the equity, former U & L director Wally Grey

10%, and De Villiers the remaining 50% — Hertz is not exclusively tied to Nedbank. In fact the car financing arrangements are done part with Nedfin and part Wesbank.

Like many other commercial enterprises Hertz is also looking towards the phenomenal potential of a growing black market. While there have been some problems in the past with licences, De Villiers feels this is dwindling. And as black spending power increases he expects them to turn more and more towards car rental for holidays and other leisure activities, due to the cost of maintaining an owned car throughout the year.

The increasing affluence and responsibility of the younger generation has also prompted Hertz to drop its age limit to 21 from 25 and De Villiers foresees it falling to 18 in the not too distant future.

This move will not be hampered by the insurance companies as Hertz now finances all repairs itself. With the cost of insurance now running at around R500 per vehicle per annum, it is easy to see that over R1m can be saved in a good year. Although the cost of repairs has to be deducted from this saving, it still works out cheaper to carry the cost of repairs yourself, says De Villiers.

In his 80th year, Robert Murray justifiably claims to be the grandfather of the Hertz organisation in SA — and he feels no embarrassment referring to Hertz as his baby.

It was he who bought the Hertz franchise as long ago as 1937 and in the process transformed the company from a staid operation that did nothing other than rent out chauffeur-driven cars into one which pioneered the self-driven rented vehicle. By mid-1939 this business was thriving, principally under the stimulus of British visitors and the growing acceptance of the car hire concept among South Africans. "Remember, few people owned their own cars in those days, so car hire was the only outlet for those who desired the novelty of having a car at their disposal for short periods and also for those who needed to get somewhere in a hurry."

The war brought Murray's hopes, plans and expectations to an abrupt and devastating halt. No more tourists and mobilisation at home caused revenues to plunge. One with less resilience would have thrown in the towel but Murray sold half the fleet to meet expenses and operated on a shoestring. Tyres and spare parts were impossible to come by, so tyres were patched up and spares were machined in the company's own work-

shops. By the end of the war, some of the Hertz vehicles had clocked up more than 250 000 miles.

"In spite of all the hardships," he says, "I was fortunate to get a fair bit of government business. It was business that actually built up as the war progressed, so that by 1945 we actually had no capacity for private users."



After the war business boomed and the British poured into SA, seeking new opportunities, while local interest began to revive. But the election of the Nationalist Government in 1948 brought another setback which Murray countered by travelling to the US with a view to promoting tourism to SA and obvious benefits for Hertz. In the process he became the African continent's first member of the American Society of Travel Agents.

The US trip paid handsome dividends and the Fifties and Sixties, spurred by a growing stream of American visitors, saw revenues expand rapidly. Further setbacks came with Sharpeville and the Belgian Congo upheaval, both of which adversely affected Hertz because of the steep decline in tourism.

Murray sold his business in 1967 but has remained on the board ever since. Between then and now he's seen Hertz experience ups and downs. At present, he feels, Hertz is in extremely good hands. "Noel de Villiers has given the business a tremendous boost. He is innovative and original, with a capacity for hard work. Under his guidance, the company has improved in every way and I have the utmost confidence that Hertz has a solid future in SA. To see my life's work being fulfilled in this way is to me highly gratifying."



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Bantam has the biggest cab and load area of all the lightweights. Loads of room, loads of comfort. With plenty of load space too. Deep, long and wide — the pickup box packs half a ton with ease. And the tailgate drops to 90° or 180° should you need to back up to a platform. You're stretching out!

## **Get a load of economy**

Bantam boasts the petrol-saving, easy-to-maintain 1300 Kent engine. Proven power, proven economy. With minor service/oil change every 10 000 km and major service only once every 20 000 km. And the distinctive aerodynamic shape even helps to reduce fuel costs. You're riding great!

## **Get a load of style**

From grille to tailgate, Bantam's a load of good looks. Smooth lines, aerodynamic styling, black rubber bodyside mouldings, unique quarter-window in the B-pillar, left and right exterior mirrors, black finish bumpers and semi-styled road wheels. You're looking good!

## **Get a load of toughness**

The double-skin pickup box, robust rear suspension and wide track front and rear add up to make Bantam tough and sure footed — whatever the load, whatever the road.

You're going strong!

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Whatever you're doing, Bantam is always fun to drive. On dirt roads or highway. It's zippy, it's nippy. It's a half ton of fun!

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235 dealers nationwide. Full parts and service programme. Trained technicians. Finance and insurance facilities from Ford Credit. Unique Extended Service Plan optional warranty over 100 000 km or 36 months.

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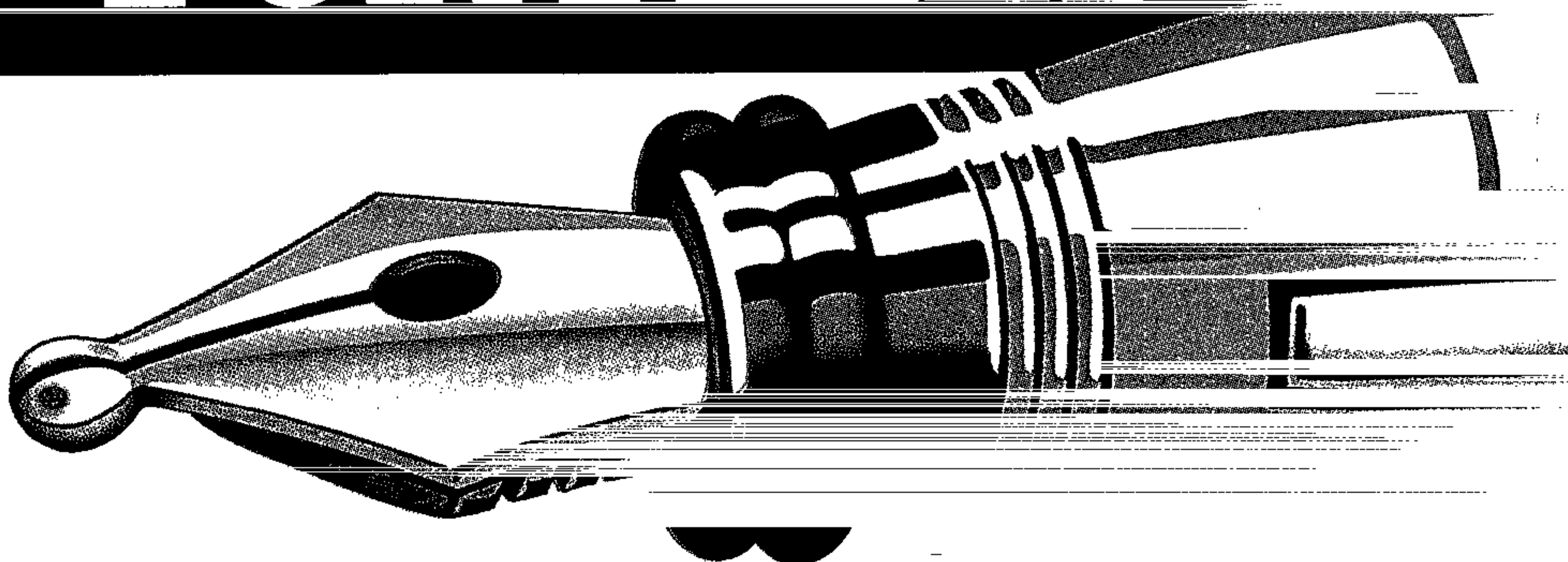


CHOSEN BY HERTZ **FORD BANTAM**





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All costs including service, maintenance and tyres are covered by one fixed, monthly payment to Fleetlease. You pay nothing else except petrol and top-up oils.

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You don't even have to worry about the rate at which your vehicles are depreciating. When you take out your agreement, we take this risk away from you. At expiry, all you need do is hand the vehicle back to us.

### 4. Stannic's Fleet Management System reduces your fleet administration costs.

Petrol and top-up oils are the only extras you pay for in Full Service Leasing. To take the load off your shoulders, each vehicle will automatically be taken onto Stannic's Fleet Management System.

You will receive a Stannic Motorcard, which allows you to fill up anywhere in the country.

You will be billed monthly for petrol, and monthly computer reports will keep track of the fuel consumption and highlight abnormal expenses for you. You use your Stannic Motorcard for services and maintenance as well and Fleetlease is billed automatically.





November 5, 1983

Visitors complain they are being milked

Taxis rip off tourists

w/c Marcus  
5/11/83

(332)

off

by cab drivers

and

tourists



By GRAHAM BROWN  
Weekend Argus Reporter

BLATANT overcharging that has given Cape Town's taxis "a bad name all over the world" tops the list of complaints from tourists and is the subject of an in-depth probe by the city's Chamber of Commerce.

And Captour publicity manager Mr Hans van Heukelen said this week that sky-high taxi fares had become the "order of the day", topping the list of complaints received by the bureau.

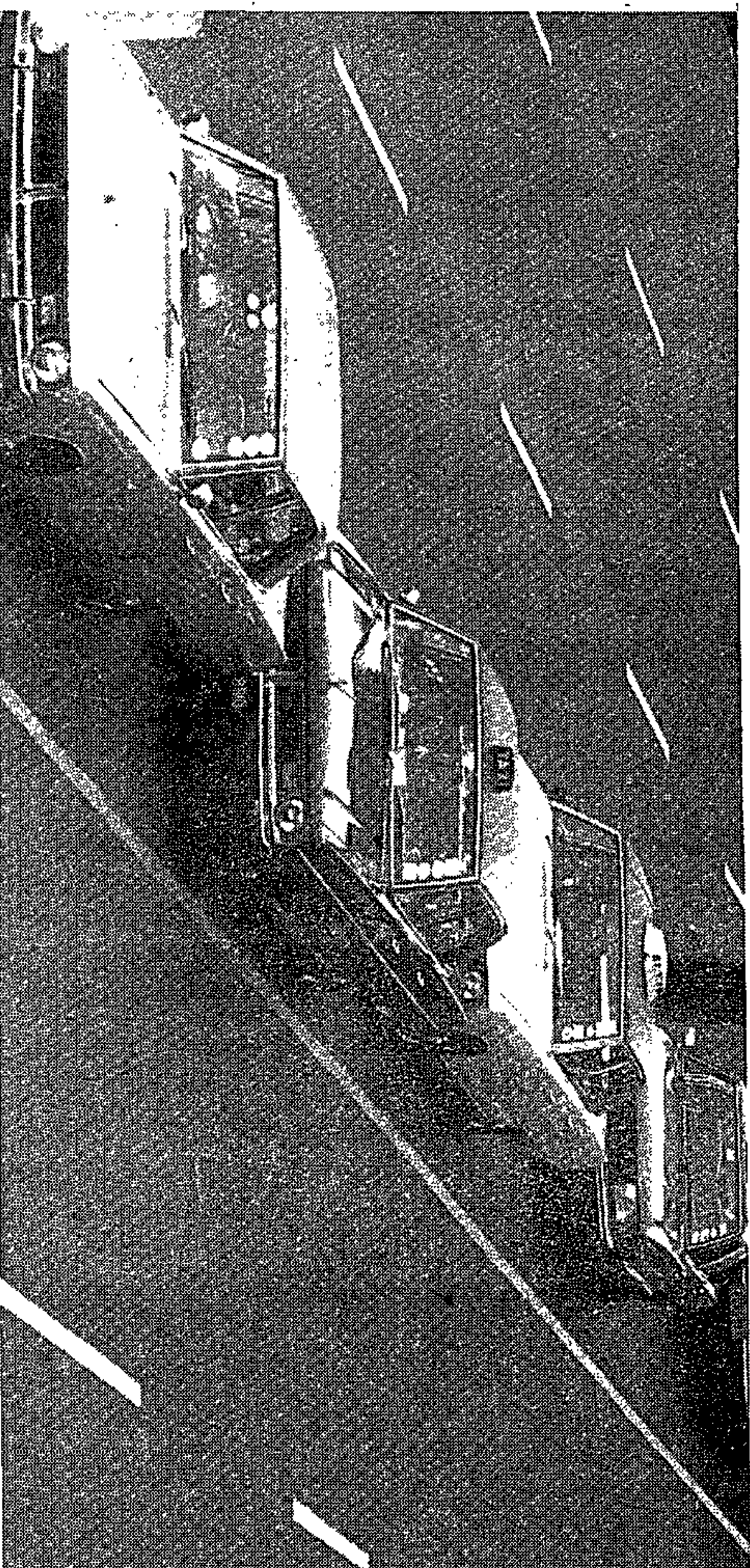
Taxi operators confirmed that overcharging was rife, particularly for tourists who might not know the difference.

But some, who wanted their identity withheld, claimed this was the only way to recoup fines for minor traffic offences such as stopping in no-stopping areas to wait for passengers, or not returning to their ranks quickly enough.

One taxi driver claimed this attitude was shared by the traffic department and local magistrates who often fined taxi drivers for minor offences because, they said, "We know you. You'll recoup the money quickly enough."

The charge was denied by acting Cape Town traffic manager Mr Peter Dodd, who said that traffic officers tended to turn a blind eye to all drivers stopping in no-stopping areas if they were in the car and not obstructing traffic.

Taxi operators explained several ways to milk tourists — a meter could be turned on before a passenger was picked



A taxi rank in the city centre. The Cape Town taxi service has a bad name all over the world as hundreds of tourists are said to be exploited every year.

up. Or it might not be started at all on the pretext of being out of order, allowing the driver to charge what he liked.

Or a digit on the meter could be taped over at the beginning of a trip so as to conceal an irregularly high "flagfall" starting tariff. The driver could remove the tape later and "aim the meter reading as proof of a high fare."

Some drivers are said to claim an extra night premium, or insist that general sales tax must be added to the metered tariff. And it is easy to take

an unsuspecting tourist the long way round to any destination.

Mr van Heukelen urged the introduction of a fixed taxi tariff for trips between the city centre and major tourist attractions. "There should be no such thing as having to bargain for the fare," he added.

There are two ways for passengers to fight the problem — keep a sharp eye on the taxi fare meter to make sure it is switched on as the journey starts, and demand a receipt for the fare.

Taxi manager Mr Dickie Samie, who conceded that Cape Town taxis had a bad name "all around the world", backed the idea. His firm offers a taxi for a day to, say, Cape Point for R120, down from the R180 metered tariff.

Among the overcharging complaints received by Weekend Argus was a tariff varying between R12 and R20 for a trip from the Holiday Inn, Eastern Boulevard, to the city centre. The trip should have cost around R3,50.

Taxi operator Mr Er-

nest MacDonald suggested one way to curb overcharging — number each taxi very visibly on the outside to make it easy for an aggrieved passenger to report an offending driver.

But Mr Dodd dismissed the idea as impractical because a driver could easily change this number. "Avoid pirate taxis without meters, and ask for a receipt at the end of the trip. It is your right," he said.

The traffic department would like to see notices displayed prominently at

the back of taxis telling passengers of this right.

Taxi firms pointed out one area of misunderstanding. Taxi fares were raised by around 60 per cent in June. The "flagfall" starting tariff is up from 60c to R1 and the rate per kilometre from 80c to R1,20.

But taxi firms must apply individually to have their meters changed to the new tariffs. Some operators, particularly the smaller ones, have not yet done so.

As a result, a trip from the airport to the city

centre would cost either R16 or R25. The dual tariff system, with different taxis charging different fares, could last another four to six months.

All the companies interviewed said they dismissed drivers found to have charged more than the metered tariff. But they added that the public rarely complained of overcharging and that it was hard to catch offenders.

They added that they were trying to upgrade the image of taxi drivers by employing a "better type" of driver. Some have introduced uniforms and introduced a salary structure for drivers.

#### White coat

Municipal bylaws state that all taxi drivers must wear a white coat or an approved uniform. Mr Dodd said this bylaw was enforced against sloppily-dressed drivers in, say, a T-shirt or dirty shirt and jeans.

And this year, for the first time, the traffic department has persuaded the police to run a more-than-cursory national check on all taxi-driver applicants to make sure they have no criminal records.

Last September the 426 taxis registered in the Cape Town municipal area were caught out in 294 violations, 57 of them for ignoring traffic signals, reckless driving or driving under the influence.

W-E ARGUS

S-11-83

332



# BYE-BYE BUSES

TO MAINTAIN the Nationalist dream of keeping the capital city white by night, Pretoria's black workers are to pay more in cash and lost time to travel to and from the city.

Workers are to be forced to use trains rather than more convenient buses to get to work in the city order to justify a massive R180-million investment in a special railway line to transport black workers in and out of the city to townships in Bophuthatswana.

A Pretoria city council spokesman said this week: "It would be unfair to expect the government to subsidise both the train and bus services when the railway service can carry all passengers."

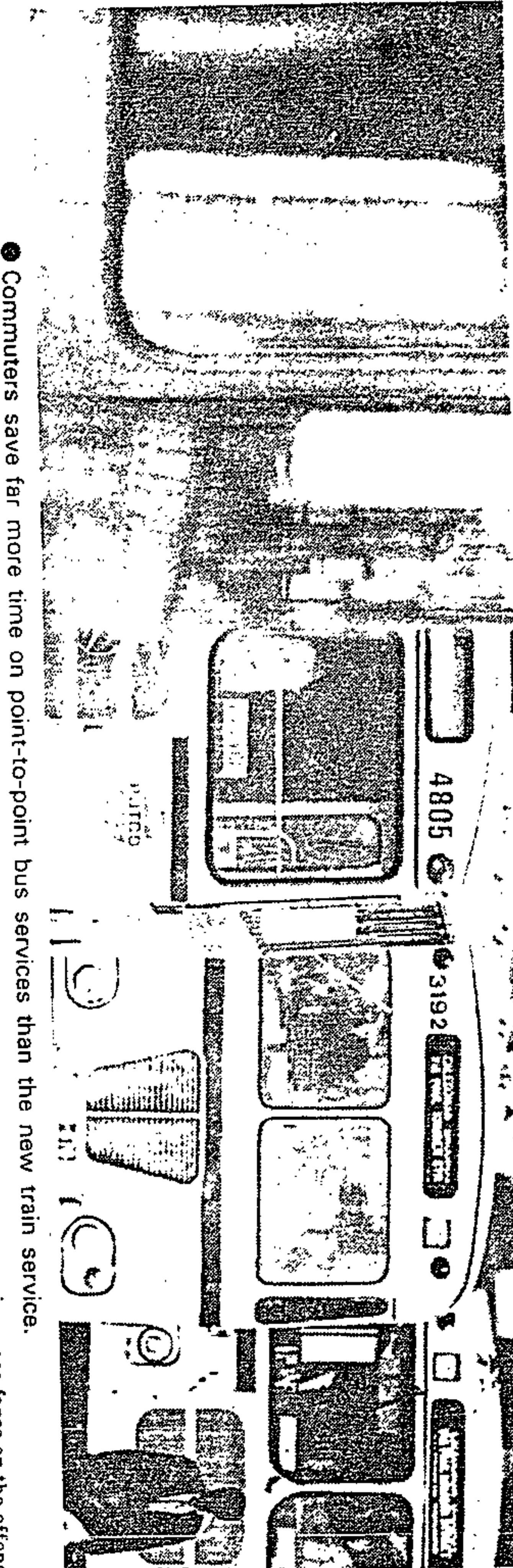
The forced withdrawal of bus services means that many workers are now having to spend four hours a day travelling to and from work in Pretoria, instead of less than two hours on a point-to-point bus.

Main reason for preferring buses to trains is that existing point-to-point bus services allow most workers to take only one bus to get from home to work.

On August 29 a railway line from Pretoria to Mabopane — nearest dormitory town in Bophuthatswana — was opened. The line cost R180-million to build.

South African Transport Services (SATS) had anticipated carrying 60 000 workers to the city each morning. Originally the option of using whichever service was most convenient to them was open to the black commuters.

But only 30% of the expected number of commuters



Commuters save far more time on point-to-point bus services than the new train service.

## PUTCO'S PULSATING PRETORIA RUN

ers chose to travel by train, threatening the service with financial disaster. SATS soon changed its mind.

To travel by train means that the average worker living in Mabopane must:

- Take a township bus to the nearest station — a 15-minute trip.
- Wait another 15 minutes for a train.
- Take a 47-minute train trip to Bel Ombre, the new station north of the city centre.
- Wait another 15 minutes there for a feeder bus to his place of work in the central city, 2km away. It could take a further 30 minutes because of the longer routes the city council demands black buses must take to avoid city streets reserved for 'white' traffic.

The result is that train commuters have all the inconvenience of three queues, two changes and more than

THE number of workers ferried to and from Pretoria by bus and train is awesome.

A fleet of 990 Putco buses transports more than 3.7 million people into Pretoria each month.

Trains carry more than 98 000 people into the city each week-day.

A breakdown of the figures shows that: 435 Putco buses ferry more than 40 000 people from Bophuthatswana into Pretoria daily.

Another 230 buses are used to transport 16 500 people from KwaNdebele into Pretoria.

A further 195 buses bustle around Pretoria and it's environs getting people to work, to the stations and to the townships.

two hours' travelling for a single journey to work — more than double the time on a direct bus route.

Several petitions have been signed by thousands of people who say they prefer the buses as the train is in-

90 buses take people from KwaNdebele to small towns on the West Rand and in the Western Transvaal.

The other buses are in workshops for maintenance.

The 98 000 people carried to work by train each day include:

- 10 000 people from Hammanskraal, 50km from Pretoria.
- 30 000 people from Mabopane, on the Bophuthatswana border.
- 11 000 people from Garankuwa.
- 9 000 people from the Johannesburg area.

The remainder come from areas such as the Mamelodi and Atteridgeville townships near Pretoria.

ing bus routes.

They parties involved meet fortnightly to co-ordinate services.

The first step was taken last month when they withdrew the normal transport subsidy, which led Putco to

the route," the spokesman said.

"This is in keeping with a decision taken by the Minister of Transport."

"The railway line was specifically designed to provide the backbone for infrastructure in the area."

"Where people can use the train they should be made to, rather than buses," he said.

"From the city council point of view it is a good idea to have as few buses in the city centre as possible — congestion along the main routes into the city is aggravated by a large number of buses," the spokesman said.

Putco's co-ordinating executive, Mr Paul Nucchi, said it was not definite that the Mabopane bus service would be phased out.

"I can't say how many buses might be taken off — it depends which are not found to be competition," Mr Nucchi said.

"More buses will be taken off phase by phase, if the committee finds it necessary."

Mr Nucchi said the introduction of the train service had resulted in some Putco buses operating without a full load.

"Commuters should be allowed to make their own free choice on transport — we can't say how many buses will be affected yet," he added.

At a recent Assocom congress in the city, businessmen unanimously decided to call on the government to allow black commuters a free choice. There has been no response yet to the plea.

The issue is expected to lead to heated discussion at the Pretoria Metropolitan Transport Board, which meets later this month.



# Government word on transport report soon

## 'Dissatisfaction' over findings on black taxis

Argus Correspondent

JOHANNESBURG. — There will be serious dissatisfaction among black commuters if the Government implements the recommendations of the Welgemoed Commission and bars black taxi drivers from using minibuses, South Africa's black taxi boss, Mr Jimmy Sojane, has said.

Mr Sojane, president of the Southern Africa Black Taxi Association, was speaking last week at a seminar in Johannesburg — attended by 200 of the country's top transport executives — on the controversial recommendations of the Welgemoed report.

Mr Sojane said the black taxi industry flourished because bus companies were unable to provide the service taxis could. But if permits for minibus taxis were abolished, pirate taxis would take their place and the authorities would be powerless to stop them.

"The general feeling among black taxi owners is that they have proved there is an exploitable market which does not coincide with that of the bus companies," he added.

"But the recommendation now is that the market be taken away from the pioneers who have exploited it and handed to the bus companies who have so far proved unable to run their concerns without subsidisation."

Argus Correspondent  
JOHANNESBURG. —

The Government's decision on the controversial recommendations of the Welgemoed report — which will have far-reaching implications for passenger transport in South Africa — will be given within the next few weeks.

This undertaking was given last week by the Director General of the Department of Transport, Mr A B Eksteen, when he addressed a symposium at Rand Afrikaans University, organised to review the Welgemoed Commission's report.

### Guidelines

Dr Piet Welgemoed MP, a transport economist, headed the commission which last year recommended to the Government policy guidelines for every major aspect of bus passenger transport in the future.

The Government's views on the Welgemoed report would be given within the next few weeks, and although certain aspects might not be very popular in certain quarters, the interests of South African transport in general would be taken

en into account. Mr Eksteen said.

He also assured the Southern African Black Taxi Association (which represents a major share of the estimated 20 000 black taxi drivers in South Africa) that their views of the Welgemoed recommendations would be "considered very carefully".

The association has been particularly critical of recommendations aimed at cutting back on minibus taxis which have virtually supplanted the sedan in urban black townships.

"I also consider it necessary that the Black Taxi Association and the SA Bus Owners Association should meet in order to define the place of minibuses in South Africa," Mr Eksteen added.

Dr Welgemoed hit out at criticisms of the commission's report — particularly as it affected recommendations concerning the future of minibus taxis in black areas — which he said were too often based on only a part of the recommendations.

He referred to the controversial recommendation on taxis which stated: "Existing legalised interests should be respected in any changing

set-up and the present legalised eight-passenger vehicles that may be used as taxis should be phased out over a period of four years."

"The commission acknowledged the place of taxis and minibus services and tried to bring a little more order to this sector of transport," he said. "The commission's recommendation which followed on this above one made provision for a new category of transport, namely a category of public passenger transport of five to 25 passengers."

It would be possible for a taxi owner to extend his permit to run such a passenger service in terms of further recommendations in the report, Dr Welgemoed added.

### Appealed

Dr Welgemoed also appealed for the Government to indicate its response to the report as soon as possible "in order that the entire public transport industry could be given the opportunity to plan their future with greater confidence".

He also pleaded for the Government to draw up, as a matter of urgency, an integrated national transport policy.



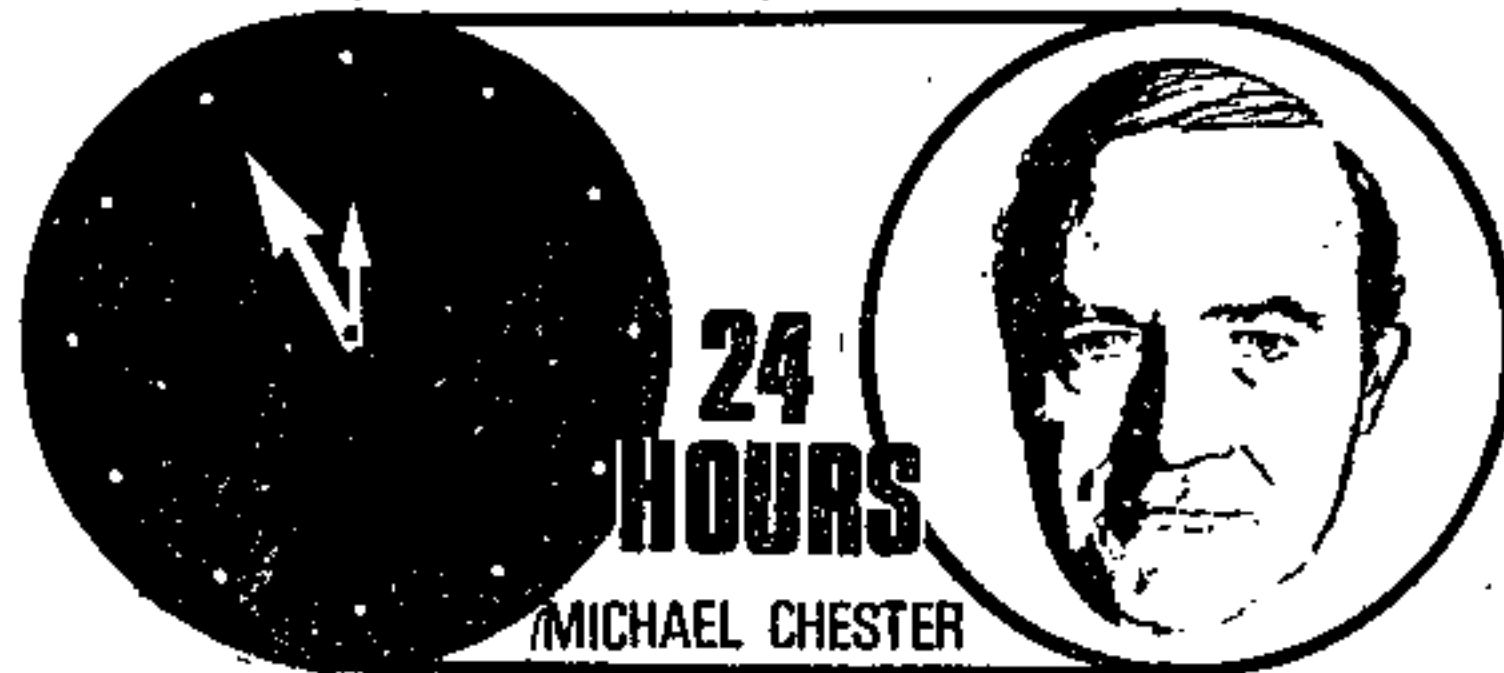
# Assocom appeal to Govt: halt ban on minibus taxis

332 845 11/11/83

The nation-wide Chamber of Commerce movement has lodged an urgent appeal with the Minister of Transport Affairs, Mr Hendrik Schoeman, to block moves to force minibus taxis out of business — or run the risk of widespread unrest among thousands of black commuters.

The appeal is an eleventh-hour attempt to persuade the Government to delay any decision on implementing the recommendations of the Welgemoed Commission of inquiry into bus passenger services, regarded as one of the most explosive issues since the referendum.

Blockage of a gradual ban on minibus taxis has also been advocated by the Chamber of Mines and by the SA Black Taxi Associa-



MICHAEL CHESTER

tion in a growing wave of apprehension about the repercussions.

Many of the recommendations of the commission — in particular proposed new controls on minibus taxi fleets — came under fierce attack at the recent Associated Chambers of Commerce (Assocom) annual congress.

Concern that Government approval of all the recommendations may be hurried through without a re-think

on several key issues has been heightened by hints by Mr R Eksteen, Director-General of the Department of Transport, that a decision on the proposals may be imminent.

Assocom has rushed a formal memorandum to Mr Schoeman warning that a withdrawal of minibus taxi services is "a potential flash point which could spark unrest in the already sensitive labour relations and political arenas".

The commission has proposed that taxi status should be restricted to vehicles carrying up to only four passengers and that all vehicles capable of carrying between five and 25 passengers must be licensed as buses — following set routes and timetables subject to official approval.

Assocom calls for a compromise, arguing that the freedom of taxi status should be extended to vehicles carrying up to eight passengers and so cover the big fleets of minibuses now in operation, especially between metropolitan centres and satellite black townships in the rush hours.

It is felt that minibus taxi fleets should be painted a uniform colour and clearly identified so they can be easily spotted by commuters. They should also be provided with their own recognised taxi ranks at strategic points.

Assocom acknowledges that many of the current minibus taxis operate illegally as they have not obtained necessary permits — but argues that the fact that all of the taxis, legal or illegal, run at capacity at peak hours provides a clear demonstration of an essential role.



CAPE TOWN 7/11/83 (332)

Staff Reporter

A LUXURY passenger liner will begin runs between Southampton and Cape Town next year.

Safmarine has announced that the two-year-old liner MS Astor will make its maiden voyage under the Safmarine flag in April after undergoing extensive alterations in Germany.

After its maiden voyage the liner's name will be changed.

A press release from

## Luxury cruises from next year

Safmarine said a planned schedule for the liner's first year included coastal voyages from Cape Town to Durban, seven return voyages between Cape Town and Southampton, four cruises from Durban to Reunion/Mauritius, two cruises

from Durban to the Seychelles and one cruise from Cape Town to Rio de Janeiro.

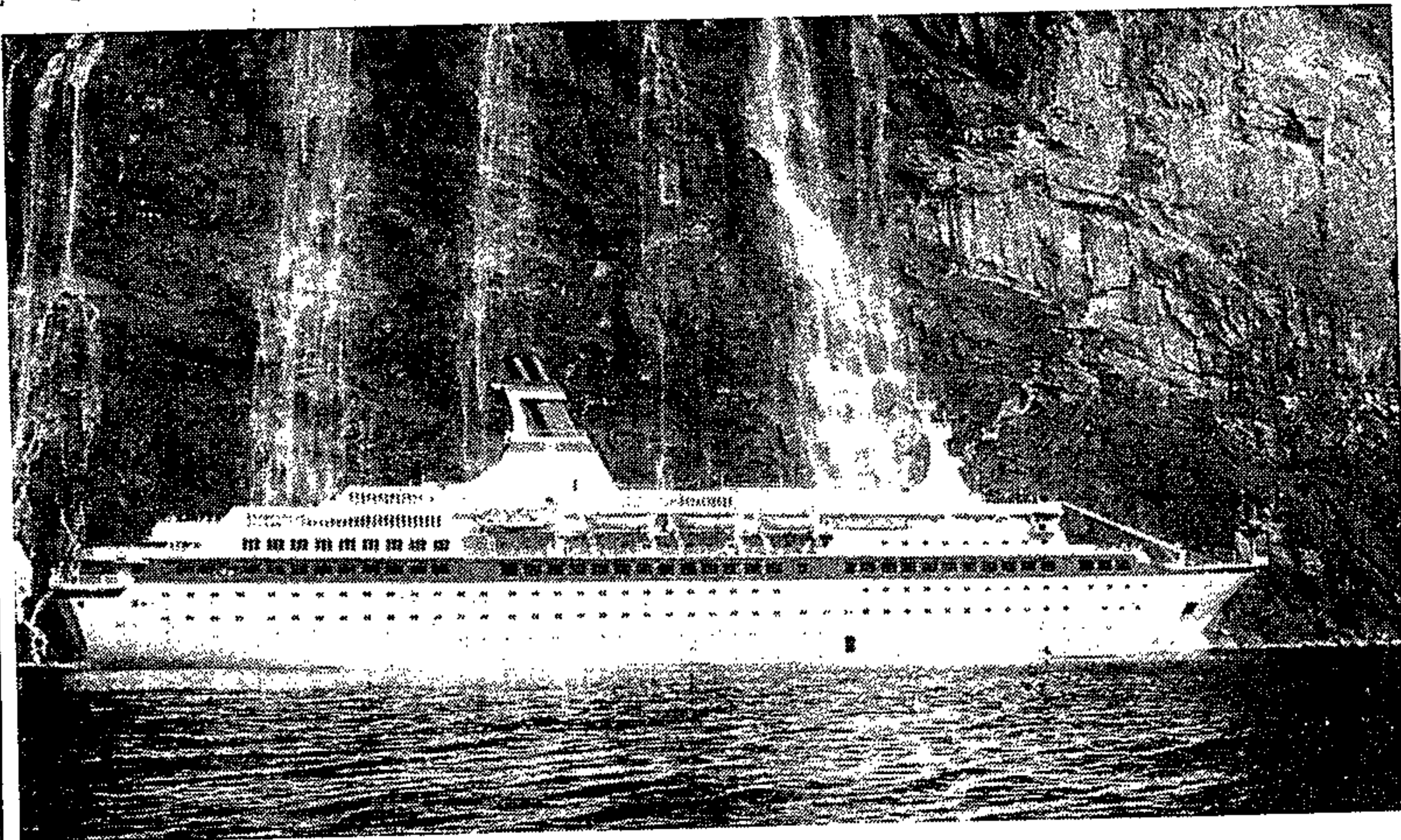
The cheapest adult fares on the Southampton run will be around R1 500.

Safmarine say renovations to the liner will in-

volve reducing her present capacity from 650 passengers to 600 to accommodate additional luxury suites and conference facilities.

The ship will be manned by an officer corps and crew of some 200.

Safmarine has said the liner will be "a luxury five-star hotel in every respect, offering passengers live entertainment, recreational facilities, top-class cuisine, an international cellar and excellent service".



The luxury passenger liner, the MS Astor, which will undertake its maiden voyage from Southampton to Cape Town in April next year.



1983

# still defiant

s plea, but yes-  
of relenting,

ie was fit as a  
aiwana, UANC

has refused food  
October 31, two  
to Harare from  
he angered  
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relations with

ed of plotting  
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Philemon Mu-  
ed up by govern-  
nday but was

ie High Court in  
another detainee  
ally.

an ruled that Mr  
artime guerrilla  
Dabengwa,  
from detention no  
the day following  
order.

ment appealed



**BISHOP ABEL MUZOREWA**  
Still on hunger strike

against the decision later in the day,  
effectively postponing the order until  
the appeal can be heard.

Mr Dabengwa's detention was de-  
clared unlawful because Zimbabwe's  
British-sponsored constitution re-  
quires that a detainee's case be re-

viewed by a detention review tribu-  
nal within 30 days of his arrest.

In Mr Dabengwa's case, that re-  
view is more than five months over-  
due. He was acquitted of treason  
charges in April and was immedi-  
ately redetained before leaving the court  
building.

The Rev Ndabaningi Sithole chal-  
lenged Mr Mugabe in Harare yester-  
day to bring him before the courts,  
reports Sapa.

In a statement Mr Sithole, who  
claimed on Monday that his detention  
was "imminent", called for Mr Mu-  
gabe and the editor of the state-  
owned Herald newspaper to prove  
"baseless and wild allegations" that  
he was organising secret subversive  
meetings around the country.

The Herald backed weekend accu-  
sations by Mr Mugabe that Mr Sith-  
ole, whose Zimbabwe African  
National Union holds no seats in Par-  
liament, was "engaging in subversive  
activity".

Mr Sithole founded Mr Mugabe's  
Zanu (Patriotic Front) party but was  
later overthrown as party president  
by Mr Mugabe.

## le baby Jane live'

United States Justice Depart-  
ment stepped in with a re-  
quest to review the medical  
records.

"To the right of the baby to  
live are co-related the duty of  
the parents, of society and  
the State to guarantee this  
primordial right," the Vati-

can City newspaper said.

"The parents, the legal au-  
thorities and others cannot  
frustrate that right, which is  
natural and inviolable," it  
said. "Mercy, in this case,  
must not be applied to non-  
life, but to life.

"To permit that the child's

ailments, whose destructive  
power can be attenuated or  
diminished, should be per-  
mitted to take their course,  
would amount to being re-  
sponsible for a grave act of  
omission which would be de-  
terminant for the child's  
life," it said.

"Neither conscience nor  
good sense can approve such  
behavior UPI.

## 'Hands off 332 kombi taxis' 83

ASSOCOM has made a  
powerful plea to the Gov-  
ernment to leave the  
kombi taxi alone.

The latest issue of Chamber  
Bulletin, journal of the Jo-  
hannesburg Chamber of  
Commerce, discloses that  
the plea was made last  
week by Mr Allan Cowell,  
vice-chairman of the Asso-  
com transport committee,  
during a seminar at the  
Rand Afrikaans University  
on the Welgemoed Com-  
mission reports on bus pas-  
senger transport.

Mr Cowell, who is also chair-  
man of the JCC transport  
committee and vice-chair-  
man of the National Trans-  
port Consultative Commit-  
tee, asked the Government  
not to implement the com-  
mission's recommenda-  
tions without consulting  
the private sector further.

He said commerce was very  
concerned at the recom-  
mendation which would  
phase out kombi taxis and  
impose on them stringent  
controls similar to those on  
bus operations.

He said South Africa was  
probably unique in the  
Free World in having such  
a large number of workers  
commuting daily over  
large distances.

Overcrowding, assaults in  
trains and buses, the risk of  
breakdowns and unpunc-  
tuality caused severe men-  
tal tensions.

"Travel frustrations create a  
totally negative attitude  
on the part of employees to  
any desired improvements  
in productivity," he said.

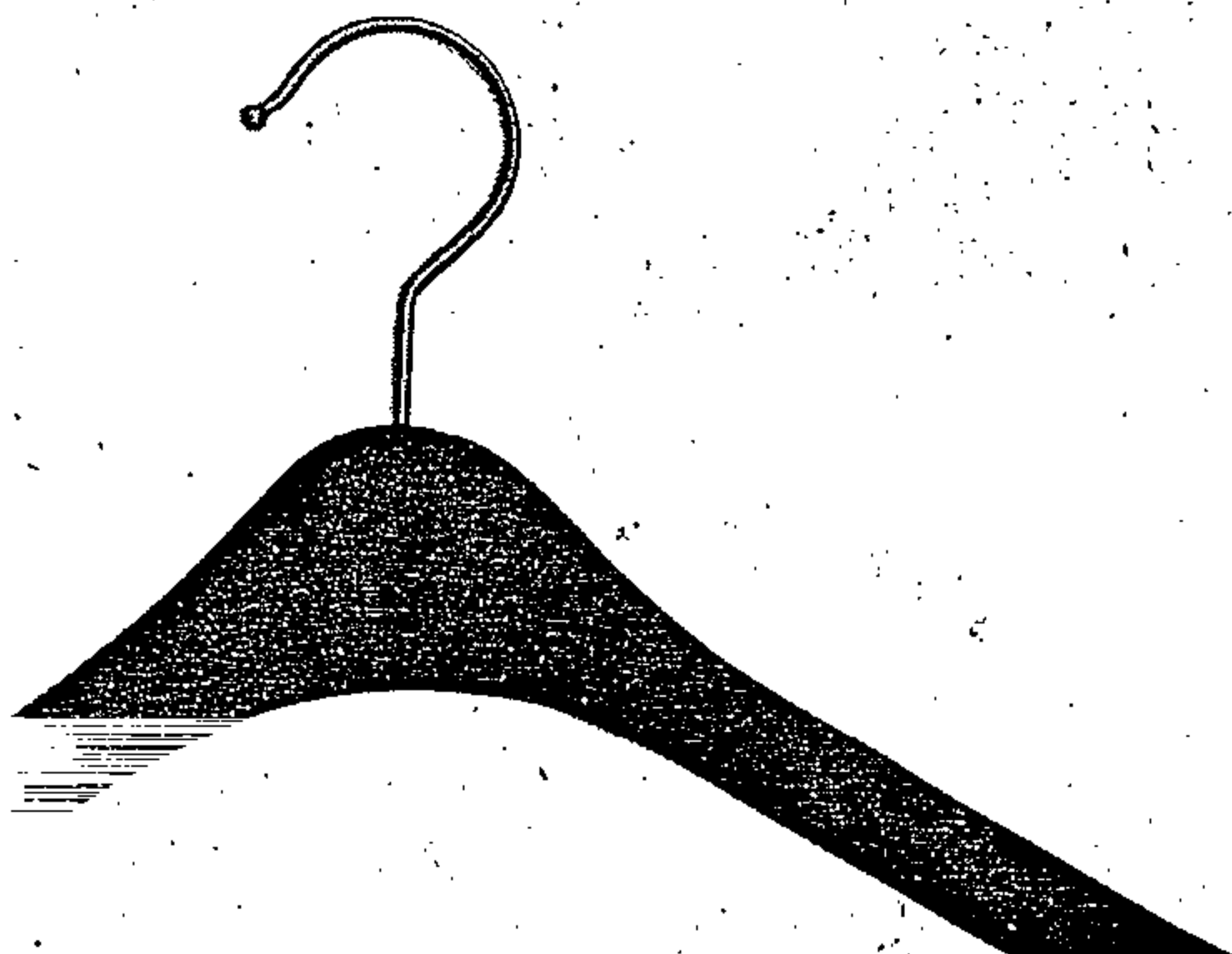
Mr Cowell said the kombi  
taxi was a convenient, safe  
and efficient form of alter-  
native transport. It had de-  
veloped because there was  
a need for it.

"Assocom regards the devel-  
opment over recent years  
of this specialist transport  
form as highly desirable  
and significant.

"It brings in its train increas-  
ing sales for the motor in-  
dustry, increasing develop-  
ment of entrepreneurial  
skills in the black cities —  
repair, maintenance and  
garage facilities."

It also promoted a favour-  
able attitude to capitalism.

## Robbery





# Appeal to Govt on minibus taxis

Argus Correspondent  
JOHANNESBURG. — The Association of Chambers of Commerce (Assocom) has lodged an urgent appeal with the Minister of Transport Affairs, Mr Hendrik Schoeman, to block moves to force minibus taxis out of business.

The appeal is an 11th-hour attempt to persuade the Government to delay

any decision on implementing the recommendations of the Welgemoed commission of inquiry into bus passenger services, regarded as one of the most explosive issues since the referendum.

Blockage of a gradual ban on minibus taxis has also been advocated by the Chamber of Mines and by the SA Black Taxi Association in a growing wave of apprehension about the repercussions.

Many of the recommendations of the commission — in particular proposed new controls on minibus taxi fleets — came under fierce attack at the recent Assocom annual congress.

Concern that Government approval of all the recommendations may be hurried through without a re-think on several key issues has been heightened by hints by Mr R. Eksteen, Director-

General of the Department of Transport, that a decision on the proposals may be imminent.

Assocom has rushed a formal memorandum to Mr Schoeman warning that a withdrawal of minibus taxi services is "a potential flash point which could spark unrest in the already sensitive labour relations and political arenas".

The commission has proposed that taxi status should be restricted to vehicles carrying up to only four passengers and that all vehicles capable of carrying between five and 25 passengers must be licensed as buses following set routes and timetables subject to official approval.

Assocom calls for a compromise, arguing that the freedom of taxi status should be extended to vehicles carrying up to eight passengers and so cover the big fleets of minibuses now in operation, especially between metropolitan centres and satellite black townships in peak rush hours.

## Services

Vehicles in between minibuses and full-size buses in passenger capacity should be encouraged to form feeder services at both ends of the main bus and rail routes.

The minibus taxi fleets should be painted a uniform colour and clearly identified so they can be easily spotted by commuters. They should also be provided with their own recognised taxi ranks at strategic points.

Minibuses have been in operation for five years and have proved vital at peak rush hours to supplement mass bus and

train transport systems, states Assocom.

Assocom acknowledges that many of the current minibus taxis operate illegally as they have not obtained necessary permits, but argues that the fact that all of the taxis, legal or illegal, run at capacity at peak hours provides a clear demonstration of an essential role.

The memo says that many passengers prefer to travel by minibus not only for comfort and convenience but also speed and security, even if fares may stand at a premium.

Minibus use to convey passengers from urban areas to the homelands over weekends also provides a valuable service that cannot be filled by normal bus services.

Though the minibus taxi issue is regarded as the most urgent to be resolved, the Assocom memorandum also raises several other aspects in need of more attention, including the use of subsidies handed over to bus services, which grew from R2,3-million a year in 1966/67 to R127-million in 1981/82.

Its primary concern is that subsidies should go only to bus operations that can prove optimum efficiency.

Commerce's general advice to the Minister of Transport Affairs is to delay any decisions until more consultations have been held with the private sector and ensure that new proposals do not run into conflict with the decisions that may emerge from the policy studies being carried out by the National Transport Commission.



ACG 43  
18/1/83  
**City bus fares not to be increased**

Staff Reporter 332

CITY Tramways has withdrawn its application for an 8,5 percent increase in bus fares.

The application was due to be heard by the National Transport Commission on December 7. It followed a 12 percent increase in fares in May.

Mr Nick Cronje, general manager of City Tramways, said one of the main reasons for the withdrawal was that passenger demand, which was severely affected by the decline in economic activity, had now stabilised.

Stringent savings, improved productivity measures and the lower fuel price had helped.

#### RESERVATIONS

Community-based organisations, who have opposed the application, greeted the company's withdrawal with reservations.

Mr Wilfred Rhodes, chairman of the Cape Areas Housing Action Committee (Cahac) said: "In view of the rising cost of living there should be further Government subsidies, and clipcards should be valid for all routes."

Mr J W Christians, chairman of the Ravensmead Management Committee, said: "Any increases in fares, now or in the future, will mean less money for food and more suffering."



# Plans afoot to improve city taxis

W/L ARGUS 19/11/83 332  
By GRAHAM BROWN  
Weekend Argus Reporter

A LIST of ways to stop overcharging by taxis and generally to spruce up the image of the city's taxi fleets has been drawn up by the Cape Town Chamber of Commerce and presented to the Traffic Department.

The chamber's director, Mr Brian MacLeod, said the recommendations included a new rule that all taxis be clearly numbered and equipped with easily visible lights to show when their meters were engaged or switched off.

The chamber is also pressing for taxi ranks to be more conveniently located, and for ranks to be set up near night clubs to eliminate the swarm of taxis, legal and otherwise, outside the clubs at night.

## "Filthy taxis"

The chamber's taxi probe was sparked in May last year when delegates at a conference of the Orthopaedic Associations of the English-speaking World reported their dissatisfaction with Cape Town taxis.

Delegates complained of "filthy" taxis, which often appeared to be less than mechanically sound.

Mr MacLeod said the chamber's transportation and communications committee had strongly endorsed a recommendation from Sea Point taxi operator Mr Ernest Macdonald that

each taxi should have a big number clearly painted on its sides.

He said that few customers alighting from a taxi and suddenly suspecting that they had been overcharged or with some other complaint were quick enough to read the name on the side of the taxi.

But anyone could remember a single, clearly visible number. This would make it much easier for customers to complain.

And if the number was also included in the taxi's registration papers, the traffic department could make regular spot checks to see that the numbers were not being switched.

Mr MacLeod also urged that illuminated signs be improved so that passengers within the taxi and people outside could see at a glance whether the meter was engaged or not.

This would help to stop taxi drivers from not switching on their meters in order to charge illegally high fares.

Cape Town Traffic Manager Mr Harry Attwood said his department was investigating these two suggestions.

But he was less enthusiastic about any resiting of taxi ranks because, he said, their current locations were quite adequate. And there was no need to have ranks outside night clubs because patrons could always phone for a taxi.



# Tramways ends bid for fare rise

*Cape Times 19/4/83 332*

By RIAAN  
DE VILLIERS

IN a surprise move, City Tramways yesterday announced that it had withdrawn an application for an 8,5 percent increase in bus fares.

Mr Nic Cronje, the company's general manager, said in a statement the withdrawal of the application was due to the "financial situation in which the company now finds itself".

Among the main reasons were that passenger demand, which had been severely affected by the decline in economic activity, had stabilized.

Stringent savings and improved productivity measures had had more

beneficial effects than expected.

The company was "pleased" it was able to take this step since it believed it would have a beneficial effect on the whole community.

But he added that the company's financial position would be continuously monitored and it would apply for a new increase "should circumstances dictate".

The move was widely welcomed yesterday. Mr Wilfred Rhodes, chairman of the Cape Areas Housing Action Committee (Cahac), said the public would find it a "great relief".

However, bus fares were still "very high" and should be subsidized further, particu-

larly as many commuters lived far from their places of work as dictated by the Group Areas Act.

Pointing out that City Tramways ran on a profit-making basis, he added: "Although we are relieved, we will constantly oppose any increases in bus fares until buses become a service and not a burden on pockets."

Mr Johnny Erntzen, secretary of the Cape Town Municipal Workers' Association, yesterday welcomed the move, saying the union's decision to object to the increases on behalf of its members and their families had proved to be "justified".

But he added: "While the union is not surprised by the withdrawal, we question the basis of the application in the first place."



232 24/11/83

Pretoria Correspondent

Inspection in loco was held by a Pretoria North magistrate yesterday at the scene of the accident in which an entire family died when hit by a Putco bus.

Magistrate A C G Stander, other court officials, family members, members of the Press and the accused visited the site where Mr Raymond Hollier (30), his wife Maryana (28), their daughter Shone (1) and their son Shane (2), were killed while on a cycling trip.

#### CHILDREN

Putco bus driver Mr Lucky Mohlala, of Pietieskraal, is charged with culpable homicide, to which he had pleaded not guilty on the basis that he was not negligent and the

# Magistrate inspects site of Putco deaths

deaths were not intentional.

The accident occurred on September 17 on the Moloto/Roodeplaat Dam road. The Holliers were part of a group of 250 people on a cycling trip along that road on the day concerned.

The two small children sat in baskets attached to the frames on their parents' bicycles, between the seat and handlebars of the cycle.

Mr Stander placed on record, after viewing the site, that the road was busy, it had a rough sur-

face and the speed limit was 80 km/h.

He added that a driver's view was not restricted along this particular stretch of road, although it was lined with trees. A Putco bus was used at the site to perform various brake and speed tests.

A witness estimated that the place where Mr Hollier was found was 22 m from the point of impact and Mrs Hollier 46 m from this point. They were hit from behind and, according to the witness, Mrs Hollier

was hit directly in the back.

A fellow-cyclist, Mr M V Borsten, sketched brief details of the events leading up to and after the accident.

He told the court that he and his wife stopped together with the Holliers at a water point about 230 m from the point of the accident.

The Holliers then cycled on with Mr Hollier leading.

Mr Borsten said he saw a Putco bus driving past, but did not see the actual accident. "I estimate that

it must have been going at about 80 km/h, certainly not slower," Mr Borsten said.

#### DAMAGED

The court heard that Mr Hollier's bicycle had minimal damage while Mrs Hollier's bicycle was badly damaged. The bus did not drive over the bicycles, the court was told.

Mr Borsten added that he had thought twice about using this particular road as he considered it dangerous. He said that this same route had been approved by the traffic department a month after the accident.

The case continues tomorrow. Mr Mohalala's bail of R500 is extended.

Mr P Venter prosecuted and Mr A Jordaan represented Mr Mohalala.



SOWETAN, Wednesday, November 23, 1983

2322



# Embattled taximen

By LEN MASEKO

A BUS company has announced its intention of starting a mini-bus service, causing deep concern in the region's taxi association over the future of their business.

On the other hand the taxi fraternity is battling for its existence following the controversial recommendations of the Welgemoed Commission into public transport, which has suggested the phasing out of mini-bus taxis over the next few years.

The commission wants these vehicles to be replaced by four-passenger sedans.

The commission's recommendations have become one of the most important items in the agenda of the taxi associations at Lynnville, Witbank.

The local body, Witbank and District Taxi Association (WDTA), is waging a bitter battle on another front — that of conducting their business in the city centre without hassles.

The Witbank City Council would like to move the black taxi fleet to another spot, several blocks away from the city centre. But the taximen are strongly opposed to this move because the council has proposed new measures for them before they can be allowed to operate from the new rank.

The council is said to have proposed a rent-a-space system whereby each taxi-owner would be allocated a section to park his vehicle regularly. Each owner would be required to pay a R20 monthly rental. This has caused an outcry among local taxi operators.

"The whole thing will create problems for us," says Mr John Nkosi, WDTA chairman. "Firstly, the proposed rental is too high and will cut a huge slice in our profit. Secondly, our present queue system is the best. The system of allocating numbered parking spaces to each taxi owner is just not on," he says.

Another problem is that many taxi bodies operate from Witbank, causing a scramble for passengers. Taxis from areas like KwaNdebele and Ogies are also operating from the town.

Meanwhile, the local bus company, Highveld United Transport, has said its planned mini-bus fleet would help ease congestion in the regular bus service "which has been affected by overcrowding."

Mr Nkosi told Spotlight: "Our organisation will fight tooth and nail, the move to phase out our kombis. The whole thing will mean starvation for us."

MR JOHN NKOSI: Concern about the future of local taxis.

Gentlemen, here we have the new Isuzu Hightop Bus... It's the only hightop bus that's built to carry 16 people. Legally. And at R12 950,00\* it's the lowest priced 16-seater bus on the road.

Like the Isuzu Bakkie, the Isuzu bus is built to last. It's tough and reliable. And it's backed by a nationwide network of General Motors dealers. So you'll never have to worry about servicing problems or spares.

Although it's big there are a lot of features that make this bus easier to drive. It's got a wide windscreen that im-

# WORLDWIDE BUSES



MIKE NORRIS

# Revving up for reform

face to face



Mike Norris, MD of Hultrans in the Tongaat-Hulett group, has been re-elected chairman of the Public Carriers' Association (PCA). He comments on key issues facing road transport and pleads for a moratorium on further restrictions until the National Transport Policy Study (NTPS) is completed.

issues facing road transport and pleads for a moratorium on further restrictions until the National Transport Policy Study (NTPS) is completed.

**FM:** Is there anything specific which operators need from government to speed reform?

**Norris:** There are some minor changes which could be introduced. These would make a significant contribution in the fight to control costs, and hence inflation, and do much to improve the climate between the private sector and both the Department of Transport and SA Transport Services (SATS).

For instance, uncertainties could be removed by declaring a moratorium on major changes until the NTPS has been completed and fully reviewed. It could also take a more realistic attitude to permit applications and stop SATS objecting to every application regardless of merit or circumstances. This would save time and unnecessary legal costs.

And then the operations of the local road transportation boards (LRTBs) and the National Transport Commission could be streamlined and speeded up. At present, delays are excessive. Government could also increase the free operating radius for public carriers to at least 80 km which applies to private carriers. Further, it could reverse the legislation on single permits and allow public and private permits to cover the same vehicle. And it could also ensure that new permits are not ambiguously worded.

There are indications of a need for greater unity in road transportation, both within the PCA and in the industry as a whole. What is your reaction to allegations that the PCA collaborates too closely with government departments and SATS and that this discourages support from the majority of operators?

There is no disunity within the PCA — there are differences of opinion, as is to be expected in any dynamic and healthy organisation. The PCA does not collaborate in the negative sense with the Department of Transport or SATS. It does try to avoid confrontation, which is seldom constructive. There are a few members who may disagree with the PCA's attitude, but the majority understand and appreciate what we are trying to achieve.

There have been serious disagreements between organised transport and SATS whose requested membership of the PCA has been rejected. Is there any hope of SATS joining the PCA, as a *bona fide* public carrier?

Under present circumstances SATS would not be acceptable as a member of the PCA. It is a State enterprise and many of its interests and objectives are diametrically opposed to those of PCA members and the private sector. Also, it is perceived as a division of the Department of Transport. Its involvement in creating restrictive legislation and the functioning of the LRTBs would make a mockery of the association if SATS were a member. However, non-membership of the PCA has never inhibited discussion between our respective organisations.

The Department of Transport intends recalling all permits to remove ambiguities which have led to widespread abuse. Does the PCA agree with this move and will its members co-operate?

The question of ambiguities in permit

wording and the interpretation of what may therefore be transported goes back many years. The PCA's view has always been that the interpretation of the wording of a permit must be left to the courts. Over the years there have been a number of milestone decisions given by the courts, including the Appeal Court in Bloemfontein. It has always been the practice of the Department of Transport to accept this situation.

Based on what has become established practice, the private sector has invested capital both in permits and the development of transport operations. To suddenly revise the department's own, well-established practice would be both disruptive and unfair and cause considerable hardship, not only to operators but also to the industries which they serve.

The department may be correct in claiming there is abuse of the situation, but there is no evidence to suggest that this is widespread. In any event, there is already more than sufficient legislation to enable them to deal through the courts with abuse when it occurs. There is tendency by the department to justify changes in legislation on the grounds that they are necessary to prevent or counter illegal operations.

But it does not substantiate the illegalities or show they are significant. This is a highly undesirable attitude. What alternatives are open to government to regulate the industry?

There are several, but why should it be necessary to regulate? Here again, you come back to the SATS problems which result from its cross-subsidisation policies. And, of course, you must consider our national commitment to free enterprise principles. The PCA does not advocate a *laissez-faire* situation. It believes qualitative controls on road transport are desirable, but at this stage it is sensible to await the NTPS report.



trouble; in SA, 90% reliance is placed on local market sales at prices determined not so much by what the traffic will bear but by what the majority vote of 7 000 growers requires.

With the rand now at least as weak as the lira in relative dollar terms, the need for export has never been more urgent.

## ROAD TRANSPORT

### Cargo conundrum

Cargo Carriers (CC) wants to reduce its 12 operating companies to three as part of a R3m restructuring programme. However, it is reluctant to go ahead because it fears that certain rights laid down in its public carrier permits will be withdrawn by the National Transport Commission (NTC).

This, says CC, could happen when it submits the permits to the NTC for transfer to the three new divisions. Government's recently-declared intention to suspend all private and public road transportation permits — plus powers held by government to amend, suspend or withdraw any permit — underlines its caution.

Roger Naisby, newly-appointed MD of CC, tells the FM: "We have to transfer the permits for the new divisions to be effective. But we are reluctant to walk headlong into what could be a lot of trouble."

"You can say that we have suspended the current phase of our rationalisation programme because of this strong element of

## FLOWER POWER

The SA Dried Fruit Co-operative has a new job — organising exports of dried flowers to Europe. It may sound small potatoes, but already exports alone are worth R4m/year, according to assistant GM, marketing, Leroy Tolmay.

And if the new marketing arrangement works well, overseas sales will be worth R12m by 1988.

The co-op took on the job at the request of producers who are seeking more disciplined marketing and better prices abroad. Two representatives, marketing manager Bert Theunissen and Du Toits Kloof dried flower farmer Freddie Carse, are currently visiting Germany, Switzerland, France and Italy to assess the export potential for 1984.

More than 150 varieties of dried flowers, including proteas, grasses, reeds, fynbosse and everlastings, are now produced commercially in SA and will be exported either in individual selections or cartons of 50, 100 or 200. They sell from 2c to R3,50 each, depending on availability and rarity.

The flowers are grown mostly on unproductive steep mountain slopes.

risk that has arisen. If necessary, we will prove the validity of our permits in court, but it might be foolish to submit them to the Department of Transport voluntarily if

the department is empowered to make changes at the same time."

This is seen as another example of government measures restricting progress in the road transport sector. CC plans to have two operating divisions, for inland and coastal business, plus a third for truck rental and leasing.

"We have 12 operating companies at the moment and have been ready to go ahead with the new scheme for some weeks. It is vital that we transfer the permits because each division will be operating as a company in its own right, with its own marketing, financial and other specialists. This is our formula for growth," says Naisby.

### No hiding

"Some 75% of our business is in deregulated transport — goods that do not need permits. Consequently, we have never had to hide behind protected business and have grown purely on the strength of service to customers based on keen prices. Our cost-efficiencies will give us a spectacular opportunity to penetrate the lucrative, permit-related market should deregulation take place. Let's face it, transport is a highly protected sector for those fortunate enough to have the permits."

CC's transport division operates 1 000 prime movers and 1 500 trailers. It recently acquired Swanees Transport, with a base in the Cape, and in the past two years added the well-known Steve's Transport and Herpa Transport to its fleet. All will lose their separate identity under the new structure.

## HOLIDAY TRADE

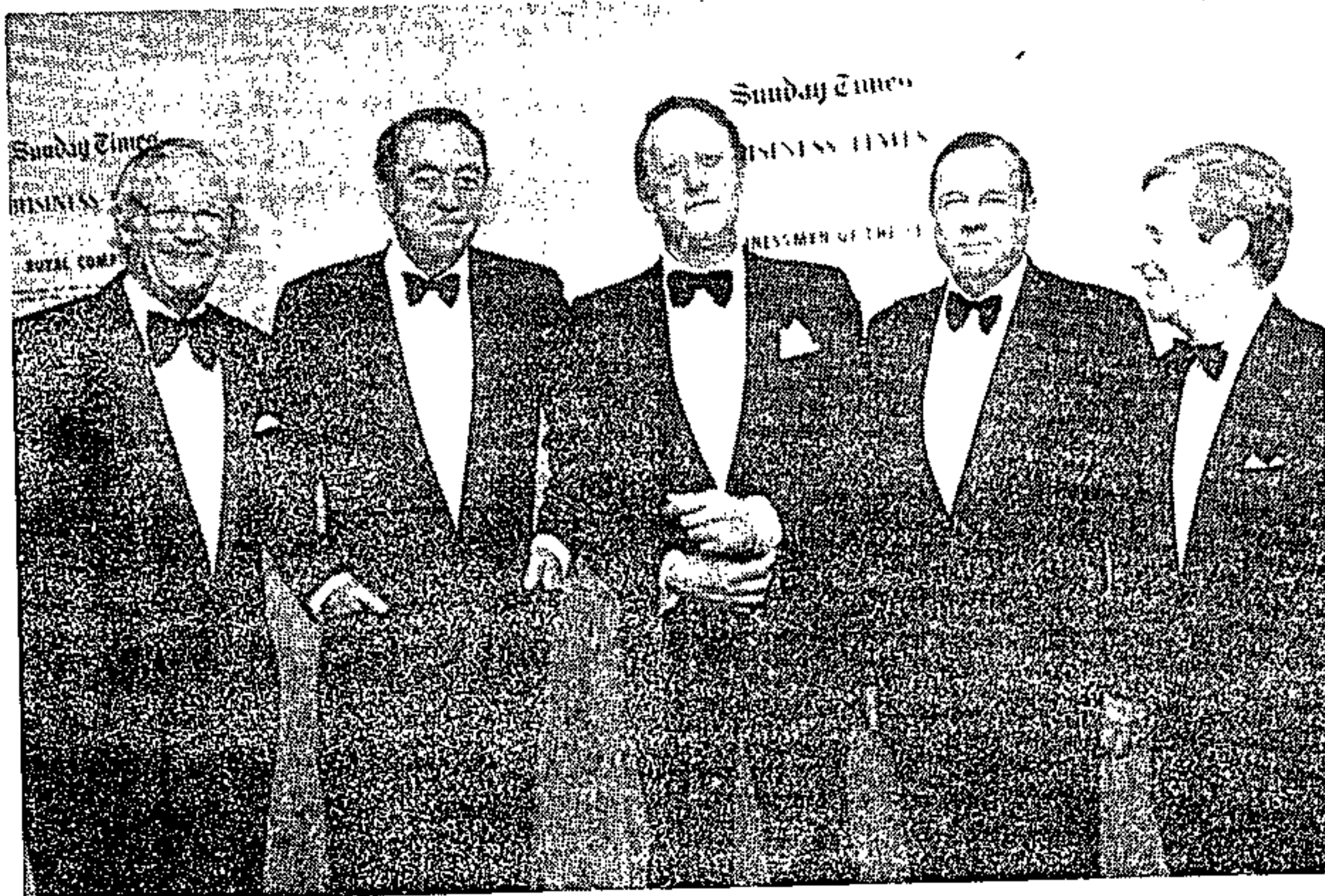
### Down in Durbs

The odds are stacked heavily against Durban regaining some of its lost prestige as a holiday venue this season. National statistics show that hotel reservations are down countrywide; the recession is biting heavily into disposable incomes and competition from other centres is on the increase.

In addition, Durban enters the festive season poorly prepared. Major structural changes to its main bathing beach, including the building of a new groyne (a breakwater to check erosion) and two new restaurants, neither of which is complete, has restricted access and left the area unsightly. The upshot is that the tourist industry is girding itself for a disappointing season — its third in a row.

Even the decision this week by the Province's executive committee to refuse an application by Durban to desegregate some of its beaches is unlikely to help. Durban's image has already been tainted in the eyes of conservative plattelanders by the adverse publicity which accompanied the move.

Says a despondent Terry Toohey, executive director of the Durban Publicity Asso-



Toyota SA this week won its third successive Sunday Times Top Company of the Year award, based on compound earnings growth over five years. The newspaper's Top Five Businessmen who were honoured at an awards banquet in Johannesburg this week are, from left to right, Nasionale Pers MD Dawid de Villiers, Rennie's Consolidated Holdings chairman and chief executive Charles Fiddian-Green, South African Breweries MD Meyer Kahn, Gencor executive chairman Ted Pavitt and Nedbank MD Rob Abrahamsen. Guest speaker was Joop de Loor, Director General of Finance.



# THIS CAR DIDN'T BEEP, BLINK OR WAIL BUT FOR JUST R29,50 IT BECAME TOO COSTLY TO STEAL.



It's a sitting duck. All alone in a deserted street. One of the windows inadvertently left open. No alarm. What a find! Theirs is the taking. They left. **Only number too costly to change.** Professional car thieves aren't dumb. They steal for profit. Last year they stole over 45 000 vehicles valued at more than R172 million. That's one car every 12 minutes. And barely half were recovered. That's because to sell a stolen car they remove its identification. Even re-

spray it. Licence plates. Changed. Chassis number. Changed. Engine number. But the Identicom code is a brand new headache. They can't remove it. P.G. Glass sandblast a computer code on every window. And all tail- and headlights. Sandblasting indelibly marks glass. It will cost a thief up to R3 000 to replace all that glass. Bang goes their profit. No wonder they left. **Why an Alpha code?** Any one of sixty-eight P.G. outlets will allocate

you an Identicom code. It's a personalised Alpha code. That means it doesn't just duplicate your registration - it's your own additional identification mark. That doesn't always become invalid when you change your registration or sell your car. **Identicom's own computer keeps an eye on your car.** When your Alpha code is keyed into Identicom's own central computer, all relevant authorities and insurance companies have direct access. So, should your car go missing,

Identicom's Alpha code makes finding you a cinch. **A free P.G. service.** Should you break a window. Or crack a windscreen marked with the Identicom code. P.G. Glass will sandblast your personalised Alpha code, free of charge, when they replace your glass. **Your insurance company could pay for the Identicom system.** P.G.'s Identicom system is something car thieves avoid like the plague. That's why most insurance companies have agreed to waive the excess on

stolen vehicles that have been coded by Identicom. Check it out. Identicom could save more than your car. Even so, R29,50 isn't much to make your car too costly to steal. And if you're a fleet owner? When you protect your fleet investment in Identicom, P.G. give you a full fleet discount.





# Soweto taxi owners are urged to go to polls

33 By Phil Mtshali  
The Johannesburg region of the  
Soweto Taxi-Owners' Association

yesterday urged its members,  
their drivers and bus owners to  
go to the polls today and vote.

Mr E T J Makoa, the associa-  
tion's public relations officer,  
said it was necessary to vote to  
secure the right kind of leader-  
ship.

Mr Makoa said the council's  
trade and transport committee  
had been neglected and incompe-  
tent people had been appointed  
to this "crucial" position.

Two of the candidates in

today's elections — Mr Edward  
Manyosi, chairman of the Sofa-  
sonke Party, and Mr Phillip Dla-  
mini — are taxi-owners.

The taxi association has been  
canvassing the support of the  
members of the Soweto Council  
in their fight with the Welge-  
moed Commission which has re-  
commended the phasing out of  
their Kombis.

This decision to encourage the  
taxi-owners to vote has been  
strongly criticised by the Azan-  
ian People's Organisation, which  
said the move was intended to  
curry favour with councillors.



By David Carte

A BLOEMFONTEIN man, Fred Kinnear, took his bus company's turnover from R80 000 to R35-million and its assets from R46 000 to R21,5-million in eight years.

Mr Kinnear's is one of a large batch of rags-to-riches tales coming out of the Legal & General Volkskas-Finance Writers Club Emergent Businessman of the Year competition.

The competition seeks to reward enterprise and achievement among small businessmen and has drawn entries from all over the country.

According to Mr Kinnear's nominator, Mr P D Pienaar, Mr Kinnear founded Thaba Nchu Transport in 1975 on R100 plus a directors loan of R28 000. Mr Pienaar added R10 000 to the loan.

To overcome SATS objections, the four buses of Jacob Mokgethi were purchased for R46 000.

Later SA Transport of Kimberley, Nyalunga's Bus Service and Interstate Bus Lines of Pinetown, Natal, were acquired, and also a building company, Belize Construction.

The company's staff in 1975 was 10. Today it employs 1562. It started with four buses and now has 400.

Costa Tomazos (36), founder of the well-known Squires Loft chain of up-market steakhouses, is another candidate for the L & GV Finance Writers Club award.

Mr Tomazos started with a third share in a steakhouse in Braamfontein. After buying out his partners in 1979, he changed the name to the Squires Loft and opened a second restaurant in central Johannesburg.

Since then another seven have been opened, including one at Sun City. Turnover has risen 700% and the asset base 400%.

The wood-panelled restaurants, famous for their mystery marinades and leather-and-steel farm implements adorning the walls, are not syndicated but are centrally administered.

There is a sophisticated head-office team with operations, financial and marketing department. An obstacle Squires Loft has overcome is the reluctance of banks to provide finance to such a high-risk business. Others are intense competition and a fickle eating public.

According to Mr Tomazos's nominator, Jim Malcolmson of L & GV, his innovations have been many, including blacks in management, la-



Mr Costa Tomazos's happy customers

dies' bars in all units and "the upgrading of the steakhouse from the rough-and-ready simplicity of the past to a casual-yet-smart restaurant aimed at the AB income group".

Mr Malcolmson says a major reason for Mr Tomazos's success has been excellent staff relationships. Staff turnover, he maintains, is minimal and, of seven waiters in the original team, six remain.

Leonard Allen, another nominee, is an ex-Zimbabwean who made good air-freighting small packages and documents all over the world. Starting only two years ago with an R18 000 investment and the advice of his auditors, his courier company, DHL International, claims a large share of the market, turnover of "several million rands" and has offices in Nairobi, Mombasa, Harare, Gaborone, Mbabane, Mauritius and Blantyre.

Mr Brian Shekilton arrived in South Africa in March 1968 with a toolbox and R120 in cash.

After being employed by various plant-hire firms, he started P & B Plant Hire with a partner and R6 000 in capital.

After 18 months, the partners split, with Mr Shekilton's partner taking the selling side of the operation, while he retained the compressor side.

Today renamed Rand Air, the company has eight branches and boasts hire fees of R5-million. It employs 80 and has 320 compressors worth R7-million.

Michael Hatfield started Leicester Floors in Maritzburg in August 1975 with a staff of 10.

Today, after franchising, it has branches in 11 main centres, turns over R9-million a year, employs 300 and runs 90 vehicles.

Recently it concluded an agreement with Tongaat Corobrick to sell its "Floor of the Future" range, and another 12 branches employing 500 are planned.

Mr Hatfield has other business interests, including his nationally famous vintage-car restoration firm, Classic

Car Restorations, which employs 25 and turns over R950 000.

His newest company is Status Cars, which has the Lotus car franchise and will manufacture four Lotus Super Seven cars a month.

Two candidates dropped out of Wits law degrees. Larry Green kicked off SA Paving in August 1978 with his savings of R700. At the end of his first year, his company was laying 2 000m<sup>2</sup> a month.

By 1979 this had risen to 5 000m<sup>2</sup> — that is, 500 000 bricks — a month. Then a brick shortage hamstrung the company — so it bought its own R600 000 brickworks from Germany.

Now SA Paving has assets of R4-million, is turning over R4-million a year and employs 470.

The other Wits law dropout was Colin Pallas, who started his wholesale packaging business, Packaging and Allied/Packall, in 1980 with his savings of R13 000 and R20 000 of borrowed capital.

Starting in a shared 40m<sup>2</sup> office, the company's sales in

the first month were less than R10 000.

By 1981, when sales were running at R2,5-million a year and the staff had risen to 15, Mr Pallas realised suppliers would be unable to keep up with demand, so started Packall Plastics.

This grew from one machine worth R30 000, producing 8 000kg a month, to 16 machines worth R1-million to R3-million with a capacity of 160 000kg a month of printed and plain packaging material monthly.

This year Mr Pallas bought the Transvaal and Free State divisions of his former employer, Packaging Products, for R1-million. To ensure independence from Nampak and Kohler, which dominate cardboard containers, he started Packall Corrugated Containers.

In August sales were R6-million, the staff 145 in three factories. The customer base has risen from 10 to 3 000. Mr Pallas is a ripe old 28.

Frederik Denner's Atlas Hardware and Building Supplies pushed turnover from R300 000 in 1977 to between R7-million and R8-million last year.

He it was who anticipated the great brick shortages of the past few years, importing bricks first from Zimbabwe and then from Northern Ireland, and selling them like hot cakes at a tidy profit.

Mr D Carter of Johannesburg designed a device for measuring the temperature of molten steel. In spite of the great metals recession, sales have risen from R43 000 in 1979 to an expected R246 000 this year.

Terry Bubb opened a tax consultancy in Port Elizabeth in 1979, and today has a 16-branch empire in the field. Other candidates made their fortunes in fields as diverse as office furniture and automatic pistols.

L & GV and the Finance Writers' Club have received 40 impressive entries and are looking for more. Nominations should reach branches of Legal & General Volkskas by December 31.

More along  
rags to riches  
from



# PUTCO One-way ticket

## 300 buses towed to scrapyards in one year

### Community Chest drive is way behind its target

DURBAN and District Community Chest is facing the worst cash crisis since its inception in 1930. The Chest is currently R240 000 behind its target of R1,6 million for the year ending March, 1984.

Director of the Chest, Des Whittaker, said: "The Chest supports 43 vital health and welfare societies and has committed itself to pay them R1,6 million during the year."

"Although the target was realistically set, taking into account last year's donations and allowing for inflation, the economic situation and drought have adversely affected donations."

"Any cutbacks on the vital human services in our community would be a tragedy," Mr Whittaker said.

He added that the position was aggravated because, in difficult times, more demands were made on the services provided by the Chest's member socie-

### The Community Chest

#### PLEASE GIVE GENEROUSLY



ALMOST three months ago a Pretoria family cycled out into a bright, spring day as part of a fun-cycle ride. Within hours the sun and brightness turned to horror after a Putco bus slammed into the family killing three.

#### Tribune Reporter

Two-year-old Shane died later in hospital after briefly surviving his parents, Maryna and Raymond Holler, and his baby sister, Shona.

The bus driver, Lucy Mohlala, 27, of Denmillon was this week found guilty on two counts of culpable homicide arising from the deaths and was sentenced to 18 months imprisonment on each count, six months of which were conditionally suspended for four years. Mohlala, who began work for Putco in April

this year, also had his driver's licence suspended for three years.

Putco has appealed. During the 1982/83 year-long period, ending this June when Putco had a fleet of 3 473 buses, its buses were involved in 9 639 accidents — almost three accidents in that year per bus.

According to Putco's insurance company (owned by Putco) Carleo Head and Associates, "Putco had 11 percent

more buses, 27 percent more accidents and costs increased 31 percent in that period."

In fact since 1979/80 Putco accidents have increased by an average of 35 percent a year. In the most recent year their accident rate was up to 0,82 for each 16 000 kilometres covered, still lower than their worst period in 1950/51 when their buses were crashing 2,5 times for every 16 000km covered.

Putco estimates that its buses should have a lifetime of 12 years, at present it is in fact 5,4 years, with a twelfth of its 3 600 fleet being completely written off each year.

John Young of Carleo Head and Associates, said of every 10 accidents Putco drivers were involved in, they were, on average, only responsible for four.

He said the most common fault was bus drivers followed

### Mugger pushes lighted cigarette into baby's face in horror attack

LONDON: A mugger pushed a lighted cigarette into a baby's face here yesterday after grabbing a purse containing R69 from its mother in the latest of a horrific new style of street attacks involving women.





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LONDON. A mugger pushed a lighted cigarette into a baby's face here yesterday after grabbing a purse containing R69 from its mother in the latest of a horrific new style of street attacks involving women accompanied by young children.

A Scotland Yard Press officer said two men stopped 19-year-old Denise Bailey near her home at Peckham in south-east London as she was pushing her 15-month-old baby son Richard in a baby carriage.

One pushed her against a wall and grabbed her handbag. As they fought, she kicked him but he managed to get her purse containing the money and threw it to the man with him.

Her attacker then went over to the baby carriage. She jumped on his back but he threw her off and then stubbed out his cigarette on the baby's cheek. The men ran off after the attack.

The baby was treated for burns.

A detective involved in the case was quoted in newspapers as saying: "What sort of animals are we dealing with these days?"

Police are hunting two men aged about 24. They said the one who injured the baby had blond hair and scarred face.

With street crime in the British capital soaring, the attack is the latest in a spate of muggings in which thugs attack babies in order to force their mothers to hand over money.

On Thursday, three muggers grabbed 20-month-old Kelly Ann Hutchinson from her mother, Debora Hutchinson, in Deptford in south-east London.

One slashed the baby's legs with a knife and threatened worse if Mrs Hutchinson did not hand over money. She handed over her purse.

Other such attacks in recent weeks include one at Brixton in south London, where muggers grabbed an eight-week-old baby and threatened to strangle him. The 12-year-old girl pushing his baby carriage handed over eight pence (11 cents), all she had with her. — Sapa-AP.

## US Commodore is sacked after sex with crewman

Tribune Foreign Service

WASHINGTON: AT the age of 42, Gerald Vanderwier, a Commander in the United States Navy, seemed to be on top of his world. The holder of a Bronze Star, awarded for valour in Vietnam, the veteran commanded a frigate in one of the world's finest fighting services.

But this week, Commander Vanderwier's world collapsed. He was dismissed from the navy and publicly branded as a man unfit to lead other men in the defence of his country.

On Thursday, a naval court martial at Norfolk, Virginia, ordered Vanderwier dismissed after convicting him of having a homosexual affair with a 21-year-old crew member while the frigate, USS Edward McDonnell, was cruising in the Mediterranean.

Vanderwier could have been jailed for up to 15 years. Instead, the judge, Captain Maitland Freed, took into account his service record.

While the sentence is regarded as lenient, it means that Vanderwier could lose more than 500 000 dollars in retirement benefits for which he would have been eligible from next year.

The court martial prosecutor, Commander Troy Hicks, was scathing at the trial: "This man has dragged the honour and the esteem of the US Navy officer corps through the mud.

"He has cheapened the position of all who must lead as officers and he has made it more difficult for subordinates who must look to officers with respect and obedience."

Defence Attorney Henry Coxe asked for a light sentence, telling the court that nothing could hurt Vanderwier more than the "scarlet letter he wears before the entire nation. He has been branded for the rest of his life."

The sentence, said Coxe, was an "astronomical financial disaster" for Vanderwier's family.

In a pre-sentence statement, Vanderwier, a tall, dignified man, told his brother officers who were judging him: "My wife and my kids, my mother, brothers

for four.

He said the most common fault was bus drivers followed people too closely.

However, this was often a result of other drivers sharply pulling in front of Putco buses just before traffic lights, as the heavy buses have a longer stopping distance the other driver is likely to get the back of his car crunched in.

Most accidents happen at peak hour, Mr Young said, mainly because 90 percent of their fleet operates then.

However, another factor could be the pressure on the drivers at these times. Putco faced with sharply declining numbers of bus commuters as more workers choose either cheaper rail transport or quicker more comfortable taxis or mini-buses, are also faced with increasing traffic congestion further cutting their potential passengers and ultimately profits.

In easier traffic conditions each vehicle in the metropolitan areas used to be able to complete two or three trips every rush hour but now they average only one or two trips in peak periods.

Faced not only with the stress of trying to meet route schedules in heavy traffic with packed buses, the drivers have additional causes of stress.

Mr Young pointed out that the drivers also have to cope with their buses being a target of political antagonism from both whites and blacks.

Before a driver employed by Putco is allowed to convey passengers by the company he undergoes a six-week training course and then a further three months, driving with a "shepherd driver".

If he is one of the 60 percent of recruits who pass the training he then qualifies to convey passengers, but receives regular refresher courses and spot checks by Putco personnel.

"Some transport experts from abroad say our training is probably the best in the world.

"Being a Putco bus driver used to be a prestige job among blacks, but the pressures have made it far less so.

"From my own point of view, I would not want to drive a Putco bus for any money in the world."

"From my own point of view, I would not want to drive a Putco bus for any money in the world. The pressures on the drivers are phenomenal," Mr Young said.



# <sup>new</sup> <sup>(332)</sup> Luxury buses link Reef, Lesotho <sup>6/12/83</sup>

A JOHANNESBURG bus organisation took possession yesterday of six of 15 new luxury buses to be used to transport blacks to areas such as Lesotho and Swaziland from the West Rand.

Handing over the keys officially to Greyhound yesterday, Mr John Herdman, gen-

eral manager of the bus and vehicle division of Busaf, said that the luxury coaches broke new ground in long distance coaching, particularly for the non-white traveller.

The express coaches boast luxuries unheard of before in the field of long distance bus transport for blacks in South

Africa. Each bus is equipped with FM radio, tape decks, cloth upholstered seats, individual fresh air control panels and aircraft-like reading lights above each seat.

The cost of travel on the new buses is R1 more than at present. The service will soon be extended to areas as far

away as Botswana.

In May the company will launch an inter-city express bus service for white travellers based on the American system of long distance busing. It will initially operate between Johannesburg and Durban, but will soon be extended to other areas.



# Pebco man denies stoning buses

Court Reporter

A 24-YEAR-OLD man admitted he had attended a meeting to discuss the bus boycotts, but denied having stoned buses.

Mr Zola Makapela, 24, an executive member of the Port Elizabeth Black Civic Organisation (Pebco), who appeared in the Port Elizabeth Regional Court today, pleaded not guilty to a charge of public violence.

The State alleged that he, seven other men and three youths disrupted the bus

service from July 31 to August 3 by stoning buses during the township bus boycotts. They have all pleaded not guilty.

Under cross-examination, Mr Makapela said he attended a Pebco meeting to discuss the boycotts and was asked to get people to distribute pamphlets. He did this.

When questioned by his counsel, Mr T Skweyiya, he said that several organisations had been worried about unreasonable bus

fare increases and had twice voiced their concern to authorities.

They reported back to the township people at a public meeting called under the wing of Pebco.

The other accused are: Mr Zola Mtatse, 21, Mr Bonsile Mbikanye, 22, Mr Weyllyan Jawuka, 25, Mr Phindile Nkanti, 19, Mr Samuel Mapoza, 20, Mr Andile Williams, 21, Mr Zandisile Dayile, 18, two 17-year-old youths and a 16-year-old youth.

Mr Makapela said that when he was arrested he shared a police prison cell with Mr Mtatse, Mr Williams and Mr Dayile. They all said they knew nothing about the stone-throwing.

He said that Mr Mtatse was a member of the Pebco action committee for reduced bus tariffs.

Mr G Steyn, president of the Regional Court, was on the Bench. Mr H Goosen appeared for the State. Mr T Skweyiya (instructed by S Nkanunu and Co) appeared for the defence.



## Christmas taxi fare increases anger users

Taxi fares in two more East Rand townships are to go up next week — on some routes by up to 25 percent — amid cries by regular commuters that the move is "unfair".

The Vosloorus and Tsakane Taxi Associations announced this week that fares will rise by 20 c a trip on the Tsakane/Brakpan and the Vosloorus/Boksburg routes from Monday.

The new fare on both routes will be R1.

Fares for local trips in

Tsakane are to be raised from 50 c to 60 c, while those in Vosloorus stay unchanged.

The taximen are to revert to the old fares on January 3.

Taxi fares were increased because most of the people using taxis during the season are casual travellers going shopping and not people going to work.

The move has angered commuters, some of whom claimed that the taximen were out to "make a fast buck".



# Putco fare increase of 12% in January

Mail Reporter

PUTCO is to increase its Reef bus fares by an average of 12,5% from January 16.

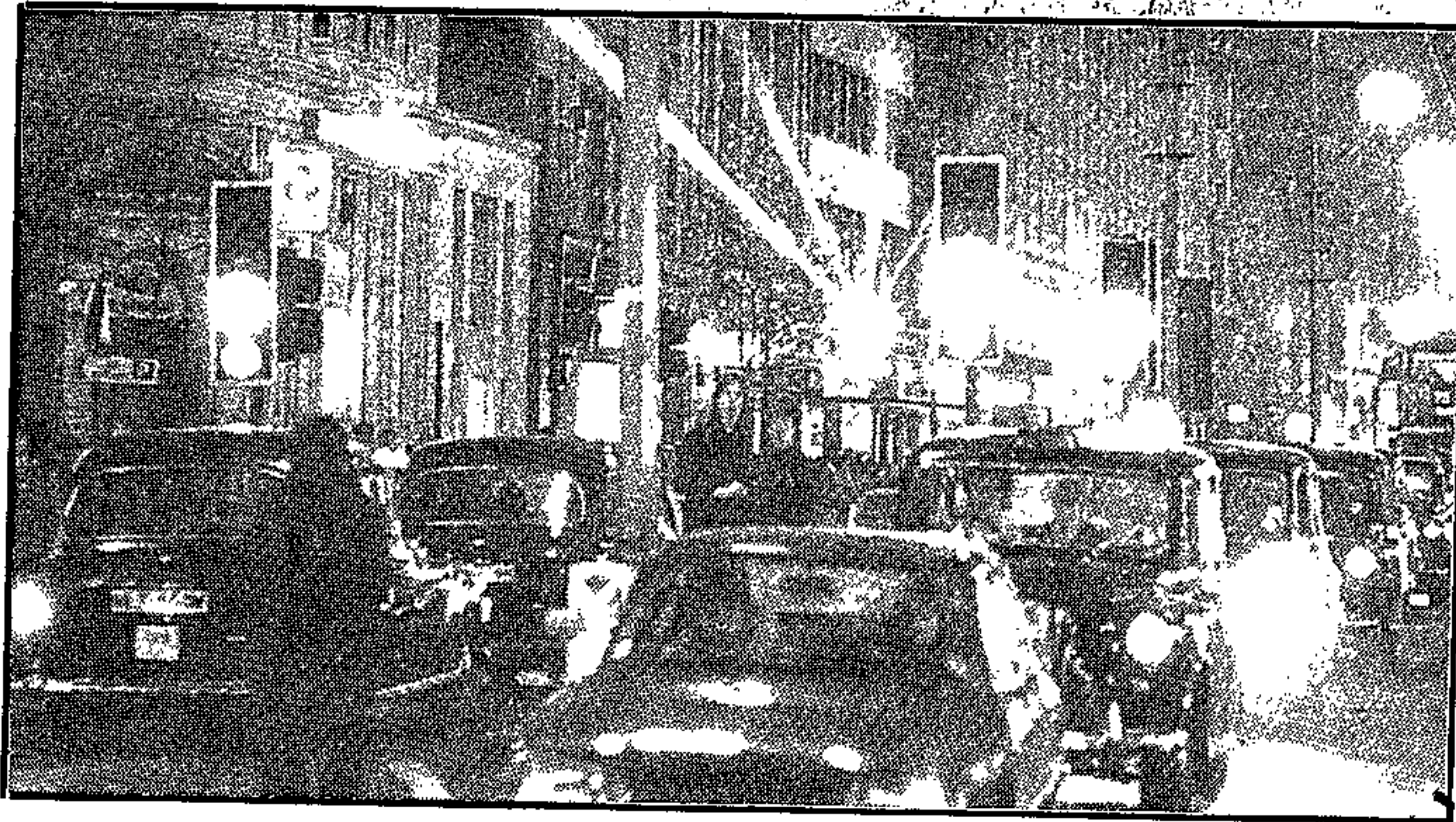
Black consumer leaders have greeted the announcement with disquiet, saying 1983 had been a year of hardships, when a lot of people were laid off work.

The increase means commuters will pay 10c more a trip for casual fares, and up to 80c more for weekly tickets. In a statement yesterday, Putco said their application in March was originally aimed at an increase from September 1 this year. Its introduction was complicated by the decrease in the price of fuel.

The fuel price decrease meant a saving to the company from the effective date of the reduction on August 22 to the end of the financial year June 30, 1984, of R1 090 000. The delay in the implementation of the approved revenue increase on the Reef has cost the company about the same every month. Putco therefore lost the whole benefit of the fuel price reduction by the end of September," Putco said.

Mr Mohamed Dangor, a Commuters' Watchdog Association executive and chairman of the Institute of Race Relations, Southern Transvaal, said transport should be seen as a social service.





332  
RDY  
13/12/83  
HAIL TO THE TAXI ...  
London's free-roaming cabs are always available and cheaper than Jo'burg's rank-only ones

WHEN was it you last caught a taxi? If you cannot remember, you are just one of the hundreds of people for whom they have become a thing of the past ... and taxi drivers are feeling the pinch.

More people have their own cars and public transport is still cheaper and — in many cases — more reliable.

The manager of Mini Cabs, Mr Johnny Botha, has been in the taxi business since 1963.

But he says it is not a good way to make a living.

"In the early days there would be queues of people at the station for a taxi. Now you can wait there for an hour without getting a customer.

"It's not a profitable business but it makes us a living," he said.

"People complain about high prices, but it costs a lot to run a taxi. The overheads are high and are paid for out of our own pockets.

"It also costs a lot to apply for a tariff increase, which takes at least six months," Mr Botha said.

Another costly item is people who don't pay their fares.

"We lose a lot of money by people jumping out of the taxi and disappearing once they arrive at their destination ... and you're lucky if you can catch them," he said.

Mr Chris Froneman is the manager of Rose's Taxis.

He has been in the taxi business for 40 years and has 150 cars attached to his company.

"The taxi business has fallen off a bit over the years, but has been picking up ... even within the past two months," he said.

Mr Froneman said passen-

# Why that taxi costs so much

By DIANNA GAMES

gers from all walks of life were picked up daily. His company does a large hotel trade, as they were given the contract to park outside Johannesburg's Carlton Hotel.

Mr J Swart, owner of JMS taxis — one of Johannesburg's biggest fleets — said: "Business is getting quieter. I think the public have lost their interest and confidence in taxis because of high prices and because the Government supply a good public transport service."

The question of a taxi driver's profit is also affected by the rands that change hands between taxi drivers and hotel porters, which guarantees business.

One taxi driver said that taxi drivers who did not give hotel porters a "healthy tip of about R5" in return for business, lost a lot of business from the lucrative hotel trade.

He said it was usually under R1 for short trips.

"Taxi drivers give those guys a living. A hotel in the city centre, which might give

us five trips to the airport, would earn a porter up to R25 a day ... which is probably a lot more than he earns in his regular job."

Mr Swart advised passengers to always check that a taxi's meter was switched on to avoid overcharging, and to ensure that passengers would be covered by insurance in the event of an accident.

There have been frequent calls for "roving taxis" to be introduced in Johannesburg for convenience and speed.

But one entrepreneur attempting to introduce this service earlier this year was blocked by existing taxis, who claimed that it threatened their business. It is also blocked by the Road Transportation Board.

One taxi owner said that there was a time in Johannesburg when taxis could be hailed from the street.

"But I don't think you could make a living that way; the overheads are too high and you aren't guaranteed business."

A Taxi Bureau spokeswoman said taxi insurance was

difficult to get because of the higher likelihood of accidents ... a situation which would be worsened by the introduction of roving taxis.

They would also make the whole operation more costly and were not a popular option with taxi companies, she said.

For a distance of 2km, Johannesburg taxis range from about R2,40 to R2,80, while the same distance in London would cost R1,32, New York R2,74 and Harare R1,70.

In a recent investigation, the Johannesburg Metropolitan Action Group (Jomag) found that Johannesburg had about one taxi to every 1 000 white persons, as against four in Harare and 12 in Hong Kong.

This is a selection of prices a customer can expect to pay when hiring a taxi in Johannesburg:

● JMS TAXIS: 50c flag fall; 80c per km. Waiting fee R4.50 per hour; luggage free.

● MINI CABS: 70c flag fall; R1 per km. Waiting fee R9 an hour; one suitcase free, then 40c for each other. Night tariff up to 15% between 11pm and 5am. Two cars with a R2 flag fall; one km free; 80c per km thereafter.

● ROSE'S TAXIS: 70c flag fall; R1 per km. Waiting fee R9 per hour. Luggage 20c for 20kg, with the first 20kg free.

● LONDON: the equivalent of 66c for the first 6km and 99c per km thereafter. London cabs are estimated to be cheaper than public transport, are easily available and in great demand because of parking problems.

● NEW YORK: R1,37 per km; 10c for every 45 seconds while not moving. Suitcases, 45c each. Night surcharge and 20% tip.



Cape Times 13/12/83  
332

# Micro-bus taxis 'could continue'

Staff Reporter

KOMBI-TAXIS could be classified as "micro-buses" and fall under the control of the Metropolitan Transport Authority (MTA), according to a statement by Mr Jan Brand, the City Engineer.

Mr Brand was commenting on the recommendations of the Welgemoed Commission of Inquiry into Bus Passenger Transportation.

"In Cape Town kombi-taxi fares tend to be the same as bus fares and the taxis compete directly with bus services, frequently using the same termini, bus-stops and shelters," he said.

"It is possible that the

MTA could classify those kombi-taxis as micro-buses and they could continue to operate with buses, but in a co-ordinated way so as to give a more economic service overall."

Controls for lift clubs, including the control of taxis, mini-buses and possibly micro-buses, should be assigned to the MTA.

Mr Brand accepted the recommendation that the State should not own bus services. It should be involved only with regulation and co-ordination of services. Ownership of public transport facilities should eventually be vested in the MTA or an allied utility company.



# Groups seek change to laws

JOHANNESBURG — Two organisations representing bus and taxi operators have presented to the Department of Transport a set of proposals to regulate road transport in South Africa.

A joint statement today by the Southern African Bus Operators Association (Sabo) and the Southern African Black Taxi Association (Sabta) requests the Department of Transport to include a number of new requirements in legislation.

These cover taxi identification, lift clubs, law enforcement and minibuses.

They intend establishing a code of conduct for co-operation between bus and taxi operators.

Taxis should be identified by checkered black and white bands.

Lift clubs should only be allowed one trip between 4am and 9am and one trip between 4pm and 7pm, on weekdays.

The operators are concerned about illegal passenger conveyance.

On minibus taxis they suggest that they be allowed "to continue operating".

Minibus taxi owners should be allowed to replace their vehicles.



Cape Times 15/12/83

# Sebe tries soft-line approach to boycott

Own Correspondent

JOHANNESBURG. — The five-month-old bus boycott by commuters in Mdantsane, Ciskei, has reached a critical stage as the Ciskei government and the boycott leaders try to out-manoeuvre one another over the Christmas season.

But the conflict is no longer violent because of a switch in strategy by the Ciskei authorities from an attempt to break the boycott by force to a bid to woo the commuters and to co-opt and undermine their leaders.

The boycott began on July 18. The Mdantsane Committee of 10, which was elected to represent bus passengers, failed to dissuade the Ciskei Transkei Corporation (CTC) from increasing fares by 10 percent between Mdantsane and East London.

The Ciskei government owns 50 percent of the shares in CTC through the Ciskei National Development Corporation or, as it has since being renamed, the Ciskei People's Bank.

The initial response of President Lennox Sebe of the Ciskei was to try to break the boycott. They detained seven members of the Committee of 10, impounded cars whose owners gave lifts to commuters and attempted to prevent Mdantsane residents from boarding trains to East London.

A state of emergency was declared and a strict curfew imposed.

These moves did not break the boycott and instead brought international notoriety to the Ciskei.

The world heard about civilians who were allegedly shot by Ciskei police and soldiers, vigilantes who were recruited by pro-Sebe chiefs and who attacked boycotters and detained alleged curfew breakers, arsonists and "anarchists" in the Sisa Dukashe Stadium in Mdantsane.

In an interview last week President Sebe justified his original tough response as necessary to prevent chaos, to protect residents against "intimidation" by the boycott activists and to guard schools and public buildings from arsonists.

He defended the shooting of commuters as a desperate act of self-defence by police against a stone-throwing mob.

But he has since abandoned his bid to crush the boycott by force and has adopted a policy of attempting to out-smart the boycott leaders politically and psychologically.

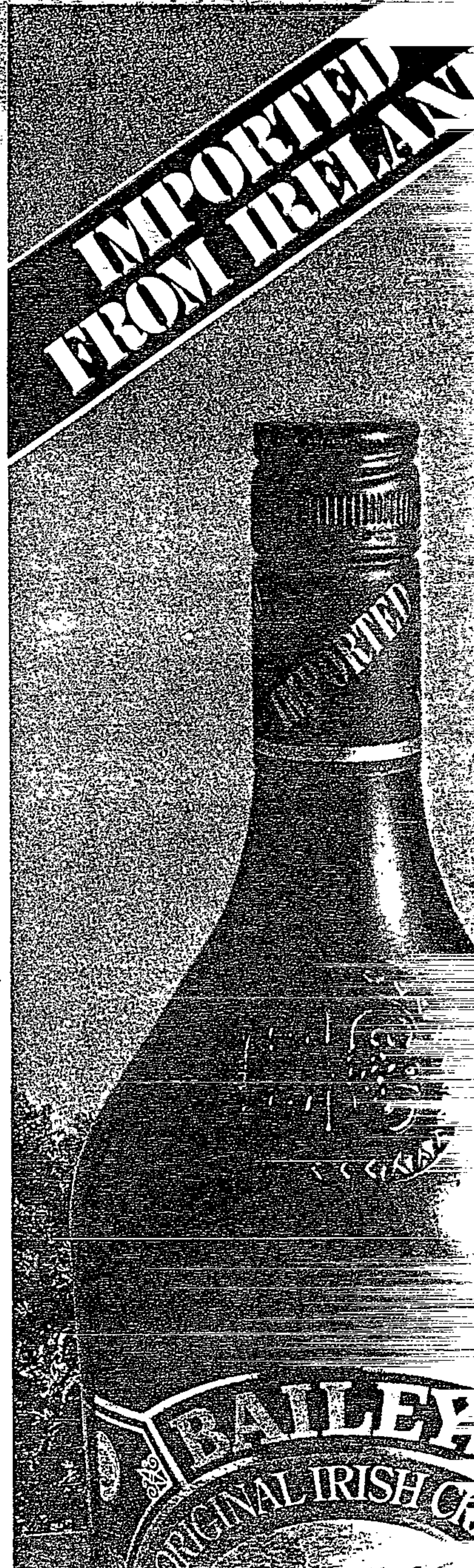
Although the curfew remains in force the vigilantes have been withdrawn, most detainees released, including leaders of the South African Allied Workers' Union (SAAWU) — whom President Sebe blamed for the boycott — and Committee of 10 leaders.

There are, however, still reports of action against car-owners who give lifts to workers.

## Personal appeal

The new soft-line approach included a meeting at Mdantsane where President Sebe personally defended the right of commuters to board trains instead of buses. But by the same token he urged people to recognize the right of people to use buses rather than trains.

A key element in the new approach has been the emergence of a "Committee of 20" — which well-placed observers see as a front organization for President Sebe, but which has portrayed itself as a





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A key element in the new approach has been the emergence of a "Committee of 20" — which well-placed observers see as a front organization for President Sebe, but which has portrayed itself as a disinterested force anxious to bring an end to the disruption and to restore peace to Mdantsane.

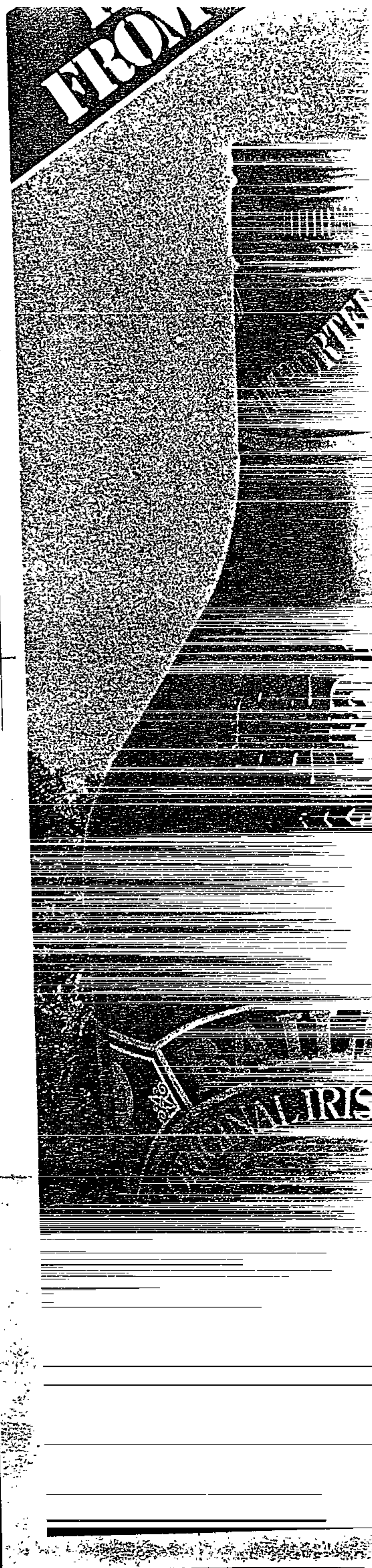
It is chaired by Mr L M Yako, a leading member of the ruling Ciskei National Independence Party and deputy speaker of the Ciskei National Assembly. Other members include Mr L F Siyo, a prominent local businessman and a former cabinet minister, and Captain Vuweini Gende, the chief of security police in Mdantsane.

The Committee of 20 appealed to people to call off the boycott and at a specially arranged meeting with the released members of the Committee of 10, they urged it to do the same.

Another important component in the revised, more subtle strategy was the decision to reduce the original fare increase of 10 percent by half.

President Sebe told our correspondent in Johannesburg last week that he could see an end to the boycott.

"The situation is returning to normal very fast," he said. "People are using the buses. I see the situation as one in which 60 percent are using the buses. The number is going up each day."





(332) E. Herald 15/12/83

## Fists fly in clipcard squabble

A 72-year-old pensioner, Mr Percy Petersen of Heideveld, claims to have been assaulted by a bus driver when he produced his clip card.

Mr Petersen's trouble started on Monday morning when he boarded a bus in Heideveld to travel to Mowbray — which he has done regularly for the past 20 years.

"On Saturday I saw that my clip card was still valid for another three rides. And just to make sure, I consulted an inspector who agreed with me.

"When I got into the bus, the driver said the card was invalid and that I had to pay. I refused because I knew the card was in order.

"He got up and wanted to throw me out of the bus, I resisted and he punched me. I saw that he was wearing spectacles and I grabbed them because I think it is wrong to hit someone in the face while he still has his specs on. In the process I smashed the glasses.

"The other passengers told him 'leave the old man alone,' because he was making them late for work. That saved his hide. There would have been blood all over the show — and not mine, I can promise you that."

The driver then drove to Athlone where he called an inspector. "A passenger offered to pay my fare but I refused. I had a new clip card as well as money with me.

"I was taken to the police station where the police said there was no case against me. While I explained my case to them, the bus drove off.

"Then I walked to the bus terminus where an inspector said my card was useable and I took a bus to Mowbray.

"I went to the police there to lay a charge of assault, but they said the incident had happened out of their jurisdiction and they sent me to the Manenberg police."

Still not satisfied, Mr Petersen went to Tollgate where he planned to speak to "one of their top boys."

"There I was sent from one department to another. I am furious with the treatment I got in the bus and at Tollgate. I have no other choice but to travel by bus.

"That is the kind of treatment you get from a company whose fares are forever increasing, but whose service is going from bad to worse."

City Tramways officials promised to comment after they had investigated the incident.





Commuters queue at the main terminal, Mdantsane, while vehicles draw in to pick them up.

## Mdantsane — EL taxi boom

EAST LONDON — The taxi trade between here and Mdantsane is enjoying an unprecedented boom and some operators have increased their fleets.

At least one dealer in ten and 15-seater vehicles has had such a demand for vehicles that he can supply only a few more vehicles this year.

Also benefiting from the boom are bus drivers retrenched from the Ciskei Transport Corporation following the bus boycott which enters its sixth month on Sunday.

Mr Z. Maye, who said he has been operating a taxi in Mdantsane since 1973, said the 1974 bus boycott gave him a good run but not anything like he has enjoyed this year.

He said the difference was not only in the length of time the

boycott had gone for but the number of people using taxis this time.

"We have had our problems and lost some of our money when there was much interference from police and other parties who sought to break the bus boycott but matters seem to have settled down lately and only pirate operators are still facing problems," he said.

Mr Maye doubted whether a return to buses would affect the major operators adversely.

"What has happened is that some people have grown to appreciate the better service we offer and we hope they will stick with us."

His sentiments were echoed by Mr V. Ndila, who said he had been on the beat since 1977.

"In all the time I have been running a taxi here this is the first time I have found I can run up and down with a full load each time for the whole day," he said.

He added other operators had increased their fleet to three or four and provided jobs for retrenched bus drivers.

"They have to live and have families to look after and they are not responsible for the bus boycott," he said.

Two of the three major dealers supplying vehicles for carrying upwards of five passengers have reported good sales but not above their sales for this time of the year in previous years.

The sales manager at Malcomess Toyota said sales were good both from private buyers and companies.

He said used Hi-Aces were selling better to blacks — perhaps better than in the past but not really something to shout about.

Barnes Volkswagen's sales of Microbuses had increased, the sales manager said.

"But it has always been good at this time of the year. Increased sales of microbuses is a seasonal thing and we sell to both black and white customers," he said.

The sales manager of Nissan, Mr Denzil Kretzman, said they had had a "fantastic run" on their E20 range of vehicles — both ten and 15-seaters.

"We can't provide enough vehicles for our trade," he said.

"You can get many Hi-Aces and Microbuses but few E20's," he added.

— DDR



# The patriarch of the Putco empire



Mr Albino Carleo...a retiring man with a top class business brain

By Malcolm Fothergill

Of South Africa's business leaders, there must be few with a lower profile than Putco's managing director, Mr Albino Carleo.

Since taking over the largest private bus operation in the country from his father Gaetano in 1971, he has resolutely shied from giving all but the most occasional interviews.

That was until this week, when in one morning he spoke to an American correspondent and then to The Star.

Several factors have combined to put Mr Carleo out of the mainstream of South African business life.

First, there's the fact that he's an Italian who arrived in South Africa, speaking no English or Afrikaans, in 1947 when he was in his late teens.

Then there's the fact that his career has been exclusively with the business his father founded.

This means he has not had to play corporate snakes and ladders like his counterparts at the top of other big organisations, and has had little business contact with people outside Putco.

Finally, while other business leaders seek publicity or at least regard it as a necessary evil that goes with their job, Mr Carleo has tried to keep his name out of the newspapers as much as possible, which means his personality is largely unknown outside Putco.

"This is the age of the anonymous person," he explains, adding that the more that is known about a business leader, the greater are his chances of being made a target by extremists.

Since public transport is a political issue anywhere, and since Putco has always been seen by black commuters as an arm of the Government, Mr Carleo's reluctance to step into the limelight is understandable, even if it does occasionally upset journalists.

Face to face, Mr Carleo emerges not as the arrogant or inarticulate man of current journalistic folklore but as a warm, friendly person with a ready sense of humour.

There being little point in discussing Putco's future in detail until the Government has decided what to do with the Welgemoed recommendations, the

**Financial Staff**  
The number of passengers carried by Putco has dropped by about 15 percent, largely because of the recession, according to MD Mr Albino Carleo.

The decline was aggravated by the loss of passengers to other "legal and illegal" forms of transport and by a partial boycott in the Durban area "which has seen a number of passengers permanently lost to Putco".

The introduction of the Mabopane/Belle Ombre rail service had resulted in a phasing out of the bus services with a present loss of two trips daily by some 18 000 commuters.

Mr Carleo said Putco was always on the look-out for other compatible bus operations with a profit potential, particularly in the Transvaal, but no such opportunities for further growth were now available.

The member companies of the group at present

comprise a satisfactory mix, although long-term possibilities could include for instance the manufacture of a chassis which would make possible the all-South African bus.

An experiment in Dobsonville with the Farespeed tickets system, for which Putco held the South African rights, was proving successful, and tests should begin on a modified Valdata system by next April.

"It is difficult to put a figure on cost benefits if the system were introduced throughout the company but over a period we would be looking at hundreds of thousands of rands.

"We will be able to assess the market potential of the system only after the complete operating system has been proved over widespread operating conditions. But we expect a ready market response."

Putco's shareholders, he said, should not expect an increase in dividends or another capitalisation issue.

conversation centred on the Putco leader's personal history.

This included an unusually dramatic introduction to Africa — a plane crash, followed by three weeks walking through the then Belgian Congo (now Zaire).

Nobody was killed when the Dakota crashlanded, but the future must have looked uncertain at best for the 21 passengers and four crew stranded in the middle of the jungle.

Fortunately, a small plane spotted them after one and a half days, and dropped a note to say they should start walking.

Three weeks later, after being supplied with provisions every day from the air, the party reached Ndola, in what was then Northern Rhodesia.

In Johannesburg, the young Mr Carleo soon found himself immersed in his father's bus business as an apprentice mechanic by day and a cashier in the evenings.

For a youngster who had been exceptionally bad at maths at school, preferring the classical subjects, it must have been a jolt having to get to grips with gearboxes and columns of figures.

But Mr Carleo was keen to learn. As he sees it now: "A man who wants to be successful always finds an answer to every problem. The guy who doesn't care a damn always finds an excuse."

Four years after Mr Carleo joined the business, his father — one of the country's great entrepreneurs, who arrived in South Africa in 1927 and worked as a pile-fitter, as a railway construction worker, as a taxi driver and as a bus driver on his way to building up his bus empire — trusted him enough to leave him in charge when he went on holiday.

Mr Carleo confesses to being a "very bad behind-the-desk executive", preferring to let other people worry about money while he concentrates on plan-

ning.

"If you start in life wanting to be rich, you won't make it," he philosophises. "Money should be a by-product of your activities, not the main aim."

For relaxation, Mr Carleo enjoys photography, reading (history, science, science fiction and management theories) and studying the world's religions.

Being in the bus business, he says, is "like walking on a floor of eggs".

In the end, it's part of the country's infrastructure and for that reason should not be exploited by the left or the right.

"It's a very important service, especially to the poorer people, and it would make their lives more miserable if it was destroyed.

"It takes years and a lot of money to replace a bus. That money could be used to improve the quality of life for people."

Putco has played a low-key role in trying to help the poor for many years, subsidising scholars' fares and taking pensioners free on pension pay-out days.

A new venture, the Putco Foundation, which aims to help community projects, especially educational ones, with money derived from advertising, has just got off the ground.

"We are looking to spend in the region of R300 000 to start," says Mr Carleo. "Eventually only education can bring about a real change in the quality of life. One has to start somewhere."

Mr Carleo's father, now 82 and still taking a keen interest in the business, is one of the foundation's trustees.

The Carleo connection extends even further.

Waiting in the wings for the day when Mr Carleo decides to retire is his 29-year-old son, who has a degree in chemistry from Wits and in transport economics from Indiana University in the US.



Argus 16/12/85

## Bid to make buses <sup>332</sup> more comfortable

Finance Editor

TOLLGATE HOLDINGS would give more attention in future to the welfare and demands of the passengers using its buses, chairman Dr M D Marais told the annual meeting yesterday.

He was replying to a complaint from a shareholder, Miss E Yardley, that the design of the buses was very inconvenient, particularly for elderly people.

She said the first step up on the buses was too high, buses were too long, and the plastic seats were uncomfortable for women.

### SOFT SEATS

"You would get many more elderly people using the buses if they could board them."

Mr Johann Barnard, managing director of Tollgate, said the company would look at ways of providing passengers in Cape Town and Port Elizabeth with more comfortable buses.

It would be returning to the old, soft seats in new buses, and the long vehicles would not be ordered in future.

He said the high step was due to the position of the engine at the front. The company was looking at the possibility of a step which would unfold as the bus door opened.



# Bail refused for five men convicted of public violence

232  
En post  
20/12/83

Post Reporter

AN application for bail by five men sentenced to terms of imprisonment for public violence was yesterday refused by the Port Elizabeth Regional Court.

Mr T Skweyiya (for the defence) made the application, pending an appeal, which was opposed by the State.

The President of the Regional Court, Mr Gert Steyn, said that although there was no legal reason for not granting bail, the interests of justice were not served because the convicted men might abscond.

This was one of the reasons for bail refusals by the magistrate and Supreme Court earlier this year.

Yesterday Wellyan Jawuka, 25, Xola Makapela, 24, Samuel Mapoza, 20, Andile Williams, 21, and

the chairman of the local branch of the Congress of South African Students, Zola Mtatse, 21, were each sentenced to three years' imprisonment, of which 18 months were suspended for five years. They will serve an effective 18 months in prison.

The court found that on July 31 and August 1 they stoned buses conveying people to a Community Council meeting during a bus boycott when part of the township community opposed bus fare increases.

"The senseless damage caused to the buses adds to the increased costs and can only come out of the pockets of those who benefit from the use of buses. Both attacker and the community are left the poorer," the magistrate said.

The court took into ac-

count their youth, that they were still studying and the 4½ months they had spent in prison awaiting trial. Although one had previous convictions, all were treated as first offenders.

A 17-year-old youth was acquitted of public violence yesterday when he testified soon after his discharge from the prison hospital.

Others acquitted were: Mr Phindile Nkanti, 19, Mr Zandisile Dayile, 18, a 17-year-old youth and a 16-year-old youth.

Bonsile Mbikanya, 22, was convicted of malicious damage to property and sentenced to two months imprisonment suspended for three years.

Mr H Goosen appeared for the State. Mr T Skweyiya (instructed by S Nkanunu and Company) appeared for the defence.



## Business Day

# Bus upsets local motor men

By SIMON WILLSON

DESPITE stiff duties and well-established South African competitors, an imported minibus has come from nowhere to capture more than 10% of the national market in under three months.

For the second time this year, the domestic motor industry has been upset over what it sees as deliberate undercutting by a model imported from Japan at "dumped" prices.

The WFR 16-seater minibus was first imported by General Motors last July when Isuzu — part of the worldwide GM organisation — made the model available for export from Japan.

The WFR is now at least R500 cheaper than locally assembled

rivals and has cornered a healthy share of the market.

Earlier this year, the fully imported Daihatsu Charade caused a similar storm when it undercut rival small cars by at least R200, despite a 100% import duty.

Alfa Romeo, importer of the Charade, was accused of "dumping" the car in SA to corner market share. The Charade is now manufactured at Brits.

GM South Africa thought there was a gap in the domestic minibus market that could be exploited by the low-priced WFR.

The company saw particularly attractive sales potential in the black taxi market which, despite the threat of restrictive legislation, is underpinning minibus sales.

The WFR retails for about R13 950, against the R14 600 to R15 000 price tags on minibuses made in SA by Toyota and Volks-

wagen.

Only four WFR units were sold in August, the model's first sales month.

September sales soared to 101 units and monthly sales have averaged 125 units since then.

SA's total minibus market has been variable this year, but has averaged about 1 000 units a month.

The WFR's true popularity may be even greater than the figures show because GM only imports them to match dealer orders, with no speculative extra models in showrooms.

As Alfa Romeo did in May this year, GM has rebutted accusations of "dumping".

"Everything we are doing fits in with the local content programme and we're sticking to the rules completely," says a spokesman.

Alfa Romeo said competitors who thought the Charade's price

was too low should look at their own margins to check that their models were not over-priced.

Alfa also obtained the tacit support of the Government when the Deputy Minister of Finance, Mr Eli Louw, said the Charade's low price could be helping in the fight against inflation.

GM has not yet taken a decision to follow Alfa Romeo's example by starting up domestic manufacture.

"These vehicles are being brought in to test the market before local manufacture is looked at," says the spokesman.

A Transvaal Isuzu dealer, Mr Eddie Kriel, says retailers' profit margins on the WFR were very slim at first to help the model establish a foothold in the market.

But the WFR's success has permitted a R1 000 increase in the price since its July introduction and this has made margins healthier.



# Council move on public transport

ARGUS 23/12/83

332

## Staff Reporter

THE City Council has recommended the establishment of a metropolitan transport authority (MTA) which would be responsible for fares and the control of public transport.

Commenting on a report by the City Engineer, Mr J Brand, on the recommendations of the Welgemoed Commission on bus passenger transportation, Mr Frank van der Velde said yesterday that it was an "outstanding statement of policy on public transport".

## "Teeth"

Mr Brand's report was adopted by the City Council.

Mr van der Velde said the "urban transport scene" should be headed by a local body. "But an MTA must have teeth and finances."

One source of finance for subsidising fares would be a petrol tax, Mr van der Velde said.

"People in our cities who most need public transport have been moved out to the periphery. They are forced to use public transport over long distances. Tariff structures should subsidise commuters and not the companies."

Mr Sam Gross said that while he supported the Welgemoed Commission's recommendation that applications for public transport tariff increases be made on a regular basis, he could not support the suggestion that the applications be heard in camera.

"This would mean that the public will not be able to express its views on issues of this kind."

Mrs Eulalie Stott said public transport would not be adequately supported "until the safety, comfort and convenience of people who have to use it is given priority".

She said it was essential that people who sat on the MTA be accountable to the local population.



# Putco doubles bus charge

By JEANETTE MINNIE

THE PUTCO bus company has doubled its charge for hiring buses to Gillooley's Farm, in Bedfordview, on Christmas Day and New Year as a form of insurance to cover damage to its buses.

A public relations spokesman for Putco said yesterday that some buses which transported passengers to Gillooley's last Friday on the Day of the Vow — where four people died and 22 were injured when several hundred people began fighting — had been damaged.

The spokesman could not provide details of the extent of the damage, or examples of how bus hiring fees from different areas would be affected.

The assurance was given, however, that half of the hiring fee would be reimbursed on the return of the buses if they were not significantly damaged.

The spokesman also said that so far "very few" buses had been booked for Gillooley's on Christmas Day and New Year.

It was possible that the doubled hiring fee had played a part.

Police sources said 180 buses had arrived at Gillooley's on the Day of the Vow, as well as numerous minibuses, transporting an estimated 25 000 people.

Putco said that it had 91 buses booked for Gillooley's on the Day of the Vow.

The chairman of the Bedfordview Village Council's management committee, Mr Geoff Midlane, has also appealed to people not to flock to Gillooley's on the forthcoming public holidays.

At a meeting between Bedfordview, in whose area Gillooley's is situated, and the Johannesburg City Council, who owns and administers Gillooley's, it was decided that Johannesburg would sell Gillooley's Farm to Bedfordview for R350 000.



# Taxis <sup>332</sup> indaba 8/12/83

By MZIKAYISE

EDOM

*Some fam*  
THE management committee of the Southern African Black Taxi Association (Sabta), will meet today in Klerksdorp to discuss the latest development concerning the controversial phasing out of kombis as taxis.

Several months back, transportation boards issued a directive, following the recommendation of the Welgemoed Commission, that in future only sedan vehicles would be registered as taxis and that no more kombis will be allowed to ferry passengers.

At one stage, taxi owners on the Reef threatened to stop operating if the local transportation board persisted in refusing to register kombis as taxis. So far, the management committee of Sabta has met the Minister of Transport, Mr Hendrick Schoeman, pleading with him that kombis should still be allowed to operate as taxis.

9



# Kombi dispute grows

332 By MZIKAYISE EDOM *Sowetan*

29/12/83  
THE national executive of the South African Black Taxi Association (Sabta) was yesterday "suspended" by a meeting of taxi owners as the furore over kombi taxis intensified.

The meeting also rejected a decision of the South African Bus Operators Association (Saboa) and Sabta that kombis no longer be registered as taxis.

Instead, the meeting decided to make direct representations to the Prime Minister Mr P W Botha to intervene in the dispute concerning the non-registration of kombis as taxis as decided by Sabta and Saboa.

It also decided to elect an "interim committee" to run the affairs of the organisation pending new elections for a national executive of Sabta.

## Meeting

Yesterday's meeting was at Tsole Hall in Natal'spruit. Mr Jimmy Sojane, president of Sabta, described the meeting as "unconstitutional" as no notices had been issued calling the meeting. He declined to comment further and said he would first study reports about the meeting.

The meeting was yesterday called by a group of dissatisfied taxi owners to discuss decisions reached by Sabta and Saboa at a recent meeting. The decisions are now recommendations to the Ministry of Transport for future legislation.

The most controversial of the recommendations was that Sabta agreed kombis must no

longer be registered as taxis. But Mr Sojane qualified this a few days later when he said those people who ran sedans (motor cars) as taxis could still apply for kombi licences and bus operators would not object to such applications.

The meeting was attended by more than 120 people, who included delegates from taxi associations in the Transvaal, Natal, and Free State.

The meeting also resolved that an interim committee be elected to run the affairs of the association until such time a proper executive committee was elected early in the new year.

In a shock move, the meeting also "suspended" the present committee which is led by Mr Jimmy Sojane because, "when they made this recommendation and signed an agreement with Saboa they had no mandate from the taxi owners and their term of office had in fact already expired at the end of September."

The meeting also decided to brief legal representatives to look into the recommendations of Sabta and Saboa. In an interview with **The SOWETAN** after the meeting, Mr Petros Nkosi the PRO of Sabta, and one of the convenors said: "We intend writing a letter to Mr Botha asking him to intervene on our behalf on this matter before the end of this month and we will also send a copy of the same letter to the Minister of Transport, Mr Hendrik Schoeman."



50/12/83  
Soweto

THE national executive of the South African Black Taxi Association (Sabta) will hold an emergency meeting next week to decide on what steps to take following their "suspension" by a meeting of taxi owners held in Katlehong, on Wednesday.

The meeting was called by a group of dissatisfied taxi owners also rejected the decision of the South African Bus Operators Association (Saboa) and Sabta that kombis no longer be registered as taxis.

The general secretary of Sabta, Mr Noel Mlokoti, said yesterday the meeting called by the taxi owners in Katlehong was unconstitutional and was invalid.

He said: "The meeting was called by dissidents who do not have the welfare of Sabta at heart. These are the people who are bad elements in the organisation and are just interested in spoiling the good work already done by the present executive committee.

Mr Mlokoti also said that they will decide on what line of action to take against Mr Pat Mbatha, one of the executive members who signed the recommendation but, "sommersaulted" by telling the Wednesday meeting that he signed the agreement "under pressure" when he was forced to do this by Sabta's president, Mr Jimmy Sojane, Mr Mlokoti and Mr Moffat Zitha, an executive member.

Mr Mlokoti also said that their term of office only expired at the end of next month when new elections for a national executive of Sabta will be held in February or March.

Meanwhile, a spokesman of Saboa, Mr P U Nucci, assured all those people who had sedans (motorcars) as taxis before the Welgemoed Commission that they could still apply for Kombi licences. Bus operators would not object to such applications, as agreed with Sabta.

But Mr Nucci who is also the co-ordinating executive of Putco warned that "those people applying for the first time to operate as taxis will have to operate sedans as taxis and will only be allowed to carry four passengers per single trip. These are the people who will not be allowed to get licences to operate kombis as taxis."

Meanwhile the Katlehong meeting elected to replace the "suspended" one. The members are messrs P Nkosi, J Ngobeni, N Twala, all from Katlehong; G Ntlatleng, P Mahlangu, from Pretoria; J P Mbatha from Soweto and J Ngcoye from Durban.

# TAXI BOSSES SPEAK

237 BY MZIKAYISE EDM

SOWETAN, Friday, December 30, 1983