TRANSPORT-PRIVATE-
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August

Civic association and taximen in agreement

STAR 3/1/96 332

By Chris More

The Anglican Bishop of Johannesburg, the Rt Rev Desmond Tutu, together with the Soweto Civic Association (SCA), yesterday hosted a peace meeting between Soweto taxi owners' associations and local youths following their clash after a funeral about two weeks ago.

Their differences were amicably resolved when the two groups met at the Ipelegeng Community Centre in White City Jabavu and several resolutions aimed at restoring the peace were adopted.

In a statement released by the SCA, chairman Mr Isaac Mogase and the Rev Frank Chikane also announced that the taxi associations have offered to make available about 100 taxis for the joint funeral of at least four youths.

The names of the dead youths are: Tshepiso Molokeng (19) of Naledi, Dennis Motsile (17) of Naledi, Xolie Khoza (16) of Jabulani and Nomthandazo Nkosi (18) of Senaoane.

Mr Chikane said the SCA was investigating the death of a Meadowlands youth who is alleged to have died in action with the police.

He said also, that another Meadowlands family was searching for their son, Lawrence Jhilivhali (16), who was reported dead by police.

The youth's mother, Mrs Motshekwa Jhilivhali, of Lebonyana Street, Zone Seven, said a policeman came to her home and told her that her son had been shot dead.

She went to the Government mortuary the next day to identify her son's body, but was told that the body was not there. She was referred to Protea Police Headquarters but was sent back to the mortuary.

"We do not know what to do now. It is so frustrating to searching for a child not knowing if he was dead of alive," Mrs Jhilivhali said.

In resolutions adopted taximen made it clear that:

- They condemn any action by taxi people who might have been involved in the December 23 incident.
- They would further investigate the allegations of the clash and bring those responsible to order.
- It was not their policy to attack or retaliate against any persons especially in the manner it was alleged happened on December 23.
- They have in the past worked with the community and made their taxis available to help at funerals.

SECURITY FORCES

- They condemn any collaboration between some taxi people and the security forces.
- They are part of the community and support the struggles of their community and pledged to continue working with the community as they had done before.

The SCA resolved that:

- Community organisations condemned any irresponsible actions on the part of the youths by hijacking our people's cars, especially taxis.
- The association pledged that it would make sure that such actions which did not advance the struggle would be brought to an end.

Top tug operators to pull together

By Kerry Clarke

TWO of South Africa's biggest tug operators have pulled together in an attempt to secure a slice of the R3 500-million worth of action being contemplated at the Mossel Bay synfuel project.

Pentow Marine, the company which was this week formed by the merger of Land and Marine Salvage, a Murray & Roberts company, and Safmarine's tug division, represents a major force in the SA marketplace, with a fleet of 10 tugs and numerous other small vessels.

Murray & Roberts regional director Bob Harvey says Pentow Marine will have a complete range of vessels well able to compete with international tug operators, many of whom have the backing of state subsidies.

"Unlike many other countries, we have no local protection and we have to fight large companies from countries like Holland, Germany and Japan. In the US there is an Act which precludes any non-US vessel from operating in US waters."

Mr Harvey says the new group will have the muscle necessary to get new business overseas and simultaneously fight foreign competition at home.

Two biggest

He says that if the group can pick up some good contracts there is a strong possibility it will extend its tug fleet. A medium-sized tug today costs about R20-million.

Pentow Marine's tugs include Safmarine's Wolraad Woltemade and John Ross, the biggest tugs in the world, and Land & Marine's medium-sized deep-sea tugs, the Causeway Adventurer and the Causeway Salvor.

Land & Marine also has four small coastal tugs dedicated to work in the Durban harbour area.

It has been suggested that Safmarine will be glad to get the Land & Marine tugs on its side, as its giant tugs were sometimes undercut on contracts by these smaller vessels with their lower running costs.

But, Mr Harvey says, although the two groups have competed on jobs in the past, 90% of the time they have complemented each other and worked together on big contracts — the work done after the explosion and sinking of the oil tanker Castillo de Bellver being a case in point.

In addition to the tug fleet, the Pentow Marine stable will include the Murray & Roberts company SA Diving Services, SA's biggest diving company. The company's 50 divers work throughout Southern Africa, doing everything from maintenance work on inland dams such as Kariba to salvage operations on ships off Mozambique.

The M & R company Southern Off-Shore Suppliers will fall under Pentow Marine, adding 10 small service craft to the group. These craft provide harbour and immediate offshore services to ships, carrying anything from groceries to medical personnel to ships at anchor.

A variety of other craft which served Land & Marine's interests in the oil-terminal operating business will also come under the Pentow Marine wing, as will the vessels of the small boating company Sealink, which has been bought from Renfreight.

Approved

The formation of Pentow Marine, owned jointly by M & R and Safmarine, has been approved by the Competition Board.

The merger sees further consolidation of the marine-services business in the Safmarine stable. In addition to its 50% of Pentow Marine, Safmarine also has 40% of Unicorn Shipping Holdings. Unicorn's tugs are tied into a number of dedicated, long-term contracts with Soekor.

Bolton's remedy: import controls and deregulation

(332) (89) BUS DAY 7/1/86



DESMOND BOLTON

Desmond Bolton, chairman of Cargo Carriers, its motor subsidiary and Desmond Bolton Industries, talks to HELLOUISE TRUSWELL

DESMOND BOLTON, who shines at entrepreneurship, founded Cargo Carriers — the largest privately-owned road haulage company in SA — 30 years ago when he was 31. Today he employs roughly 5 700 in Cargo Carriers and Desmond Bolton Industries. More than 30% are black.

Bolton — "I enjoy what I do, and that's vital" — terms himself "a supreme optimist. A buyer when others sell. But optimism is all very well. It has to be based on some foundation. And frankly, the foundations are being eroded.

"I'm a dyed-in-the-wool South African with a commitment to my people. This year I had to reduce bonuses in the motor trade to 50%. The guys never had a Christmas party.

"In the shoe trade we reduced bonuses to 80%. No festivities. In transport we maintained the 13th cheque, but that represents another R1m for the month. One wonders if one has the money to do such a thing.

"The problem that worries me is that there may be a light in the tunnel for SA. But on the other side of that light, coming down the tunnel, is an express train on a single track system going the wrong way. We're standing in the tunnel with no place to hide."

Bolton, 60 years old, is not one who thinks in apocalyptic terms. Nevertheless, today he is a very worried man.

Bolton Industries' interim statement for the half-year ended August 1985 shows turnover down from 1984's R32m to R30m. "Not too bad a slide," says Bolton. But look at the revenue profit. Down from R3m to R1,8m. That's business today. You maintain turnover; profits and profitability, however, diminish traumatically."

The motor trade, he says, reflects even worse results. "As dealers we handle Mercedes-Benz, Toyota, Ford, Honda, caravans. We turn over R100m a year. Out of that we are making R300 000 net profit. It's a crazy, crazy scenario. One wonders why one stays in business. To keep the doors open?"

Although road transport is an industry, he says, not as hard hit by the peaks and valleys suffered by other industries, the situation is hardly euphoric. Buying costs have doubled.

"If you see a complete rig on the road you are looking at R250 000 per unit. To make that unit pay long-term is OK. Short-term you have no chance."

Bolton Industries used to make 10 000 pairs of shoes a day. "We now make 6 500 pairs a day. We battle to sell that. "People are not buying shoes. They just don't have the money. Resoling and reheeling are going apace, but there's no money to buy.

"And we have to compete with dumping of tackies from Brazil and the Taiwanese market. They buy them because they're cheap ..."

The worst thing in his book, more so than the economic situation, is the attitude of the younger generation. "The younger men, contemporaries of my sons, are just disappearing throughout the world, be it Australia or the US or Canada. They don't see any future in SA.

"This is a terrible, terrible thing for us in this country. The old timers like myself can go on for so long. But these young men have to be there with us.

"When they look at the future of this country really long-term they don't have the allegiance. A country that lives without young people supporting it is doomed to destruction."

He sees SA's current economic plight as "a cause of being hoisted by our own petard. With all due respect to the government — their advisers, the bankers, the economists — the average man saw this plight looming many years ago."

Every word is punched out with emphasis. He leans forward across acres of desk in the executive suite of the new R4m Cargo Carriers headquarters in Elandsfontein as he says:

"I was in the US in 1980 and bought an aircraft. I booked the dollars forward. In one year I saved R196 000 on that aircraft. I should have got the message loud and clear then.

"Those were the halcyon days and the dollar was 1,35 to the rand. One year later it was no longer 1,35. But we as South Africans tend to turn our back on the dragon and think by doing that it will disappear. It just doesn't happen. Economically, we haven't made the grade at all."

He points out that we use gold as our only backing. "It's our only real export. There is nothing else left ...

"We talk about agricultural exports and so on. Yet when you sit back and understand that the second biggest industry as regards income for this country is horseracing. Next to gold! Mining and horseracing. That's not an economy in my book."

Nub of the problem is "SA's exceptionally expensive labour. If you try and compete in the Western world in the manufacture of, for instance, a pair of shoes, based on the rate of return that that operator can give you at the work bench, we don't even get to first base."

The problem, as he sees it, is: "We are trying to live by First World standards while living in a Third World economy. It is a truism, and we can't go on like this. We must stop worrying so much about the Western world at large. We must make Africa south of the equator our goal and objective target. We can't compete with either the Western world or the East. And yet we persist in trying to achieve this.

"Don't think you're going to win by selling rand goods cheaply to dollar countries. This is not a long-term concept. You are wasting your time. Prostituting yourself. You won't win."

That is half the problem in SA, believes Bolton. "We are inclined to prostitute ourselves. We deal with everybody. We accept GATT. We accept Taiwan. We accept imported goods.

"Two years ago we imported R170m worth of footwear. I said to the Department of Trade and Industry: 'You are creating a rod for your back. Unfortunately, it is not for your back but for my back.

" 'You are going to create unrest in the form of unemployment in the Eastern Cape unbeknown to you. Because I can't keep those doors open any longer. I can't compete with R170m worth of footwear' ..."

Bolton warned on the effect the perks tax would have on the motor industry. "I said it would anihilate the motor industry. I was told this could never happen. What is the end result? Alfa Romeo's left. Ford has closed one plant. GM is looking for a tie-up with BMW. Peugeot has left. Renault has left.

"How many people are unemployed as a result of that? But government expects the private sector to be magicians. It is quite impossible. We try and work at it. I wish to God they would just try and work at it a little, too."

The priorities have to be economic, he restates over and over again. "If a man has a full belly, has a job of work, has a family that he can maintain and keep and educate, he is not likely to pick up stones or throw petrol bombs.

"But a man with an empty belly is a thief within 24 hours. In 48 hours he could be a murderer. And this is what's happening to us. If we can't get this economic situation together where there's work for all ..."

He suggests without hesitation a prescription: import control. But he whistles at the enormity of this suggestion. "To get ourselves back on a sound economic footing, the drastic measure is to impose import control second to none.

"As I said to the Minister: 'Have you tried to sell a car to Japan or a pair of shoes to Taiwan? You wouldn't get to first base, because they close the doors on you.'

"This country is in a siege economy, and if you want the country to survive you need to cut imports on everything. Yet Jaguar import cars and Swedish-built Skania trucks are imported while the Swedes donate R14m to the ANC. What sort of crazy situation is this?

"I believe you must close the doors to imports. There is enough availability in this country other than in specialised goods to keep us all going and very happy."

His voice rises when he pleads: "We have to keep people employed. People need to eat and work. "A retailer who imports goods employs half a dozen people. People like myself employ 700 or 800 people in a factory. And we're threatened with cheap imports.

"We have to retrench people who are willing to work to support a retailer who sits in the middle of Johannesburg selling what he's imported. His is merely an exchange transaction."

As he sees it "our job in life as whites in SA is to employ blacks, coloureds and Asians. And unless we employ people we are going to have more and more riots.

"Riots may be politically inspired by the ANC. But in the main they're economically inspired, because people don't have jobs. When people aren't working there are bound to be unrest problems. It's the old adage — Satan finds work for idle hands."

He exhorts government to be seen to make changes. Radical changes.

"They keep talking about change. But talk doesn't prove anything to anybody. It's all very well to go overseas as a South African and say we are trying to do this and that, knowing full well in one's heart of hearts that very little is being done.

"In reality the Western world and those in the economic sector are behind us 100%. But government is not giving us many hooks on which to hang our economic hats.

Government, emphasises Bolton, is going to have to make up its mind whether it is courting the private sector or the extremist right-wing — "the primrose path to extinction and perdition".

As he says: "Whether you're the president of a country or the chairman of a company, you are faced with decision-making every day.

"You cannot go with everybody. You cannot be all things to all people. It just does not exist. The moment you try to do that, you kill yourself.

"I think 1986 will see tremendous changes to the benefit of this country provided government listens and hears. But I also believe that we are at the top of a mudslide and some people are hosing it down so that the slide will get even muddier if we're not careful."

The private sector's role can never be underestimated, he affirms. "If it doesn't play a role in SA and only politics becomes the ruling issue, then I'm afraid we're in trouble.

"The things that keep a country going are its economic viability and stability. And government thought they could run this country on politics. No country can exist on politics alone."

While imploring government to impose strict import controls to ensure that unemployment stabilises and improves, Bolton makes an equally strong case for deregulating exchange control.

"Let's deregulate ... Throw open the doors. Both ways. Then watch the flow. I tell you, long-term the law of economics sorts itself out. I would deregulate totally. Totally. Regulations and controls have never worked.

"In terms of money, overseas investors would be supportive if they felt that they could invest here and get their money out ad lib.

"I believe our rand is worth US$0,60. But it's not given a chance to prove itself. It stands at less than US$0,40. So if you open up those double doors and it goes down to US$0,23, what's the difference? Let's see where we go from there.

"Economically, we are a tremendously stable country. Give people the ability to let capital flow freely. Don't try and restrict capital movements, because there are always the clever men that will beat the system."

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CAPE TIMES 8/1/86

West Rand bus boycott

JOHANNESBURG. — Hundreds of workers were stranded in Mohlakeng, Randfontein, and Kagiso, Krugersdrop, when taxis were prevented from taking them to town during bus boycotts on the West Rand on Monday, the Sowetan newspaper reported yesterday.

Roads in Mohlakeng were also barricaded with burning tyres, litter and scrap cars.

Queues for taxis at Luipaardsvlei and Krugersdorp stretched for kilometres, the newspaper said. — Sapa

Little hope of reform

BUSDAY 9/1/86

From page 1

live together.

Commenting on the meeting, Pik Botha said his impression was that it was a "very constructive meeting".

Pik Botha said in reply to suggestions that the congressmen were pessimistic about change that this was not his impression, and that if this were the case they should have given the South African delegation an opportunity to discuss it.

He said the group had been informed on Tuesday that, for the first time in the history of the country "we are prepared to share power".

He said group members had admitted to him on Tuesday they were only now beginning to understand the complexity of South Africa and in this regard the State President had extended an invitation to them to extend their stay.

bility of more rigid quotas.

The lack of certainty on quotas and timing of the season has, of course, been the fishermen's main bugbear for years. And while there has been little indication of the line being taken by the commission, the industry appears well pleased with the thoroughness with which the inquiry is being conducted. The commission was orginally due to report before the opening of Parliament, but nobody is now expecting to hear anything before mid-year at the earliest.

Oceana GM Richard Ball says pilchard catches are cause for considerable optimism, as are hauls of red eye. Anchovy are only now putting in an appearance. This is in line with the traditional pattern which was broken by an early arrival of anchovy in the past couple of years.

Ball says the South African rock lobster resource is also showing encouraging signs of further growth. The market suffered initially in the new season because the Australians pitched their asking prices at "overly enthusiastic" levels last year, he maintains. This slowed down stock movement dramatically and left an overhang which inevitably led to price cutting at the November start of the season. Supply and demand has reached price-firming equilibrium in the last few days.

Oceana participates through Seaswa and Swafil in Namibian waters as United Fishing Enterprises which, in the first nine days of the season, had a 1 128 t catch of pilchards, more or less in line with last year. Oceana CE Walter Lewis says a greater proportion of pilchards is being canned (61 300 cases to date) because the fish are only three to 10 hours away from the factory, and they are larger and more uniform in size. Last year's mix of large and small fish reduced canning potential substantially. As a result: "We are feeling comfortable right now."

Bigger quotas

South West African Fishing Industries (Swafish) chairman Robert Silverman is adamant that pilchards are plentiful enough for a quota increase, and he is hoping for an improvement to the group's slightly diminished quota of 40 000 t as the season progresses.

Lobster catches, which began on January 1, are slightly down on last year at this stage but no problems are expected in filling quotas.

Silverman maintains unreasonably low quotas now cause SA to import about 30% of its fishmeal requirements (from Chile) and about 25% of canned pilchards (from Chile and Japan). "We should be able to supply the domestic market to the full," he opines.

Chris Venn, MD of Ovgroup's fishing arm John Ovenstone, says Namibian catches are more or less as expected, with reasonable catches of both maasbanker and pilchards — and the condition of the fish is good.

Down in South African waters the wind has made for rough going, and while pilchards are better than last year, anchovy catches are worse.

"You can't ask a fish to read the calendar," muses Venn, but he is confident that John Ovenstone will fill its quotas in what should be a "reasonable to good" season. Lobster quotas have already been filled. ■

PIRATE TAXIS

Fare's fare

As the number of combi taxis on South African roads multiplies, bus operators are, understandably, becoming increasingly concerned about the loss of passengers.

The South African Bus Operators' Association (Saboa), which represents about 70% of SA's bus operators, including the giant Putco, is seeking talks with taxi operators to thrash out a set of rules to create, as they put it, more equal competition in the market place.

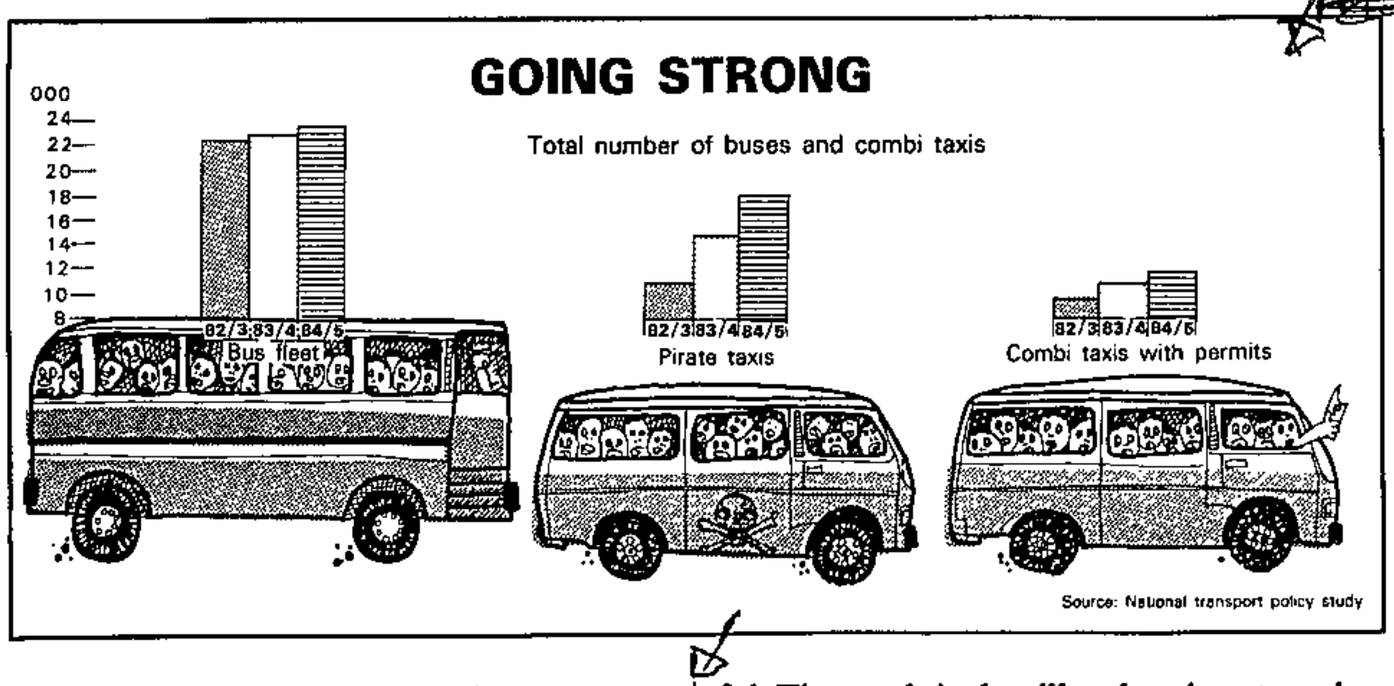
It's not surprising that Saboa is worried about losing out to black taxis. National Transport Policy Study figures show that in the three years from 1982 to 1985, legal black taxis increased by about 11%, while the number of pirate taxis without permits rose by about 28%. In contrast, the national bus fleet grew only some 4%.

Saboa wants the same set of rules which already cover buses to be extended to black taxis. It has called for talks with the South African Bus and Taxi Association (Sabta), but so far without success, says Saboa executive director Gerrie Prinsloo.

But, explains Sabta national adviser James Chapman: "Our association does require taxi operators to meet these regulations. A vehicle requires a certificate of fitness every six months, and the driver renews his public service vehicle licence every year.

"The problem is that, because government is so loath to issue permits, only two out of every 10 taxi permit applicants are successful. The result is that illegal taxis outnumber the legal operators — and no one can regulate the pirates."

Saboa's other gripe is that taxis have access to every area in the CBD, while buses have to adhere to special routes and times. "This gives the taxis another edge on us,"



BLEEDING HEARTS

The heart emblem, emblazoned on all Johannesburg Centenary memento products ranging from cuff links and T-shirts to crystal cut glasses and ties, does not seem to be engendering the love the promoters had hoped for.

Boycott threats have depressed souvenir sales and, with supermarkets loath to display and sell the products, the Johannesburg Centenary Festival Association (JCFA) accepts it has no hope of reaching its initial year-end target of R2m from royalties.

"Obviously we couldn't foresee the boycott problems, but we won't be put off," says JCFA projects director Peter Swallow. "We have lowered our sights to R500 000 and, in the meantime, we will continue to sell as hard as we can."

The JCFA plans to do more of its own marketing and will open its own shops and kiosks to sell the 400 or so centenary products. They will also be sold at festival events.

At least 60 private companies are manufacturing and selling the souvenirs. Franchise holders pay a royalty of 10% to the JCFA and the cash will be allocated at the end of the year to deserving Centenary projects.

"The companies will definitely carry on manufacturing and selling the products all year. Initially, franchised manufacturers hoped to make good profits, but now they will probably just break even," says Swallow.

Ted Verrion, MD of franchised manufacturer Handcrafted Glass MD, echoes Swallow's sentiments. "Our retail sales aren't nearly as high as we expected," he says, "but we can only hope they will pick up as the year progresses."

says Prinsloo.

The flexibility of the combi taxis means there is no shortage of passengers prepared to pay their higher fares — on average 60% more expensive than a bus ride.

For his part, Chapman is adamant that bus subsidies from government will have to be removed before there can be equal competition. "We feel that the subsidy should be paid to the commuter so that he can choose any form of transport and still benefit from reduced fares, be it on the bus, by taxi or by train," he says. ■

NEW PRODUCTS

Fighting for space

Competition between new products for retail shelf space has always been fierce. However, with new lines now coming onto the market at the rate of 131 a month in a shrinking market, the knives are really out.

As a result, brand leaders which once held sweeping market share are seeing shelf space eroded. Other contenders swap and change position by the month and many a new product misses the shelves completely.

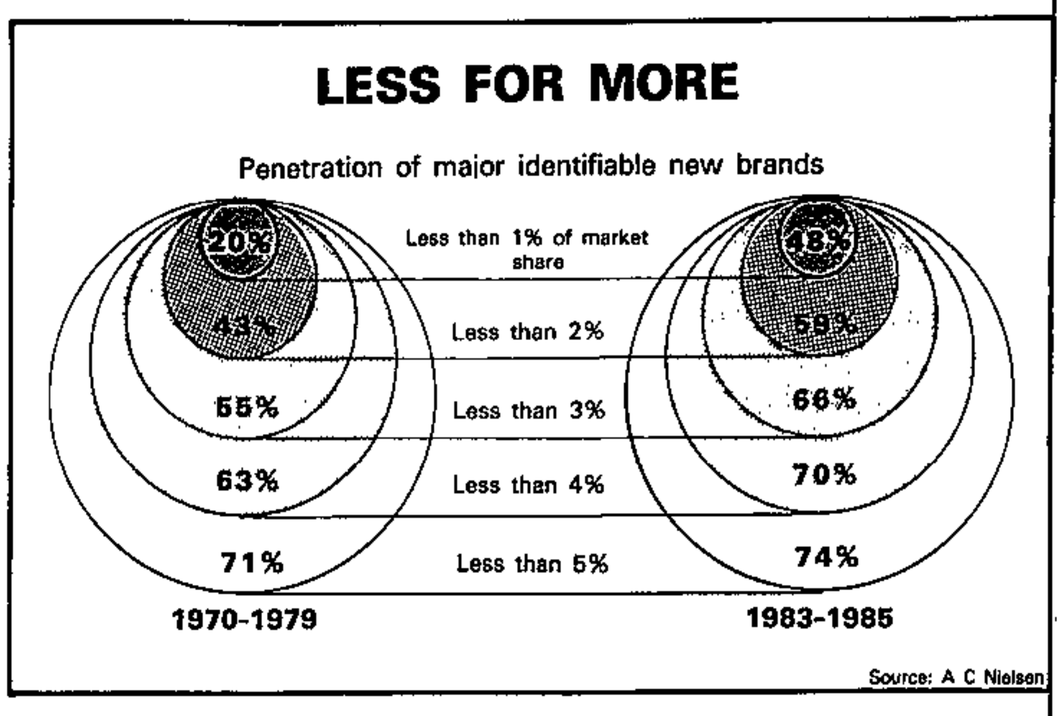
Hundreds of millions of rands are wasted every year in SA through the launch of products which are bound to fail, says New Products Laboratory (NPL) MD Richard McCarthy. Newly established NPL is designed to help manufacturers reduce the rate of new-product failure. It undertakes to conceive, evaluate and design a product and to research and investigate the market.

There is a 48% failure rate of new products — an increase of 6% since the Seventies when there were far fewer new launches.

Reasons for failure are many, but often, says McCarthy, it is simply because a company does not understand its market place properly. And that applies equally to the country's major manufacturers who launch most new products.

Another reason for failure is timing: market theorists believe the best time to launch is during a recession because trading activity is less intense and because new products take time to develop. When mature, the new product should be well-placed to catch the boom. However, most manufacturers cut back on product development during a recession.

New lines are important to any manufacturer who wants to retain a high-profile in the market place. Says McCarthy: "Technological and social changes, which are constant, lead to a change in people's lifestyle. Products have to be introduced and updated accordingly." Thus, most products are



COMPUTERS

Small gains for CAD

Users of computer-aided design (CAD) seem to have overcome their misgivings over the feasibility of PC-based CAD. A new survey of the embryo sector puts the total value of sales of systems last year at R7,13m, with almost half the sales coming in the final quarter of the year.

The survey was undertaken by the monthly *Clark Report* whose Dick Clark is expecting the market to be worth about R18m in 1986.

This first independent survey of the PC-based CAD industry in SA estimates that by the end of 1985 there were 427 users of PC-based CAD systems running on 680 workstations.

Says Clark: "There is no doubt that the advent of CAD on the PC has increased the potential market way beyond that which CAD could previously address."

His survey counted 27 software packages — eight of them local — which have been, or are about to be, launched on the South African market. Illustrating the increased availability, he says only six of the systems were continuously available for the whole of the year.

He says the number of orders clinched in the last quarter of the year indicates the rapid growth in the sector "despite (or possibly because of) the adverse economic conditions."

It thus appears from the sales growth that the smaller, cheaper systems have been accepted by the market, in part because they have become more powerful over the last year. Last year seems likely to go down as the year when PC-based CAD really began making its mark as a major growth industry.

The feasibility of micro-based CAD systems has been a subject of hot debate for some time. Efforts to cut the cost of systems by squeezing the software onto a micro has seen a loss of performance, special features and all-round capability.

But now the gap between PC CAD and the larger systems is closing, says Barlow CAD GM Ron Elvin. "While PC CAD is still not as powerful as the larger systems, it is proving a useful tool to free the more expensive workstations for more ambitious projects," he says.

He believes an increasing issue in the future will centre on whether PC CAD has portability to larger systems. "This is going to become a major issue," he warns, "because many existing users will find that to grow upwards they will have to start again from scratch."

Weighing options

Rapidly changing computer technology is making the option of renting mainframe computers increasingly attractive.

The so-called third option is coming into its own because of the difficulty of predicting technology developments, says Bruce Klette of Computer Equipment Brokers. The other alternatives are to buy equipment outright or take it on lease.

US figures show that 70% of leases do not see out their lifespan because the purchaser makes a wrong decision, he says. "This often comes about because new features require more computing power.

"Predictions of a user's demand over the period of a lease, most commonly five years, are also well nigh impossible," says Klette.

Figures are difficult to find, but International Computer Broking and Leasing MD Jent van Dijk agrees that the rental market is growing in SA. The company has been operating in SA since mid-1984 and has some R6m of IBM mainframes on rental.

"For short-term needs, renting has obvious advantages over buying and leasing because of its flexibility. In the case of new installations, rented equipment can fill the gap until the new equipment arrives. Benefits include immediate productivity and a useful learning curve.

"Renting also has advantages where a firm's long-term data processing plans point to an eventual upgrade. The equipment necessary to start the installation can be rented until the upgrade machines are needed."

An added attraction, he adds, is the ability to offload equipment when it is no longer needed. Rented equipment, he points out, is not carried as a contingent liability on balance sheets as in the case of a lease.

Arrest fuelled bus boycott, - claim

THE arrest of Sister Bernard Ncube, president of the Federation of Transvaal Women has fuelled the bus boycott in Kagiso township, Krugersdorp, one of the organisers said yesterday.

By MANDLA NDLAZI

Sister Ncube was arrested with Sister Christine Obotseng when police allegedly raided a mass meeting at the local NG Kerk on Wednesday night.

Sources said Sister Ncube, who was a Kagiso township delegate at the education consultative conference organised by the Soweto Parents Crisis Committee at the University of the University of the Witwatersrand a few weeks ago, was giving a report back to the local residents who attended the meeting on Wednesday night.

Eye-witnesses said police in several vehicles, stormed the meeting and arrested her and Sister Obotseng and a man known only as "Gordon".

A spokesman for the SAP's Public Relations Division yesterday said: "According to our present records, the persons mentioned in your telex are not being detained in terms of either the security legislation or the emergency regulations."

SOWETAN 10/11/82

Freight market begins to stir after holidays

BUS DAY 13/1/86 (332)

SHIPPING

THE freight-shipping market began showing signs of new life last week, with considerable activity and fixing, especially from SA, at last blowing away the Christmas cobwebs.

Afromar reports that several capesize vessels have been taken for Continental charterers, with fixing around the $6,50-$6,75 level. One fixture was reported below this figure, at $6,35 for end-January loading.

South American grain movements may influence panamax rates by March, and April could see rates a dollar higher.

For the time being, however, panamax rates seem to be holding quite steady, with some Spanish charterers taking in a vessel at $8, which is unchanged from the past few weeks.

On the handy-size market, rates have also remained steady but there is a definite increase of inquiry and lack of tonnage with good gear, especially for end-January positions.

A number of coal inquiries were quoted last week, including up to 40 000 tons to the Continent for the end of January, and a panamax coal inquiry to West Germany for February loading.

An ore cargo to the US requires cover in January. Other miscellaneous ore inquiries give the impression there is still a lot to do before the end of the month.

In the Atlantic, trading is again picking up, with panamax vessels now expecting rates of between $4 000 and $4 500 a day for standard vessels.

Passenger transport figures dive

PUBLIC and private-sector passenger-transport operations continue to see business decline, according to Central Statistical Services. Figures show municipal transport departments suffering most, with Sats' road section also in the doldrums.

Municipal services saw a 13,9% drop in passenger numbers from August to October last year.

Sats' road section, shows numbers down 11,2% on August-October 1984 and 5,6% on the 1985 quarter. The railways also lost passengers.

Private operations fared best, with the 251 594 passengers they carried in the three months to the end of October being 5,2% down on the comparitive 1984 quarter.

Greyhound in bid to end Kagiso bus boycott

By MANDLA NDLAZI

SISTER Bernard Ncube, president of the Federation of Transvaal Women (Fedtraw), says Greyhound Buslines' general manager, Mr Robert Nesbitt said his company was prepared to meet the consumer boycott committee to help end the bus boycott.

The boycott enters its third week today. The company has been operating a skeleton service since the boycott started. Buses are running without passengers.

Sister Ncube says she told Mr Nesbitt that he would have to wait for the release of the boycott committee members who were arrested during raids in their homes last week.

Sister Ncube said: "If their arrests were aimed at ending the boycott, then this action has had the opposite effect."

She said the arrested committee members had been mandated by the community to make the release of all detainees one of their demands for ending the consumer and bus boycotts.

"Their arrests will certainly fuel the boycott," said Sister Ncube.

Sister Ncube says she received a letter dated January 15, 1986 from Mr Nesbitt and written to the committee. The letter states: "On behalf of the management and staff of Greyhound Buslines, I am writing to suggest that representatives of the consumer boycott and management of this company meet as soon as possible to resolve the current unpleasant state of affairs.

"As many people are suffering because of the boycott of our bus service, we wish to enphasise our sincere desire to meet and talk.

"Senior management of the company are ready to meet the consumer boycott committee at any suitable place.

"Let us meet, let us talk, it can only be to the benefit of the community," ends the letter signed by Mr Nesbitt.

Bus Day 22/1/86.

Safmarine calls for end to apartheid

DAVID FURLONGER

SAFMARINE has chosen the solo route in calling for an end to discriminatory legislation.

A credo in the shipping group's in-house magazine, *Wheelhouse*, says government must do away with such legislation in the coming parliamentary session and that all race groups should be given a representative position at all levels of government.

MD Mike Finlay says Safmarine elected to make its own statement against apartheid rather than support what he calls round-robin efforts by other businessmen.

These have included newspaper advertisements signed by dozens of prominent businessmen.

Says Finlay: "We were invited to partake in these round-robin letters, but thought it inappropriate to go that route."

The company chose instead to state its position in *Wheelhouse*, which is distributed to Safmarine offices worldwide.

Safmarine supports the call by business organisations for constitutional and legislative change.

"More specifically, Safmarine believes government should remove all legislation from the statute books that is supportive of any form of discrimination by way of race, colour or creed."

Petrol-bomb hits bus: Nine injured

Staff Reporter

NINE people were burnt today when a bus was petrol-bombed in Guguletu.

Seven women and two men were taken to Conradie Hospital but police said their injuries were slight.

A spokesman said the attack happened about 6.30am at the corner of NY1 and NY38. Damage was estimated at R1 000.

Yesterday, several incidents of stone-throwing were reported to the police in Langa. There was also one incident in Guguletu and one on the N2.

The incidents occurred between 2pm and 4pm. No one was injured, police said.

In Oudtshoorn two cars were set alight during the night.

The unoccupied cars of Mr Paul Roos and Mr Wilfred Bicker were set alight in separate incidents.

● Police report, Page 3.

CAPE Times
24/1/86

Bus attacks: Pirate taxi probe

Crime Reporter

POLICE are investigating the possibility that pirate taxi-owners may be responsible for a recent spate of township attacks on City Tramways buses.

Three unidentified bus passengers, two women and a man, were in a "satisfactory" condition in Conradie Hospital yesterday. They were among nine people injured when a petrol bomb was tossed into a bus at the corner of NY1 and NY38 in Guguletu about 6.30am yesterday. Six other passengers were treated and discharged.

The bus attack was the fifth in Guguletu this week.

Captain Jan Calitz, a police liaison officer for the Western Cape, confirmed yesterday that the possibility of pirate taxi-owners being responsible for the attacks was "one avenue we are looking into".

Following an anonymous call to the Cape Times in which a man claimed that pirate taxi-drivers were trying to force buses out of the townships, the managing director of City Tramways, Mr Nic Cronje, said he had also received "similar reports".

Although he had no "documented proof", some of his bus drivers and passengers had also alleged that taxi owners were responsible.

Scotched

He said his company would do its "utmost to ensure that township dwellers receive a public transport service".

He scotched rumours that his company was considering withdrawing to the township outskirts again.

Normal bus services resumed to all townships yesterday after two months of disruption.

A member of the Lagunya Taxi Owners' Association yesterday angrily rejected "any suggestion" that members of his association would be involved.

"We also have families in the township who use the buses. Without the buses they have to get up much earlier to go to work, so why would we cause these attacks?"

He said pirate taxi-owners could be responsible.

No arrests have been made.

Durban fares to rise

26/11/85.City 9

DURBAN'S black commuters face a fare hike on all three of the city's major bus lines.

The fares of Putco, Ilanga Transport and the municipality's Green Line service will be increased by 15 percent from the beginning of February.

Durban Transport Management Board boss Marshall Cuthbert said there had been no "general increase" in fares since April 1984.

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"There have been other increases, but they were just to allow for the increase in petrol prices, and did not cover other costs."

Putco PRO Pat Rogers said since the last hike all bus services have faced the problem of increased wages and salaries, higher bus spares' prices and higher sales tax. The increase will cover these costs, he said.

Scholars' fares will increase from April 1. The municipal service will increase fares for white commuters in July.

Check on Atlantis bus route

Staff Reporter

AN Atlantis resident's complaints to the Cape Times about the Atlantis-Cape Town bus service have led City Tramways to put special patrols on the route to check the service.

Mr K van Wyk, an Atlantis resident who travels by bus to Maitland, telephoned the Cape Times last week, angered by what he regards as the inadequate bus service.

"After 10 years in Atlantis, travelling by bus to Cape Town and back is still a problem. More and more people are travelling privately to town rather than risk losing their jobs because they are always late — through no fault of their own but through the incompetence of City Tramways," he said.

Mr Bob Krause, public relations manager of City Tramways, said the bus company regarded its Atlantis service as adequate.

The route was patrolled by inspectors to check that the bus service was adequate but special patrols would be instituted from Friday last week as a result of Mr Van Wyk's complaints.

"We are faced with absentee problems and there might be specific incidents, where there was no bus," he said.



CTC: We may talk on bus fares

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DISPATCH
28 JAN '86

Dispatch Reporter

EAST LONDON — Bus fare increases were subject to discussion with commuter and civic bodies before they were announced, the managing director of the CTC Bus Company, Mr Hans Kaiser, said yesterday.

He was asked to comment on possible CTC fare increases following those of major bus companies elsewhere in the country after recent increases in the price of petrol and diesel.

In order to offset these rising costs, the CTC had applied to the various local road transportation boards for an increase in bus fares, Mr Kaiser said. The boards were still considering the applications.

He said since July last year, when bus fares were increased to offset rising fuel prices, the CTC continued to face steeply rising costs in all essential commodities such as fuel, spares, and tyres.

The company had bought 52 new buses this year, costing R125 000 each.

The price of diesel increased in September and again in November last year, he said. These two fuel hikes alone had added R100 000 to the company's monthly fuel bill.

Mr Kaiser said the company faced the prospect of a R3 million nett loss for the 1985-86 financial year.

CAPE Times
31/1/86
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Taximen deny bus charges

By CHRIS BATEMAN
Crime Reporter

TWO Peninsula township taxi-drivers' associations yesterday strongly dissociated themselves from "any suggestion" that their members were involved in the recent spate of attacks on City Tramways buses.

They were reacting to claims that pirate taxi drivers were behind last week's attacks, allegedly aimed at forcing the bus service from the townships.

Mr Nic Cronje, managing director of City Tramways, supported the claims. He said that although he had no "documented proof", reports of taxi drivers being behind the attacks had reached him.

Mr L Memani, chairman of the Lagunya Taxi Association, said his members would be ill-advised to attempt any violence against the bus service, "because we also have families who need the buses and the township people would turn on us as well". Taxis filled a valuable and much-needed gap in the township transportation system, especially during the riots, he said.

"Anyone who makes the allegation that we profit hugely when the buses pull out simply doesn't know the townships. The maqabanes (comrades) commandeer our vehicles without paying and we daren't refuse," Mr Memani said.

A senior spokesman for the Crossroads-/Nyanga Taxi Association, whose 34 taxi owners operate "illegally", said his organization "categorically and emphatically repudiates these unfounded allegations".

The spokesman, who declined to be named for fear of township backlash, said his organization operated under extremely trying conditions and was constantly having permit applications rejected by the Road Tranportation Board.

He claimed there was a "total monopoly" with some (legal) taxi fleet owners having up to 10 permits. (A permit is required for each taxi). Applications were granted to permit holders "time and again" while they struggled to obtain an initial permit.

He also claimed to have seen township adverts offering taxi permits "for hire".

CAPE TIMES 23/4/86

More patrols in Guguletu

Staff Reporter

SECURITY forces have stepped up patrols in Guguletu and Nyanga following a spate of attacks on City Tramways buses there earlier this week.

Buses began entering the townships again last Monday after almost two months of dropping residents outside.

Mr Nic Cronje, managing director of City Tramways, said yesterday that by this morning normal services would have resumed to all black townships in the Peninsula.

The last township to regain its internal bus service was Langa.

Captain Jan Calitz, a police spokesman, said yesterday's increased patrols followed the stoning of four buses and the petrol-bombing of a commercial vehicle in NY108 late on Monday.

"It's routine maintenance of law and order," he said.

No incidents were reported yesterday.

'City Cabs' take to the streets tomorrow

STAR 31/1/86

332

By Shirley Woodgate,
Municipal Reporter

Call "Taxi!" any time from midnight to midnight in Johannesburg and the radios of up to 300 cabbies crackle into action throughout the city.

It may cost you an arm and a leg and some cars may place more emphasis on the jaunty jalopy angle than white-hot 20th century speed, but the main thing is, somehow you get there.

From tomorrow the 300 goes up by 23 when new boy Lionel Bridges puts his "City Cabs" on to the street to try to lure some of the fares away from the old boys headed by Rose's Taxis (going for 51 years), Taxi Bureau, JMS and Maxi Taxi's.

His timing was described by Rose's Travel and Enterprises Ltd chairman Jan Mynhardt as "the worst in the history of the taxi business" and his arrival was greeted with: "He's welcome to burn his fingers ... or hit the jackpot."

Mr Bridges is hoping to win where others have failed by breaking into a tough business that has in the past seen newcomers given a rough ride. Eventually he hopes to increase his fleet to 80 taxis.

He alleges there is discrimination against black drivers and that certain companies have monopolies at various pick-up points in the city and Sandton.

Unlike other firms whose white drivers are also shareholders in the taxi company, Mr Bridges will use only black uniformed drivers.

"It won't be a war, there is no ammunition," growls taxi driver Jan Mynhardt. "There are simply no clients to fight over and Mr Bridges is simply looking for cheap advertising."

3/2/86

Hardships of one-way trade

BUS DAY 33

ONE-WAY freight, now a characteristic of South Africa's sea trade, has created problems that never existed before.

There was never a time when exports were so vigorous and imports so limited. On the liner services to Europe, the US and the Far East, it was always revenue from imports into South Africa that sustained the carriers when lower-tariff exports had to be carried.

It had for decades been a complaint of shipowners that outward-bound cargoes from South Africa were not as remunerative and that rates had been set too low.

This year it is proving necessary to live off these low-rated exports because of the low level of imports.

For local shipowners, the problem is profitability.

While bulk exports of coal, ore,

GEORGE YOUNG

maize and other commodities are filling ships, the international recession along sea lanes, attributable to over-tonnaging, means that for many carriers freight rates barely cover voyage costs.

If South African ships sail out with bulk cargoes to Europe or the Far East, what can the same ships bring back to meet the formidable cost of an 11 000km haul in ballast?

One-way cargoes at current rates constitute a serious loss and encourage the charter of other peoples' ships to move them. But these are negotiated in dollars. While the daily hire of a 28 000-ton bulker may be regarded as economical at $3 500 a day, the rates of exchange can make it expensive.

The present downward tendency in the price of bunkers, with oil obtainable at less than $20 a barrel in some terminals, is leading to a further decline in freight rates and the shipowner is no better off.

South African-owned bulk carriers could secure a return on cross-trade operations in distant waters, carrying cargoes of other nations and earning dollars. But here again rates are low, and competition — particularly from cheaper Asian ships — is intense.

One-way cargoes are a feature of both liner and bulker services. For the 50 000-ton container sailings on the European run it is only the prospect of this season's fruit exports which promises any immediate relief. Big ships, afflicted by rate-cutting competitors, are having a rough passage.

Freight market goes on weakening

THE overall freight shipping market continued to weaken last week.

Afromar reported that the trend was emphasised by the Biffex spot index falling by 46,5 points to 836,5 — the biggest drop seen in the market in one week.

Charterers are pushing to get the benefit of cheaper bunker prices where possible. Coupled with a reduced amount of business being quoted, they are achieving some success.

This is shown by the US Gulf/Continent grain rate for panamax vessels moving down to $7 and, for the same type of vessel to Japan, to $12.

In the Pacific, the rate for grain from the US North Pacific coast to Japan looks to be easing by between 50c and 75c. Handy-sized rates also appear to be softening, although the pattern is not quite so clear as for the larger vessels.

An interesting aspect of the market is that the Russians have been taking vessels of most sizes up to panamax out of Australia and the Atlantic. It is thought that the rates they have been paying are lower although, as usual, most details of their operations are kept secret.

While the SA market has not seen the same easing as other markets, it still looks as though there could be some easing, as tonnage remains readily available. This is despite the fact that activity has been quite strong from Goa to the Far East and has drawn some tonnage away.

However, there is little influence from the River Plate area, which is fairly quiet at the moment.

Call off boycott, say Greyhound workers

STAR 5/2/86

332

The organisers of the Krugersdorp bus boycott have received a letter from Greyhound Bus Lines employees urging them to call off the boycott as it could lead to the closure of the bus company in the area.

In the letter the employees say that if the boycott is prolonged there is a likelihood they may lose their jobs.

"We are solely dependent on Greyhound for our earning together with our families. We the workers would like to draw attention to the boycott committee that our future is at stake because of the boycott.

"We call on the organisers to hold talks with Greyhound management about the issue," the letter said.

A spokesman for the bus boycott organisers dismissed the letter as "another attempt by Greyhound management to confuse residents".

"We are prepared to call a meeting with the Transport Allied Workers Union to discuss the boycott and ascertain the origin of the letter.

"We will not hold any talks with the bus company because some of our leaders are still being held under security legislation."

The boycott is in its fourth week.

Bus boycott: 'Appeal'

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"We the workers would like to draw attention to the boycott committee that our future is at stake because of the boycott.

"We call on the organisers to hold talks with Greyhound management about the issue." the letter said.

A spokesman for the bus boycott organisers dismissed the letter as "another attempt by Greyhound management to confuse residents."

Meanwhile residents believe that the roadblocks and searches on taxis and private vehicles is an attempt by the police to break the boycott.

Roadblock

The boycott is in its fourth week.

During the roadblock, some people were allegedly forced off the taxis and forced to board buses.

A spokesman for the Police Public Relations Directorate said they were engaged in a crime prevention exercise.

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SOWETAN
5/2/86

Futures protection against collapsing rates

Now SA oil shippers can hedge their bets

By Neil Behrmann

LONDON — South African oil shippers involved in the volatile oil market will be able to hedge or insure against collapsing freight rates by selling tank futures contracts in London.

Shipping and commodity brokers begin trading in an oil tankers futures contract today to protect themselves from the wide freight rate fluctuations which have been caused by the dramatic oil price movements.

The contract, devised by London's Baltic International Freight Futures Exchange Ltd, is based on an index of oil tanker freight rates. It will be compiled daily by the Baltic Exchange, London's freight-trading centre and will be based on nine shipping routes ranging from Europe to the Middle East and South America to New York.

This development follows a nine-months-old dry-cargo freight futures contract based on an index of grain, coal, iron ore, petroleum coke and sugar freight rates. That contract, the first futures venture based on the price of a service, rather than a commodity, financial instrument or stock index, has achieved only limited success. Since the contract began last May, only around 51000 contracts valued at 461 million were traded.

But shipbrokers believe that more shipowners and charters will use the tanker freight futures index because oil trading has been far more active than dealings in other commodities.

Paul Voght, a shipping broker who is chairman of the Baltic International Freight Futures Exchange, expects shipping companies, oil traders and consumers to hedge or insure themselves against fluctuations in tanker freight rates.

WILD FLUCTUATIONS

The tanker freight index which last year tended to follow rates in the real world of oil shipments last year fluctuated wildly.

Calculations show that the index rose from about 880 points a year ago, slumped to about 710 points in August, rose to about 1010 points at the end of November and then fell again to current 811-point levels.

Although tanker freight rates tended to follow the course of oil prices during the past 12 months, Mr Vogt says that strikes, political upheavals, wars and other disturbances have also had an impact.

Dry cargo freight futures trade was slack because shipping and business was depressed. Prices of the contract fell from a peak of 1 070 points at the market's opening last May and tumbled all the way down to 710 points. It is currently 799 points.

Traders say that shipowners could have saved themselves a fortune by selling the freight futures contract. Now that freight rates have been depressed by the slump in the oil market, charters could insure against rising rates, by buying freight futures.

BUS DAY
12 JAN 332a

Ships take to SA fuel

ALAN PEAT

A LOCALLY-produced alternative fuel for marine engines is proving to be a substantial money-saver for shipping lines, says Unicorn Lines MD Mike Groves.

Waxy Oil 20, a derivative of a Sasol fuel oil designed for industrial furnace use, has been found suitable to fuel both ships' main engines and generators.

Used as a substitute for diesel in diesel-engined ships and on marine generators, Waxy Oil 20 costs less than R400 a ton, compared to a diesel price of about R700, says Tony Hurter, chief executive of Durban-based Fuel Firing Systems, which helped develop the fuel.

"The fuel is about the same price as heavy fuel oil," he says. "But we benefit as the vessels consume less for the same performance and its quality saves on cost of maintenance and repairs."

Unicorn now has its whole fleet burning the fuel, with five of its ships also using Waxy Oil 20 for auxiliary engines.

And, Hurter adds, five Safmarine vessels are using the oil as generator fuel — with savings of about R1 500 a day for each generator.

"We also supply all the main engine fuel for incoming ships from Mercury Shipping of Hong Kong," he says.

A full scale trial is being conducted using a mixture of re-refined dumped oil and Waxy Oil 20 to fuel a Safmarine vessel.

e on ice Nasrec officials are optimis- Rand Show. The Witwatersrand by the investors, was positive.

City trolley bus removal slammed

STAR 6/2/80 332

By Shirley Woodgate, Municipal Reporter

Johannesburg's decision to remove the infrastructure for the trolley buses has been slated by the Parktown Association which alleges "glaring omissions and inadequate assessments" in the report presented to the city council in October.

Listing its objections to the "hasty" council decision to scrap the overhead wires, the association contends in a letter to the town clerk that:

- Instead of ending the service, expansion could well make the trolley service economically viable. With the introduction of the Regional Services Councils (RSC), Putco's subsidy falls away. The RSC may find a trolley fleet serving Alexandra Township along Louis Botha Avenue, or using the future Soweto Busway, cheaper than replacing the Putco fleet.

PROTOTYPES

- No environmental impact study was made of the various bus systems.
- The approach to comparative costs was simplistic.
- Passenger attitudes were ignored. Other cities found more people were attracted to trolly buses than to their diesel rivals.
- The maintenance and reliability study failed to show that seven prototypes were involved. The fact that spares were imported was not discounted.

The association says the report misled the councillors who accepted the National Transport Commission recommendations without question.



McCANN-ERICKSON 30223

first time. The rag committee has said that friendly monsters, bands and drum majorettes will accompany the floats on their route from the university through Braamfontein and Hillbrow.

Driving a taxi is 'a tough life

The Star recently highlighted the plight of the unemployed — the people who have lost their jobs because of the recession. Today staff reporter DUNCAN GUY looks at some of the jobless who have taken to taxi driving in an attempt to keep above the breadline.

THE JOB MAKERS

While many newcomers to the taxi-driving business have joined the ranks after losing other jobs in today's harsh economic climate, oldtimers in the fraternity see them as invaders in their market.

One man who has been driving for 10 years told _The Star_ that the newcomers had created a situation which brought about "twice as many drivers than are necessary".

"But I suppose I can understand that it is because of the present economic climate," he said speaking from his own luxury car which he has fitted out as a taxi.

However, a newcomer to the game described how his profits from 14-hour working days were "chewed" because of City Council "red tape".

"It is not simply a matter of casually turning your own car into a taxi.

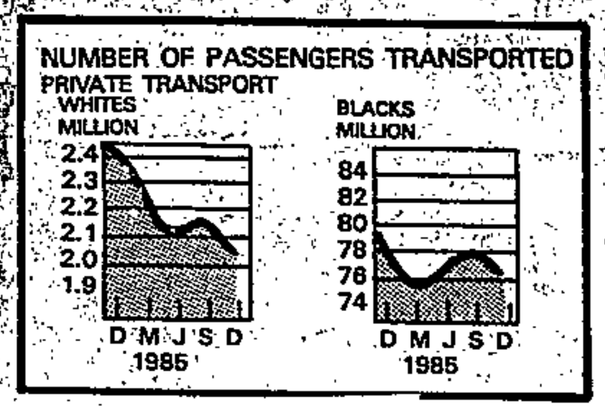
"It takes such a long time to have your car registered as a taxi that I have been forced to hire a registered car — costing me R800 a month — which affects my profits."

The driver, who would not give his name, said he worked a 14-hour day until 11 pm to "start earning a living" — which gave him R400 a month.

He said he became a taxi driver 14 months ago when the business for which he worked as a sales representative went into liquidation.

"This game is enough to bend anyone's back but your rewards come only from your own efforts."

Fewer people are travelling by buses and trains



THE fall in private-sector bus passenger numbers continues.

Central Statistical Services (CSS) figures for the three months to November 1985 show a decline on the preceding quarter and on the corresponding three months of 1984. But the annual downward trend shows signs of easing.

Compared with a year-on-year decline of 10% early in 1985, figures since the end of July show an average decline of only 5%, compared with the corresponding 1984 periods.

ALAN PEAT

Despite the shrinking trend in passenger numbers, employment figures at the end of November were up by 0,9% on November 1984, and the wage bill by 5,7%.

SA Transport Services (Sats) rail and road services have also seen passenger numbers decline. In the three months to November railways carried 151,08-million passengers, 15,6% down on the same quarter in 1984.

ARGUS 18/2/86 332

Sats, private operators may compete for business

The Argus Correspondent

JOHANNESBURG. — Proposals to expose the South African Transport Services to competition from private operators are to be tabled in Parliament.

The proposals are contained in a plan that aims to outlaw monopolies and cartels in passenger and freight services and to dismantle the mass of regulations that hamper competition.

The blueprint seeks open competition on bus and taxi services as well as on short and long-distance freight services.

Its supporters argue the result promises actual cuts in tariffs on a wide range of services, even though certain services are unlikely to escape increases.

Increases

The existence of the blueprint was confirmed today on the eve of an announcement by the Minister of Transport of Sats tariff increases.

The Minister, Mr Hendrik Schoeman, is to announce rises of between 10 and 15 percent on rail and air rates when he presents the budget tomorrow.

Disclosure of the new plan is likely to add fuel to the row over tariff increases when debate opens on the budget.

The blueprint is spelled out in a report prepared by transport experts — many from the private sector — asked by the Government to tackle a national transport policy study.

The team has spent four years untangling a web of cartels and searching for solutions to break monopolies and open all transport services to competition.

It has concluded that competition and freedom from regulations are the answer to the price spiral on tariffs.

Confidential copies of draft legislation have already been circulated to business organisations which have been invited to comment before proposals go to Parliament.

It is reliably understood that proposals include the scrapping of the present system of permits needed by road haulage and bus/taxi operators.

The report recommends the creation of a national transport advisory council and special transport tribunal to act as ombudsmen to ensure the elimination of cartels, the removal of cumbersome regulations and freedom of competition.

Insiders say that more proposals on amendments to existing transport legislation will follow next year.

New blueprint for a national transport policy

Radical changes mooted in report

18/2/86 STAR 332

By Michael Chester

Radical new proposals to expose the State-controlled SA Transport Services to the full force of open competition from private operators are due to be tabled in Parliament during the current session.

The proposals are contained in a masterplan that aims to outlaw monopolies and cartels in the running of all passenger and freight services and to dismantle the mass of regulations that have hampered competition.

The blueprint seeks open competition on bus and taxi services as well as freight services on short and long routes.

Its supporters argue the result promises actual cuts in tariffs on a wide range of services, even though certain services are unlikely to escape increases. They put total emphasis on the "cost effectiveness" of all transport systems.

The existence of the new blueprint was confirmed today on the eve of an announcement by the Minister of Transport of SATS tariff increases.

Political sources have predicted the Minister will reveal rises of between 10 and 15 percent on rail and air rates when he presents the annual SATS budget in Parliament tomorrow.

Disclosure

Disclosure of the new masterplan is likely to add fuel to the row over tariff increases when the debate opens on the SATS budget.

The blueprint is spelled out in a report prepared by transport experts — many of them drawn from the private sector — asked by the Government to tackle a national transport policy study.

The team has devoted four years to untangling a web of cartels and searching for solutions on how to break monopolies and open all transport services to competition.

It has concluded that competition and freedom from regulations are the answer to the price spiral on tariffs.

Confidential copies of draft legislation have already been circulated to business organisations.

Full details have yet to be disclosed, but it is reliably understood that proposals include the scrapping of the present system of permits needed by road haulage and bus/taxi operators.

Instead, the report recommends the creation of a National Transport Advisory Council and special Transport Tribunal to act as ombudsmen to ensure the elimination of cartels and the removal of regulations.

It is envisaged that the only hold on competition will be vehicle safety checks and the setting of reasonable limits on the number of operators vying for business on freight and passenger routes.

Yet to be leaked is how the blueprint proposes to handle the present subsidy scheme that pumps millions of rands into sub-economic services.

Pay falls to ... Cabora Bassa ...

Near riots as permits withdrawn

UMTATA — There was a near-riot here this week when motor fitness certificates and permits issued to taxi owners by the Umtata Municipality were confiscated.

Thousands of Transkeians have now been forced to use the Transkei Road Transport company buses or walk, to get to their homes.

Commuters have complained that the buses do not run regularly and are too slow getting them to their destinations.

Taxi drivers who have continued carrying passengers claim they have been threatened by others whose certificates were confiscated.

Many drivers also face prosecution and the Taxi Owners' Association has approached an attorney to act on their behalf and to sort out the confusion, the secretary-general, for the Transportation Board, Mr G. S. Maqunga, said yesterday.

He said he did not know why the taxis were not still operating as he had heard nothing which he could comment on and referred comment to Mr S. V. Kuse, head of the traffic department.

Mr Kuse in turn referred comment to Mr Maqunga.

According to the chairman of the Taxi Owners' Association, Mr A. Gaushe, the trouble started after some confusion between three government departments.

He said the departments concerned were the municipality, regional traffic police and the Transportation Board.

"Motor carrier certificates (trade permits) of the Transportation Act, state that a motor car should carry eight passengers and no more."

"The regional traffic police are contesting the certificates of the municipality because the municipality issued them and they do not specify the exact number of passengers that may be carried in a mini bus," he said.

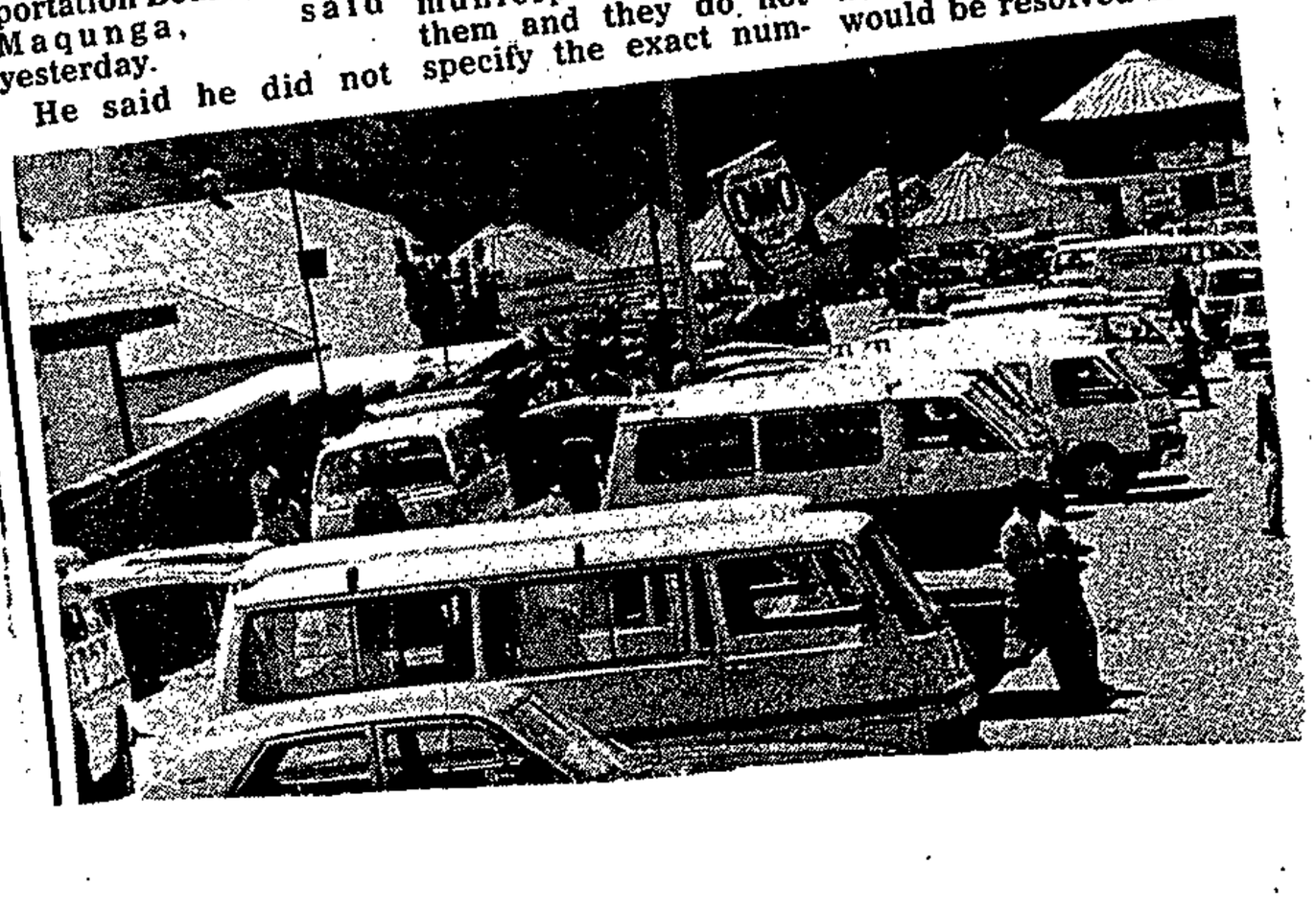
He said these certificates of fitness issued by the municipality had been confiscated by the regional traffic police and the onus was now on taxi owners to get receipts for the certificates from the regional traffic police before they could continue trading.

Mr Gaushe said this could be resolved within a few days. According to Mr Kuse, they should have had their receipts yesterday but so far nothing has happened.

He said some taxi owners had managed to obtain these receipts but they were told they must still not load passengers.

Mr Gaushe appealed to owners to remain calm and talk the problem over until it was resolved.

He said the problem involved taxi owners throughout Transkei and he hoped the problem would be resolved soon.



Sats cuts back on total of 53 000 jobs

Another 32 000 positions to go in next four years

CAPE TOWN — South African Transport Services (Sats) had reduced its personnel by a further 8 000 last year, bringing the total reduction since the beginning of the recession in 1982 to 53 000, the Minister of Transport Affairs, Mr Hendrik Schoeman, said yesterday.

Presenting his R8bn budget, he said last year's cuts had followed a reduction in staff of 6 000 the previous year and were in line with Sats' policy of a smaller, more effective and better paid labour force.

Staff numbers had been reduced by 19 per cent since 1982, he said, but clients had not suffered "in any way" as a result. He also said Sats was aiming to trim its staff complement by a further 32 000 over the next four years.

The number of claims received by Sats had decreased by 11 per cent, while timekeeping on intercity trains had improved by six per cent and on commuter trains by one per cent.

Operating efficiency had also improved by almost 17 per cent, Mr Schoeman said.

Sats was budgeting for a deficit of R98m in its 1986/7 financial year, compared with a working deficit of R396m recorded over the previous 12 months.

Mr Schoeman said Sats was looking for an income of R9,32bn, against possible working expenditure of R9,42bn over the next 12 months.

This was based on expectations that real economic growth over the next 12 months will amount to 2,5 per cent, which in turn will translate into modest increases in traffic volumes.

This year's capital budget had been drastically reduced because of "prevailing circumstances" and only R1 046,5 million would be requested this year compared with R1 650 million last year.

Sats' revenue had not met expectations during the 1985/86 financial year after a fall off of passengers on rail and air services and traffic on other services. He said the projection for economic growth in 1985/86 had had to be drastically revised from 1.5 per cent to an expected negative growth of 0,5 per cent.

This was largely due to the non-realisation of anticipated growth in the agricultural sector, reduced demand for durable and semi-durable goods, sustained pressure on foreign investors and the lower rand value.

"This has resulted in revenue not coming up to expectations and tariffs having had to be increased during the financial year."

Expenditure would be aimed at expanding Sats' share of the transport market and included the rationalisation of goods-shed services. This comprises unitisation of goods-shed traffic by means of a mini-container depot to ensure quick transit of goods handling. The mini-container could be used to convey a wide range of commodities, from wine to wheelbarrows.

According to Mr Schoeman this consolidation of cargo would mean better utilisation of existing capacity, lower documentation and labour costs, and less capital investment in respect of cartage equipment and rolling stock. It meant the advantages of containerisation are now also being placed at the disposal of those users who dispatch smaller consignments.

The service was first officially introduced between Johannesburg and Durban during November last year. It was planned to phase it in countrywide within five years. There were already 1 800 mini-containers in operation and, by the time the service had been fully implemented, there would be 60 000 in use.

Reviewing last year's statistics, Mr Schoeman said commuter rail journeys had decreased by about two per cent between April and November last year, while intercity passenger trips were down by almost 15 per cent.

This had led to a 40 per cent cut in regional passenger train services. Intercity services would be cutback by 30 per cent in the coming financial year.

Passenger numbers on SA's international flights dropped by 10 per cent from April to December 1985, while the figures for domestic services were down by four per cent.

Mr Schoeman attributed the decline to economic pressure and internal unrest.

Special measures had been introduced to combat these decreases and the effect of the low rand exchange rate on fuel prices. These steps included rationalisation of flight schedules and the introduction of promotional fares.

Mr Schoeman said revenue earned by Sats' road service during the review period rose by 12,8 per cent, mainly because of a 7,1 per cent rise in goods traffic. However, expenditure increased by 15,4 per cent, largely owing to fuel price hikes.

The tonnage of bulk cargo shipped at South African ports increased by 16 per cent from April to December 1985, although general and bulk cargo landed decreased by 25 and 40 per cent respectively.

Mr Schoeman said a record 73 million tons of goods were handled at South African ports during the review period, with the average tonnage per man increasing by 17 per cent.

This had been achieved by using two private bulk handling installations in Durban and conventional quays at Cape Town, Durban, East London and Port Elizabeth harbours for loading coal in addition to the mechanical loading appliances at Richards Bay and the Bluff.

Other techniques had also been used to improve productivity.

Total tonnage of low-rated rail goods traffic had increased by more than four per cent from 110 million tons to 115 million tons, mainly as a result of larger exports of coal, ore and minerals, Mr Schoeman said.

"On the other hand, the tonnage of high-rate traffic declined by 4,4 per cent. This decrease is mainly attributable to the drop of 28,6 per cent in import traffic."

Reviewing other activities and economy measures implemented during the year, Mr Schoeman said improvements had been made to the Cape Town, Nyanga, Langa and Sarepta railway lines to accommodate trains of up to 14 coaches to cope with the larger population in the area.

Work on the new rail line to Khayelitsha, approved by Parliament last year, had begun as planned and the line was expected to come into use by the end of 1987.

The minister said SAA was earning "considerable revenue" by doing maintenance and repair work for other airlines such as Air Mauritius, Transkei Airways, Safair, Air Cape and Luxavia.

"Measures to curtail expenditure comprise, inter alia, the saving of fuel through better flying techniques, for example, quicker turn out after take-off, earlier retraction of wing flaps and the calculation by computers of flight plans, height, distance, speed and the most economical routes — and modifications to aircraft engines," he said.

Sats' buses were being adapted by local manufacturers to suit South African conditions and to save foreign exchange. More emphasis was being placed on comfort and safety, especially in buses used to transport people to and from the homelands.

"There are now 111 Trantate, 10 Translux and 50 other less luxurious buses in service.

"It is expected that this fleet of luxury buses will realise revenue of more than R30 million during the 1986/87 financial year.

"Further expenditure economy measures are the withdrawal of 27 and the rationalisation of 15 other uneconomic services," Mr Schoeman said. — PS and Sapa



MR SCHOEMAN . . . deficit

Ciskei bus fares to go up on March 1

DISPATCH 21/2/86

Dispatch Reporter

EAST LONDON — The CTC Bus company is to increase its fares "in an attempt to save it from collapse", the managing director of the company, Mr Hans Kaiser, said yesterday.

Fares in the Mdantsane/greater East London area would rise on March 1, he said.

The increases would range from 50c to 80c a week on weekly tickets, and cash fares would go up by between 5c and 15c a ride, depending on distance travelled.

Mr Kaiser said the fare hike was of "critical importance to our survival" as the company had incurred considerable debts.

"The only reason why we are still in business is that our shareholders and bankers have continued to finance the company, but they are no longer able to do so. Failure to increase fares on March 1 could result in large cutbacks of buses and personnel."

He said the CTC had lost almost R10 million during the past two financial years and the projected loss for this year was R3,5 million.

Mr Kaiser said increases in the cost of fuel, tyres and spare parts — which were imported and were affected by the poor exchange rate — had rendered the company unable to pay its way.

The new Third Party levy, which comes into effect this year, could increase the company's costs further.

"We have kept our fares as low as possible but regrettably are forced to increase them if we are to continue providing a service to our thousands of commuters.

"We have held consultations with all the relevant parties that will be affected by the fare hike and also with employers. These consultations will continue as we wish to give our passengers the best deal we possibly can."

Mr Kaiser said details of the increased fares on popular routes had been publicised in pamhlets distributed on February 13. Further information would be released through the media.

Mr Kaiser said he recommended that regular passengers make use of weekly tickets as these were heavily subsidised by the Ciskei and South African Governments.

"By way of example, where the new cash fare from Mdantsane to the city is 65c, the equivalent single trip fare using the weekly ticket is 34c, a saving of 31c per trip."

See also page 2

BCI: new Sats fares will push up costs

332 DISPATCH 21/2/86

Dispatch Reporter

EAST LONDON — The increase in the South African Transport Services' mainline passenger fares and commuter tariffs announced on Wednesday would certainly affect industry and add to further cost increase input on goods, the vice president of the Border Chamber of Industries, Mr Dave Saunders, said yesterday.

"While we accepted that certain of the increases in Sats tariffs were inevitable, we are concerned about the overall magnitude of the increases — in terms of percentages it won't help relieve inflationary pressures at all," he said.

This follows the Wednesday budget speech by the Minister of Transport, Mr Hendrik Schoeman, in which he announced that mainline rail passenger fares would increase by 15 per cent and commuter tariffs by 12,5 per cent as from April 1.

He also announced a further 10 per cent hike in domestic air fares from March 1 — but gave an assurance that fares would not be increased again this year.

Mr Schoeman said commercial rail tariffs for high rated traffic would be increased from 2,2 per cent for short distances to 10 per cent for over 4 000 km from April 1.

Low rated traffic was being adjusted by three per cent over short distances and 10,9 per cent for 800 km.

● Sapa reports the SA Agricultural Union said yesterday that the 15 per cent tariff increases could lead to less use of the Sats by the agricultural sector.

A statement by the union in reaction to the transport budget said:

"The cumulative effect of the general tariff increases of 15 per cent in January and the structural adjustments announced by the Minister of Transport will definitely aggravate the sharp cost increases experienced by agriculture this year."

The phasing out of so-called uneconomic services and tariff increases aimed at improving the basis for cost effectiveness of socio-economic services presented special problems to agriculture.

"The union's viewpoint is that to transfer transport from the railways to the roads through a tariff structure is counter-productive, as it is again primarily the state's responsibility to develop and maintain roads."

In the light of the current economic circumstances it realised the minister could not satisfy all sectors, "therefore the few concessions that have been made to agriculture are welcomed."

The union also said that as a decentralised industry, agriculture transported producer's goods over long distances and markets were more often than not far from production areas."

Astor sale profit R6,3m

By PAUL DOLD
Financial Editor

THE former South African passenger ship Astor was sold at a profit of R6,3m, Safmarine and Rennies Holdings disclosed yesterday.

The interim report says that the vessel was delivered to her new owners in August last year.

This is the first time that the profit on the sale has been revealed. It is understood that the Astor was sold to East German business interests and that Safmarine paid more than R150m for the vessel.

Safren boosted turnover to over the R1 billion-mark in the half-year ended December, with net profits before extraordinary items of R67m as against the previous R64,2m.

A R7m extraordinary items charge brought group attributable profits to R31,3m as against R36,4m with earnings a share of 61c (74c).

The R7m figure arose from the provision for a loss on the disposal of an offshore investment after allowing for the profits on the sale of properties and other items.

Trading profits from the operations were R164,8m as against R159,1m, while the share of associates income was also higher at R6,5m (R5,4m).

A 26c interim dividend has been declared and the board is forecasting that group profits for the full year will not be less than in the previous 12 months.



Edendale wasn't the only place with a bus problem this week – in Eldorado Park, these commuters wanted buses *out* of their area.

City News

'Catch that bus!'

23/2/86

332

CP Correspondent

BUS drivers are refusing to drive into Maritzburg's Edendale Township because they fear "militant youths" will stone them to death.

Their action has angered commuters – who this week set up barricades across a street in central Maritzburg to try and force the drivers to take them home.

The trouble in Edendale began when youths and drivers clashed after bus fares had been increased.

Two youths were killed in a bus accident during the clashes. Their "comrades" vowed to seek revenge against the drivers for the deaths.

On the day the two youths' were buried there were a series of clashes between youths and police patrols after a group commandeered minibuses to go to the cemetry.

As a result of the unrest, drivers from Sizanani Mazulu Transport Services refused to drive through Edendale.

A crowd of about 300 commuters, who found themselves stranded in the city centre, set up barricades with drums across Retief Street on Monday to try and force the drivers to take them home.

But the drivers saw the barricades and turned back before the angry commuters could stop them.

A spokesman for the bus company said drivers were afraid their buses would be stoned by the youths and that they would be killed or injured.

BUSDAY 25/2/86 (332)

Freight shipping market still slow

WHILE generally slow conditions continue in the freight shipping market, particularly in the Atlantic, there has been increased activity in the oil tanker market, possibly because of the recent very cold weather in the Northern Hemisphere.

AFROMAR reports, however, that this is unlikely to have any effect on the dry cargo market.

Panamax rates in the Atlantic continued to ease last week, with the grain rate from the US Gulf to the Continent just more than $6.

Charterers were able to secure tonnage to lift coal from Philadelphia to the Continent at $4,35, down from $4,75 the previous week.

Cape sizes appeared more stable than panamaxes, although there was limited fixing reported.

With the likelihood that demand will be reduced during the summer months, owners will be faced with the problem of laying up vessels as the year progresses.

Inquiry remains good for panamax vessels out of Australia and this has kept rates higher than those in the Atlantic.

The availability of cheap bunkers is being reflected in lower voyage rates, although timecharter levels have not changed.

The SA market is unlikely to firm for larger-sized vessels as long as the Atlantic is so depressed. Handy-sized vessels seem to be readily available, but rates seem to be holding up fairly well.

No cuts planned for train and bus fares

MG 27/2/86

332

Staff Reporter

CITY commuters hoping for a drop in bus and train fares after the fuel price cut are in for a disappointment.

City Tramways has no such plans. Instead, the company says, it will take the lower fuel price into account in a fare application this year.

South African Transport Services says the fuel cut will have so little effect that planned steep increases will come into effect.

Mr Bob Krause, City Tramways public relations officer, said diesel fuel for public transport would be cheaper by only 4,3c a litre — a saving of about R645 000 a year.

"It will be applied to the benefit of the 84 million passengers we carry annually," he said.

But it would be done "in the calculation of the tariff application which City Tramways is presently preparing to cover other increased operating costs".

LAST TARIFF CHANGE

The company's last general tariff adjustment to provide for increased operating costs (excluding fuel) came into effect on November 4 1984, he said. Tramways lodged — and later dropped — a similar application last year.

Mr Leon Els, Sats public relations officer, described the effect of the fuel price cut as "minimal".

"It will save less than R40-million out of our total spending budget of R9 420-million in 1986-87," he said. "That works out to less than one percent."

Train and air fares would go up as announced on April 1.

But, he said, the fuel price could have an effect on future prices.

"We have to take into account other factors such as inflation and the exchange rate," he said.

● Petrol price-cut reaction — Page 3.

BUD DAY

86

Clients more selective in use of hauliers

27/2/86

332

ALAN PEAT

CUSTOMERS are taking an increasingly critical look at the quality of transport operations, a customer audit carried out by the Added Value group shows.

"Comfortable and safe habits on the part of customers are having to make way for a more professional approach to assessing a haulier's services," says Added Value's John Foster.

The crux of the report, prepared on behalf of the Hultrans transport group, is that customers are looking on hauliers as an extension of their marketing arm.

Hultrans MD Mike Norris says: "Transporters are expected to play a greater role in a company's distribution operation than simply moving the goods from A to B."

The cut-price war in the transport trade means customers are fighting for as much of a discount as they can get, says Norris.

"But the other interesting thing to come out of the report is that price is not the be-all and end-all of deciding who gets transport contracts," he says.

The report isolates five criteria used by companies to assess potential hauliers. They are:

- ☐ Reliability, efficiency and punctuality — the "peace-of-mind" factors;
- ☐ Flexibility in negotiating contracts and ad-hoc jobs, and in problem-solving on the job;
- ☐ Vehicle and driver respectability;
- ☐ Responsible loading checks;
- ☐ Continuous feedback on the load's progress.

End of road for haulage permits



● SCHOEMAN

RECOMMENDATIONS that the permit system for private road hauliers, in competition with SA Transport Services (Sats), should be scrapped had been accepted, Transport Minister Hendrik Schoeman said yesterday.

He told the House of Assembly enabling legislation would be introduced next year.

"We are going to abolish the system and have a free-for-all," he said in reply to the Second Reading debate on the Transport budget, during which John Malcomess (PFP Port Elizabeth Central) called on the Minister to stop harassment of private hauliers.

Schoeman warned that the private hauliers would have problems with increased costs.

Just as Sats had to pay for the upkeep of its railroads, so the private haulers would have to contribute more towards the maintenance of roads.

"Who's going to cry then?" he asked.

On calls from the PFP for greater privatisation of Sats' services, before they were prepared to support the transport budget, Schoeman said the opposition spokesmen should specify what his party meant.

If they meant the fuel pipelines operated by Sats, it would make no sense, because there was no competition and the costs would amount to many millions of rands if this monopoly waere handed over to a private company.

Responding to calls for Sats to lower its tariffs and fares as a result of the fuel price cuts, Schoeman said the resultant savings to Sats had been calculated at only some R106m.

Included in this saving was the recent improvement in the rand/dollar exchange rate. — Sapa.

End boycott - bus boss

GREYHOUND Bus Lines' general manager Mr Roberts Nesbitt yesterday appealed for an end of the boycott of his company's buses.

Mr Nesbitt said the boycott organisers should meet his company's representatives to discuss the matter with a view to ending the boycott.

He said the boycott was causing unnecessary hardship and worry throughout the community and to the company's staff.

He said there were "malicious rumours circulating about his company.

"It is said Greyhound annually donates R45 000 to the Krugersdorp Town Council. This is absolutely untrue," said Mr Nesbitt.

"Greyhound has consistently kept scholars' bus fares low and on many occasions has not increased scholars' fares when increases were due.

Let taxis in, say busmen

ALAN PEAT

THE bus industry has opened its doors to full competition with combi taxis, says the Southern African Bus Operators' Association (Saboa).

Executive director Gerrie Prinsloo says: "There should be compteition but, if the passenger transport industry is to be regulated, it must be regulated for all."

Saboa believes combi taxis should have regulated standards and that there should be some form of control of the growing number of these vehicles.

It is also calling for negotiation with the SA Black Taxi Association.

Putco fares to go down

SOWETAN 28/2/86

332

PUTCO is to decrease bus fares in Durban, but fares in the Transvaal will remain the same, a spokesman for Putco said in a statement issued in Johannesburg yesterday.

He said Putco was to pass the benefits of the fuel price decrease to passengers in Durban only as fares had been increased in November following a fuel price increase at that time.

In the Transvaal, fares had not yet been increased to cover the increased fuel price in January.

"This would no longer be necessary, but neither could fares be reduced. The cost to Putco of carrying the additional fuel costs since November 11 was nearly R1,5-million," the spokesman said.

The reduction in Durban fares would be passed on through reductions in the cost of season tickets. Cash passengers and scholars would not be affected.

Cape Town commuters hoping for a drop in bus fares after the fuel price cut are in for a disappointment. — Sapa.

Five non-racial schools to start

THELMA TUCH

UP TO five non-racial secondary schools are soon to be established by an organisation intent on demonstrating the viability and effectiveness of multiracial education.

New Era Schools Trust (Nest) is directed by Deane Yates, former headmaster of St John's College, Johannesburg, and founder of the non-racial Maru a Pula School in Botswana.

At a Press conference yesterday in Johannesburg Yates said the first of these schools would open in January in Tongaat, Natal. It has been funded by the Chairman's Fund of Anglo.

Initially 60 standard six pupils will be enrolled followed by a yearly enrolment of 60 pupils in two streams of 30.

The aim of Nest coincides with the 1981 De Langa Report on Education recommendation to implement equal opportunities for education with equal standards in education.

Govt blamed for rundown township

SOPHIE TEMA

BLACK community leaders and residents are blaming government for the degeneration of the old township at Brits and its overcrowding.

They say government has deliberately allowed the black township to be run down and is now using the neglected state of the area as a reason to move its people 25km to Letlhabile, an area which might soon be incorporated into Bophuthatswana.

They say the possibility of incorporating Letlhabile into Bophuthatswana also poses a serious threat to them as they wish to remain part of SA.

The Brits Action Committee (BAC) has pointed out that another crucial feature of the location is the high rate of unemployment caused by the recession.

The old township is in walking distance from Brits' business centre while Letlhabile is about 25km away.

In the old township the landlords owned the houses but had no freehold rights. When the removal was announced, some of them moved in the hope of finding better homes and a healthier environment.

Hauliers fuming over third-party levy

ALAN PEAT

HAULAGE operators are angry about the huge jump in their contribution to the third-party insurance fund under the allocation of the new diesel price.

"The heavy-transport operator will now be paying a totally unfair amount in comparison with car owners," says Jack Webster, executive director of the Public Carriers' Association.

The Cabinet has approved a contribution of 3c/*l* to the third-party fund from the price of diesel.

The PCA believes the diesel price should have been reduced further, rather than supplying the 3c/*l* allocated to the third-party fund.

Economists advise income tax cuts

BUSDAY 28/2/86

ANY future tax cuts should be concentrated on income tax, especially on the higher marginal rates, according to leading economists.

Economic adviser to the Reserve Bank and former professor of Business Economics at the University of the Witwatersrand, Roger Gidlow, said high tax rates are a major cause of emigration.

Gidlow described the present rates as a penalty for saving and said, as it was now almost impossible to raise foreign capital, domestic savers had to be encouraged.

Louis Geldenhuys, economist at stockbrokers George Huysamer, also said there should be cuts in direct taxes, but believed that the broader economy should be taken into account.

Nedbank economist Ian McFarlane said a GST cut would be beneficial, because it would benefit lower income groups and cut the rate of inflation, but he would prefer to see cuts in income tax because it was important to encourage consumer spending and investment.

Economics Reporter

However, all the economists agreed there was little room for tax cuts in the next Budget.

Maric Glaser, a partner at Deloittes, said that it would be a mistake to cut income tax simply in order to encourage spending and try to recoup the revenue through sales.

□ SA's net migration gain for 1985 is likely to be the lowest for more than a decade.

Latest Central Statistical Service figures also show an increasing number of South Africans are emigrating — many of them skilled or professional workers.

In the first 11 months of last year 10 265 South Africans left to settle abroad, compared with 7 443 for the same period in 1984. The number of immigrants totalled 16 421, against 26 895 in the January-November period in 1984 — a net gain of 6 156.

In 1984 the gain was 19 452.

Let taxis in, say busmen

332 28/2/86

BUSDAY

ALAN PEAT

THE bus industry has opened its doors to full competition with combi taxis, says the Southern African Bus Operators' Association (Saboa).

Executive director Gerrie Prinsloo says: "There should be compteition but, if the passenger transport industry is to be regulated, it must be regulated for all."

Saboa believes combi taxis should have regulated standards and that there should be some form of control of the growing number of these vehicles.

It is also calling for negotiation with the SA Black Taxi Association.

Buthelezi accepts settlement from *Rand Daily Mail*

IN NOVEMBER 1983 the *Rand Daily Mail* (now defunct) reported on certain comments made about the alleged involvement of the Inkatha organisation in disturbances at the University of Zululand in which six lives were lost.

KwaZulu Chief Minister Mangosuthu Buthelezi claimed that one of the reports was defamatory to him as head of Inkatha.

Buthelezi has now accepted, in settlement of his claim, a payment made in court on behalf of the editor, owner and distributor of the *Rand Daily Mail*.

KWAZULU TRANSPORT (PTY) LTD.
trading as

ILANGA TRANSPORT

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CO. REG. No. 75/02852/07

NOTICE TO PASSENGERS

In 1985 Ilanga Transport was obliged to increase its fares as follows:

1 FEBRUARY — Fuel Price Increase;

1 SEPTEMBER — Third and Final Phase of the Fares Rationalisation Programme with other major operators (5% increase in cash fares only);

25 NOVEMBER — Fuel Price Increase.

It will be noted from the above that no attempt was made to recover increases in other cost factors affecting the operation of public transport such as wages, tyres, spares, etc.

Ilanga Transport has taken every step to effect savings but unfortunately the time has arrived where it is compelled to pass these additional costs on to the commuter as from 03 February 1986.

Examples for new fares are shown overleaf.

The advertisement reflecting new fares, which appeared in our issue on the 27.1.86, appeared incorrectly due to a technical error. Below is the correct table.

TABLE REFLECTING NEW FARES

ZONE	DESTINATION	TYPE OF TICKET	OLD FARE	NEW FARE
3	AMAOTANA — KWAMASHU NGOQOKAZI — KWAMASHU	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	,40 R3,00 R3,60 R13,20 R15,60	,45 R3,45 R4,15 R15,20 R17,95
8	GOBA STORE — LORNE STREET SEMES — LORNE STREET NGOQOKAZI — LORNE STREET AMAOTANA — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	,90 R4,80 R5,75 R21,10 R24,95	R1,00 R5,50 R6,60 R24,20 R28,80
9	UMGENI DRIFT — LORNE STREET UMZINYATHI — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	,95 R5,35 R6,40 R23,55 R27,60	R1,05 R6,15 R7,40 R27,05 R32,00
10	MAMPENGANE — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,00 R5,70 R6,80 R25,10 R29,65	R1,10 R6,55 R7,85 R28,80 R34,05
11	NGOMNWENI — LORNE STREET MPOMPINI — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,05 R6,15 R7,40 R27,05 R32,00	R1,20 R7,05 R8,45 R31,00 R36,65
12	STOP 5 — LORNE STREET WUSHINI — LORNE STREET NDABA STOPE — LORNE STREET NBEJE — LORNE STREET GALILE — LORNE STREET AMATATA — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,10 R6,35 R7,60 R27,95 R33,00	R1,25 R7,30 R8,75 R32,10 R37,95
13	MADLINYOKA — LORNE STREET KWANYUSWA — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,30 R7,65 R9,20 R33,65 R39,80	R1,50 R8,50 R10,20 R37,40 R44,20
14	THAFAMASI — LORNE STREET MKHUKUZE — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,50 R9,20 R11,00 R40,50 R47,85	R1,70 R10,00 R12,00 R44,00 R52,00
15	NEW LOOK STORE — LORNE STREET EZIMPONDWENI — LORNE STREET SIMAMANE — LORNE STREET NJOBOYINYE — LORNE STREET NDWEDWE — LORNE STREET MQEKU — LORNE STREET SILAMBILE — LORNE STREET MENYANE — LORNE STREET NGOZA — LORNE STREET	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,70 R10,80 R12,95 R47,50 R56,15	R1,95 R11,00 R13,20 R48,40 R57,20
	MONA RIVER — LORNE STREET ONTEGWA — LORNE STREET SIMAMANE STORE — LORNE STREET NHLANGAKAZI — LORNE STREET GOQO STORE — LORNE STREET MONTOBELLO — LORNE STREET OGONOTHINI — LORNE STREET KWAVILLE — LORNE STREET OZWATINI — LORNE STREET KINGSCLIFF — LORNE STREET NOODSBERG — LORNE STREET NGCONGANGCONGA — LORNE STREET	SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE SINGLE	R2,25 R2,35 R2,40 R2,55 R2,55 R2,75 R2,75 R2,85 R3,00 R3,20 R3,40 R3,90	R2,60 R2,70 R2,75 R2,95 R2,95 R3,15 R3,15 R3,25 R3,45 R3,70 R3,90 R4,50
	INYONITHWALENYE — UMHLANGA ROCKS	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,10 R6,50 R7,80 R28,60 R33,80	R1,15 R6,95 R8,35 R30,60 R36,15
	GOBA STORE — UMHLANGA ROCKS	SINGLE 10 TRIP 12 TRIP 44 TRIP 52 TRIP	R1,05 R6,20 R7,45 R27,33 R32,25	R1,10 R6,70 R8,05 R29,50 R34,85
10 11 12	AMAOTANA — NEW GERMANY AMAOTANA — PINETOWN AMAOTANA — WESTMEAD	SINGLE SINGLE SINGLE	R1,00 R1,05 R1,10	R1,10 R1,20 R1,25
15	MBHEJE STORE — NEW GERMANY MBHEJE STORE — PINETOWN MBHEJE STORE — WESTMEAD	SINGLE SINGLE SINGLE	— R1,70 R1,75	R1,30 R1,70 R1,95
	MKHUKHUZE — NEW GERMANY MKHUKHUZE — PINETOWN MKHUKHUZE — WESTMEAD	SINGLE SINGLE SINGLE	R2,45 R2,50 R2,55	R2,80 R2,90 R2,95

SCHOLAR FARES

Valid only for scholars in full uniform on the prescribed route — between 05h30 and 17h30 — Monday to Friday.

	NEW FARE	OLD FARE
Cash fares — Single Journey	,40	,35
Cash fares — Single Journey — Inanda — Durban	,45	,40
Weekly fare	R2,10	R1,80
Weekly fare — Inanda — Durban	R2,90	R2,50

MPUMALANGA TRANSPORT

TELEPHONE 61043. P.O. BOX 286, HAMMARSDALE 3700

NOTICE TO PASSENGERS

FARE INCREASE AS FROM 3 FEBRUARY

Mpumalanga Transport was authorised to increase fares in September 1985 in order to offset considerable increases in general operating costs.
Because of the economic climate a decision was made to delay the introduction of this general increase until February 1986.
However, because of the fuel price increases which were imposed in September and November 1985 it was necessary to implement an extraordinary fare increase in November 1985. The general increase in fares which was postponed from September 1985 will now be effective on 3 February 1986 as previously advised.

CASH FARES

MPUMALANGA — HAMMARSDALE

MPUMALANGA
25 COURT HOUSE
50 25 HAMMARSDALE
MPUMALANGA INCLUDES GEORGEDALE
MINIMUM FARE — 25

MPUMALANGA — PINETOWN/WESTMEAD/NEW GERMANY

MPULALANGA
50 COURT HOUSE
HAMMARSDALE
70 25 N3 TURN-OFF
115 80 60 HILLCREST/WINSTON PARK TURN-OFF
130 95 80 35 GILLITTS
145 110 90 40 25 KLOOF
165 130 110 55 40 30 PINETOWN
190 160 135 85 60 50 35 WESTMEAD
195 165 140 90 65 55 40 5 NEW GERMANY
MINIMUM FARE — 25

MPUMALANGA — CAMPERDOWN/CATO RIDGE INDUSTRIES

MPUMALANGA
40 GEORGEDALE TURN-OFF
60 25 GEORGEDALE STATION TURN-OFF
90 45 30 CATO RIDGE
110 70 60 25 CAMPERDOWN
110 65 50 25 45 NAGLE DAM TURN-OFF
125 75 60 35 60 25 FERALLOYS
130 95 80 50 75 40 25 ABATTOIR
MINIMUM FARE — 25

NTSHONGWENI — HAMMARSDALE

NTSHONGWENI (KWAMBIZA)
25 SOLOMON STORE
40 25 UNIT 6 (KWANDENI)
65 40 25 COURT HOUSE
75 50 40 25 HAMMARSDALE
MINIMUM FARE — 25

NTEMBENI/HOPEWELL — PIETERMARITZBURG

NTEMBENI
60 BAYNESFIELD
MANDIZA STORE
35 65 HOPEWELL
75 40 MANDERSTONE
80 35 80 35 60 THORNVILLE
85 60 85 65 70 40 FOXHILL
90 80 95 80 80 65 65 PIETERMARITZBURG
MINIMUM FARE — 35

NTSHONGWENI — PINETOWN/NEW GERMANY

LUTHULI
20 KWAMBIZA
35 35 NTSHONGWENI STATION
50 45 30 SUMMERVELD TURN-OFF
70 65 45 30 ASSEGAI TURN-OFF
80 80 65 45 30 HILLCREST/WINSTON PARK TURN-OFF
90 90 75 55 40 35 GILLITTS
95 100 80 70 50 40 25 KLOOF
115 115 95 75 70 55 40 30 PINETOWN
135 135 115 90 80 75 65 45 30 NEW GERMANY
MINIMUM FARE — 25

IMALI YOKUGIBELA
MTAHONTENGAYO — HAMMARSDALE

MTAHONTENGAYO
50 BREDASFONTEIN
90 50 EMOPHELA STORE
100 65 25 SANKONTSHE
130 65 25 25 MAHESE
[illegible] 85 50 30 20 COURT HOUSE
[illegible] 110 70 50 30 25 HAMMARSDALE
IMALI ELINCANE ELINOKUKHOKHWA — 25

BREDASFONTEIN — UMLAAS RIVER

BREDASFONTEIN
50 MTAHONTENGAYO
70 25 CLIFTON HEIGHTS
80 40 25 MKHIZE STORE
[illegible] 70 50 35 UMLAAS RIVER
IMALI ELINCANE ELINOKUKHOKHWA — 25

CATO RIDGE INDUSTRIES — PINETOWN

ABATTOIR
25 NAGLE DAM TURN-OFF
60 45 N3 TURN-OF
105 85 60 HILLCREST/WINSTON PARK TURN-OFF
[illegible] 110 80 35 GILLITS
[illegible] 130 90 40 25 KLOOF
150 140 110 65 45 25 PINETOWN
IMALI ELINCANE ELINOKUKHOKHWA — 25

MPUMALANGA — PIETERMARITZBURG

MPUMALANGA (UNIT 4)
30 MAHESHE
[illegible] ESTON TURN-OFF
[illegible] 40 THORNVILLE TURN-OFF (P117)
[illegible] 5 HOPEWELL
[illegible] FOXHILL
[illegible] PIETERMARITZBURG
IMALI ELINCANE ELINOKUKHOKHWA — 30

DELVILLE WOOD — PINETOWN/NEW GERMANY

DELVILLE WOOD
40 SUMMERVELD
40 30 ASSEGAI TURN-OFF
55 45 30 HILLCREST/WINSTON PARK TURN-OFF
70 55 40 35 GILLITTS
70 70 50 40 25 KLOOF
75 75 70 55 40 30 PINETOWN
95 90 80 75 65 45 30 NEW GERMANY
IMALI ELINCANE ELINOKUKHOKHWA — 25

WORKER WEEKLY TICKET/AMAKHUPONI ESONTO

MPUMALANGA — HAMMARSDALE
10 Trip - 3 15
12 Trip - 3 80

MPUMALANGA — PINETOWN
10 Trip - 6 75
12 Trip - 8 10
44 Trip - 29 70

MPUMALANGA — WESTMEAD/NEW GERMANY
10 Trip - 7 20
12 Trip - 8 65
44 Trip - 29 70

BREDASFONTEIN — HAMMARSDALE
10 Trip - 6 85
12 Trip - 8 20

MAHESHE — HAMMARSDALE
10 Trip - 3 75
12 Trip - 4 50

NTSHONGWENI — PINETOWN
10 Trip - 5 55
12 Trip - 6 65
44 Trip - 24 40

HAMMARSDALE — SOLOMON STORE
10 Trip - 3 20
12 Trip - 3 85

MPUMALANGA — CATO RIDGE
10 Trip - 7 00
12 Trip - 8 40

NTSHONGWENI — HAMMARSDALE
10 Trip 5 65
12 Trip 6 70

MTAHONTENGAYO — HAMMARSDALE
10 Trip 9 85
12 Trip 11 60

EMOPHELA — HAMMARSDALE
10 Trip - 4 55
12 Trip - 5 45

DELVILLE WOOD — PINETOWN
10 Trip - 4 40
12 Trip - 5 30

NTSHONGWENI — WESTMEAD
10 Trip - 7 10
12 Trip 8 50

NOTE
Worker weekly tickets will be on sale at the normal selling points as from Monday 3 February 1986

QAPHELA
Amakhuphoni azodayiselwa ezindaweni ezijwayelekile kusukela ngomhlaka 3 February 1986 ngoMsombuluko

MANAGER/UMPHATHI

IZINGANE
Izingane zizokhokhiswa imali eyisigamu semali ekhokhiswa abantu abadala ngezukwa oseduze ukuya phezulu

CHILDREN'S FARES
Children will be charged half the price of adult fares to the nearest 5 cents upwards

Workers win Bop bus battle

BOP commuters have won their battle against Putco.

Bophuthatswana Transport Holdings will take over all Putco's routes in the homeland, and Putco will run BTH's routes in Soshanguve.

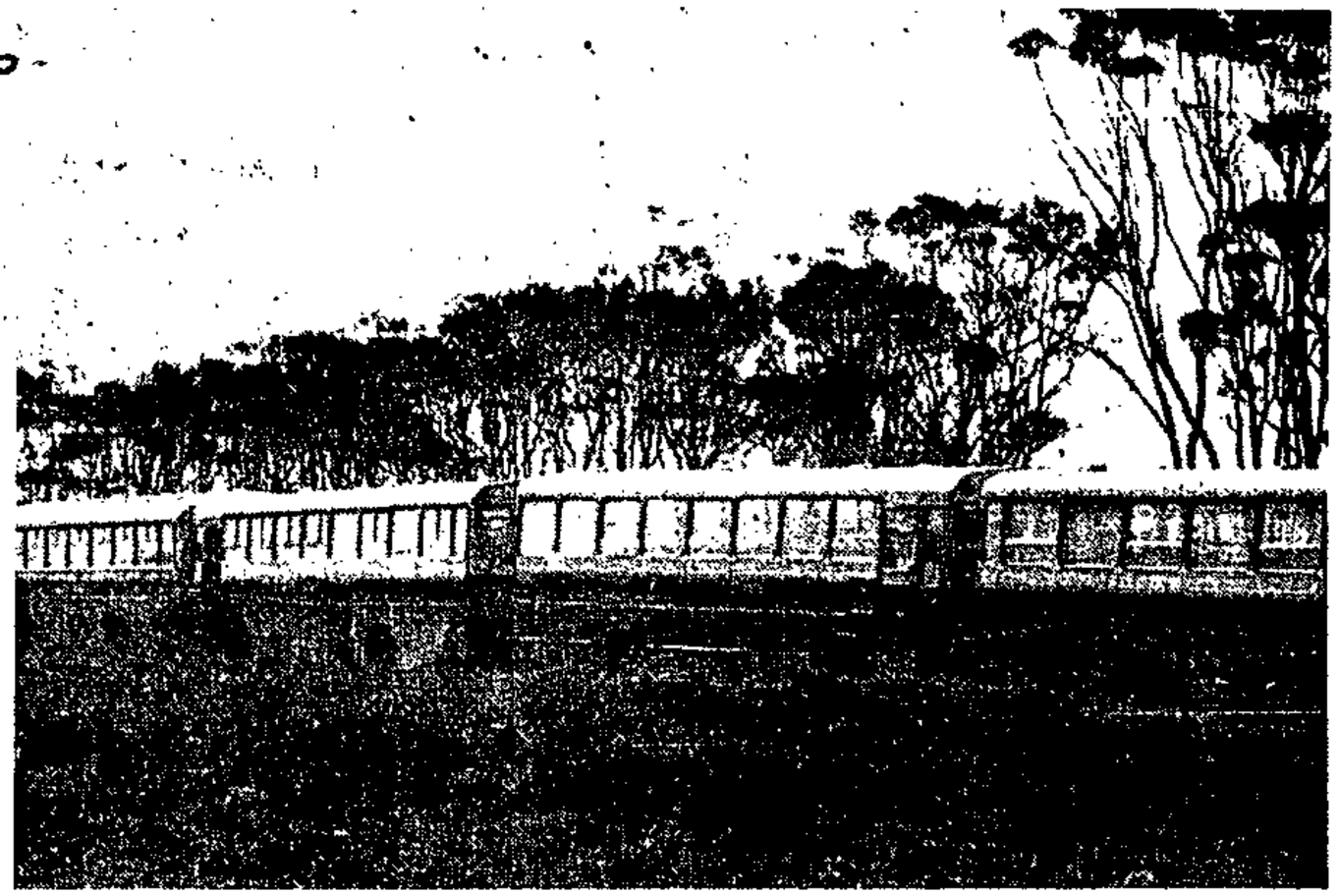
The move follows highly successful boycotts of Putco services in Bop since last November, when fares went up.

BTH has already applied for its own fare increase – but they won't apply to the routes previously run by Putco.



The 1983 boycott: Enormous queues for taxis in East London. Will it happen again this year?

2nd bus boycott in Ciskei?



The 1983 boycott: Buses stand idle at Reeston bus depot near East London.

ANOTHER major bus boycott – similar to the one which began in July 1983 – is on the cards if the Ciskei Transport Corporation bus company implements new fare increases tomorrow.

The previous fare hikes in 1983 sparked off widespread protests from Mdantsane commuters, resulting in a successful 20-month boycott.

CTC managing director Hans Kaiser said the increase was necessary to "save the company from collapse", as it had incurred considerable debt recently.

By BENITO PHILLIPS

The increase is expected to range from 50c to 80c for weekly tickets, and between 5c and 15c a ride on cash fares – depending on the distance travelled – he said.

Kaiser said the failure to increase the fares could result in large cutbacks of buses and personnel.

The only reason the company was still operating was because it's shareholders and bankers have continued to finance it, he said.

"The CTC has lost almost R10-million during the past two financial years and the projected loss for this year is R3,5-m," said Kaiser.

The intended increase has met with fierce resistance from commuters, who say it is ill-timed because it will coincide with increases in food prices and rail tariffs.

Several commuters said the increased fares should be postponed to a later date.

One, Mzwamadoda Mpehla of Mdantsane, accused the company of being short-sighted and said the timing was "absurd" because of a possible consumer boycott which may soon be launched in the area. (See story below)

He said increases should not be lumped on the people simultaneously unless the company and authorities wanted to create "a climate of unrest".

Committee of Ten chairman Eric Mntonga said a mass meeting would be held to discuss the increased fares.

A meeting scheduled for last Saturday in the East London City Hall was postponed after it was discovered the hall had already been booked.

Mntonga said the committee would tell commuters of the date and venue for the meeting.

Ciskei holds inquest into boycott shootings

By BENITO PHILLIPS

CISKEI has finally decided to hold an inquest into the 1983 Mount Ruth railway station shootings.

The homeland is, however, only investigating the deaths of four people – despite the cops' admission that at least six people died, and Mdantsane residents' claims that up to 90 commuters had been killed.

The shootings took place at the height of the massive Ciskei bus boycott, when cops and soldiers opened fire on Mdantsane commuters who opted to travel by train rather than use the bus.

Ciskei attorney-general WF Jurgens confirmed the inquest will be held "soon" and Mdantsane senior public prosecutor TM Maru said he was waiting for the police to return the dockets before he decides on the inquest date.

Maru said the dockets had been handed to the police three months ago for "further particulars".

Local market generally quiet

BUS DAY 332 3/3/86

SHIPPING

THERE are no signs of improvement in the local shipping market, reports Afromar, and at best rates might have reached bottom in most areas.

Charterers, at least, can expect some success in the Northern Hemisphere summer months.

The SA market is generally quiet and it appears that a number of early handy-sized vessels have found themselves short of employment as demand eased.

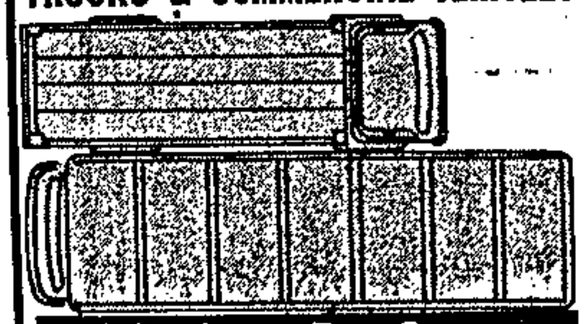
Time-charter rates for handy-sized vessels to the Continent are easing back to $3 000 levels.

Panamax rates continued easier but cape sizes were tending to steady. A 65 000-ton cargo was fixed from Richards Bay to Hong Kong at $6,50, which is at least 30c down.

A vessel of just more than 23 000 tons was taken on time-charter to lift manganese from PE to Norway.

A 47 000-ton cargo of manganese was quoted from PE to Rotterdam for loading at the end of March for which charterers expected to pay not mor than $7.

TRUCKS & COMMERCIAL VEHICLES



A Business Day Survey

Free market success: black taxi minibuses

ARNOLD VAN HUYSSTEEN

THE black taxi minibus market has grown spectacularly since the 1970's and is seen in many quarters as the most successful black participation to date in the free market economy.

Applying true entrepreneurial spirit, black taxi operators breached accepted norms, standards and even regulations in their quest for legitimacy.

In the process, the bus industry lobbied heavily to try and stop the "illegal" operators. But even government's Welgemoed Commission report on the industry has now apparently been shelved, allowing "illegal" operators to run their highly successful businesses in CBD areas.

This popular service to the black community has created an added market for SA minibus manufacturers and helped boost annual sales. But sales to blacks still represent only a third of total minibus market in SA, says market leader Toyota.

"Mini-bus sales represent about 7,5% of our total turnover. Our sales for 1984 and 1985 were R94m and R103m respectively, while 1986 sales to date amount to R42m. This is against total minibus sales turnover of R290m, R263m and R118m respectively," says Toyota's Flip Wilken.

Wilken says Toyota is current market leader with a 36,6% penetration, followed by Volkswagen (VW) with 30,9% and Nissan with 19,2% of the minibus market.

He adds transport deregulation could increase the market, which grew from 16,1% of the total light commercial vehicle (LCV) market in 1985, to 17,8% in 1986.

"In absolute terms sales into the taxi sector have declined in line with the LCV market, although the taxi segment has increased its share of the minibus market slightly over the period 1984 to 1986 (year to date)," says Wilken.

Toyota expects its black minibus sales of 3 600 units a year to grow by 15%-20%, "assuming further urbanisation and relaxation of the permit system.

"The expected change in legislation to make 16-seater buses legal will have a positive influence, as will expected urbanisation developments," says Wilken.

VW claims leadership of the 10-seater minibus market — selling 1 630 units, or 41% of total sales in the period January to May, 1986. This is up on its 32,9% penetration in 1985, but still down on its penetration of 46,8% in 1984 and 52,2% in 1983.

In January to April, total minibus sales were R100,7m, of which VW contributed R32,9m or 32,7%. For May alone it increased its market share slightly to 34,1% or R9,9m sales out of a total of R29,1m.

Minibus sales, as percentage of total VW sales turnover, also slumped from 1984's 18,4% to 9,8% in 1985. But it has since recovered to 11,3% in the January to May, 1986 period.

Ronnie Kruger, VW's public affairs director, says the minibus market grew strongly in 1984. However, in 1985 it dropped slightly more than did the total LCV market. "Year-to-year volumes are 5,1% below 1985 levels, but as a share of the total LCV market it has grown by 1,1% to 17,6%. The 1984 growth took place mainly in the 15/16-seater models," he says.

Kruger says sales of 15/16 seaters grew from 19,5% of total minibus sales in 1983 to 24,6% in 1986. "This is evidence of the growing black taxi market. We see this market remaining as a very stable and important part of the total vehicle market," he says.

Both VW and Toyota agree that the major growth potential for black taxi sales remains in the major urban markets. Toyota puts its rural sales at some 25% of total minibus sales and expects them to remain "fairly low," compared with metro sales. In fact, the PWV area represents some 30% of total Toyota minibus sales, while VW puts its PWV sales at some 40% of total sales in 1986.

But VW's sales to black buyers remain far below the market average of its 1986 minibus sales, only 2,4% went to black buyers.

Clearly the white minibus market remains the major one, although future economic and population patterns are bound to change the situation.

"Rapid rise in new vehicle prices has led to the minibus becoming more cost-efficient for families who can no longer afford to run two cars.

As a result the market is demanding a higher level of comfort and power. The new fuel-injected minibus accounts for our domination of the 10-seater minibus market," says Kruger.

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(c) Myself.

(d) Because of a motion that was accepted by the Lebowa Legislative Assembly on 16 January 1986 which reads as follows:

"The Legislative Assembly resolves that the Commissioner-General of Lebowa be recalled until the Moutse issue has been satisfactorily settled."

(2) Falls away because of reply on 1(d) above.

(3) Falls away because of reply on 1(a) and (b) above.

Mr P G SOAL: Mr Speaker, arising out of the reply of the hon the Deputy Minister, may I ask whether the Commissioner-General has left Seshego or Pietersburg and returned to Pretoria?

The DEPUTY MINISTER: No, not as yet.

Site-and-service scheme

HANS. Q. COL 291 4/3/86.

*24. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

(1) Whether a site-and-service scheme is being established in or near (a) Sebokeng and/or (b) Evaton for unaccommodated Black persons in the Orange Vaal Development Board area; if so, (i) when will this scheme become operative, (ii) how many sites will be available and (iii) who will be eligible to rent such sites;

(2) whether any further site-and-service schemes are being planned in the Witwatersrand/Vereeniging area for unaccommodated Black persons; if not, why not; if so, (a) where and (b) when will these schemes become operative?

†The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) (a), (b) and (i) Such a scheme is already in operation at Sebokeng and Evaton since 1976.

(ii) During the next 18 months approximately 3 000 sites will be available to this purpose in the areas of jurisdiction of the City Councils of Lekoa and Evaton.

(iii) A person who qualifies in terms of existing legislation and who has sufficient funds at his disposal.

(2) Witwatersrand-area: Yes. Vereeniging-area: No, but will be made available as and when the need arises.

In the Witwatersrand-area

	(a)	(b)
Katlehong	1 525 sites	As soon as funds are available
Tembisa	355 sites	As soon as funds are available
Botleng	67 sites	As soon as funds are available
Devon	103 sites	As soon as funds are available
Duduza	107 sites	As soon as funds are available
KwaThema	468 sites	Still to be submitted to the National Housing Commission for approval
Zithobeni	106 sites	Still to be submitted to the National Housing Commission for approval
Vosloorus	1 500 sites	Still to be submitted to the National Housing Commission for approval
Duduza	500 sites	In a planning stage

	(a)	(b)
Daveyton	1 000 sites	In a planning stage
Soweto	500 sites	July 1986
Emdeni (Soweto)	600 sites	Layout plan is being prepared
Bekkersdal	200 sites	Layout plan is being prepared
Mohlakeng	300 sites	July 1986

In the Vereeniging-area (a) and (b) Fall away.

Licence fees/tariffs

HANS. Q. COL 293

*25. Mr L F STOFBERG asked the Minister of Transport Affairs:†

4/3/86 332

(1) Whether any measures are being considered and/or drawn up to adjust the licence fees of heavy road vehicles in such a way that the (a)(i) cost of improved roads and (ii) higher cost of road maintenance can be recovered and (b) South African Transport Services can compete with road hauliers in the private sector on a more equal basis; if so, when are these measures expected to be implemented; if not, why not;

(2) whether any steps are being taken to prevent the South African Transport Services losing its share of the market in the carriage of goods because of lower tender prices by competitors; if so, what steps;

(3) whether any steps are being taken and/or comtemplated in respect of the problem of increasing tariffs and a decreasing share in the goods and passenger traffic of the Republic; if so, what are the particulars of these steps?

The MINISTER OF COMMUNICATIONS (for the Minister of Transport Affairs):

(1) (a) and (b) Yes. Licensing of vehicles is, however, a provincial function and the implementation of any measures in this regard will be dependent on decisions by the individual provincial administrations.

(2) No, not by the National Transport Commission or Local Road Transportation Boards.

(3) Yes. Active measures to reduce costs by means of increased productivity and the adjustment of tariffs and fares to bring it closer to cost.

Tendered goods/supplies from foreign countries

*26. Mr K M ANDREW asked the Minister of Transport Affairs:

(1) Whether the South African Transport Services follows the same procedure in regard to all tendered goods or supplies originating (a) partly or (b) wholly from foreign countries; if not,

(2) whether a different procedure is followed in regard to such goods or supplies originating (a) partly and (b) wholly from certain foreign countries; if so, (i) what is the nature of this procedure, (ii)(aa) when and (bb) why was it introduced, (iii)(aa) in respect of which foreign countries is it applied and (bb) to what extent in each case and (iv)(aa) since when and (bb) why has this procedure been applied in respect of each such foreign country;

(3) whether the South African Transport Services has obtained Cabinet approval for following this procedure in respect of certain foreign countries; if not, why not; if so, when;

(4) whether he will make a statement on the (a) policy of the South African Transport Services regarding, and (b)

Boycotters angry at taxi arrests

AN executive member of the Kagiso Residents Organisation yesterday said the arrest and harassment of local taxi drivers by the police was another attempt to break the two-month-long boycott of Greyhound buses.

The boycott of Greyhound buses in Kagiso, Munsieville, Mohlakeng and Bekkersdal townships on the West Rand today enters its 9th week.

The bus company's general manager, Mr Robert Nesbitt has on numerous occasions called upon the boycott organisers to talk to his company's representatives in the hope of ending the boycott.

A spokesman for the SAP Public Relations Division said: "If any person is of the opinion that he has legal cause for complaint, such a person should file an affidavit at any local police station. The allegations will be investigated."

The chairman of the Krugersdorp Black Taxi Association, Mr Rueben Tsatsane yesterday said 14 pirate taxi drivers and three legally operating taxi drivers were arrested last Friday.

Mr Tsatsane said the drivers of the legally operating taxis were charged with over-loading. Their cases were postponed to March 16 and they are out on bail.

Mr Tsatsane said there was now a greater need for transport following the bus boycott and pirate taxis should be given licenses to operate within the law.

Bus driver murdered

JOHANNESBURG — Putco's Soweto services stopped today after the murder of one of its drivers there last night.

A spokesman said the company's management was angry and the resumption of services would depend on talks with staff.

About 150 000 workers could be without transport. The driver, Mr Jerry Mothibedi, was apparently stoned to death. His bus was destroyed by fire. — Sapa.



THE DAILY queues for taxis at the rank near Luipaardsvlei Station.

Bus boycott: No end in sight

SOWETAN 6/3/86

THE nine-week-old boycott of Greyhound buses in Kagiso, Munsieville, Mohlakeng and Bekkersdal does not seem likely to end soon.

It is also not clear what will end the boycott. Some commuters feel it has to go on while others feel morally obliged to support it.

Meanwhile, the bus company, which is losing a lot of money because of the boycott, is desperate to talk to members of the Consumer Boycott Committee.

The general manager of the company, Mr R Nesbitt, said his company could meet the demands of the committee, "since most of the demands are what our company has always offered to the community."

But it is not clear how true this is, since the two sides have not faced each other at the negotiating table to discuss the causes and how to end the boycott.

Mr Nesbitt said his attempts to meet members of the committee have been fruitless. He said he wrote them four letters asking for a meeting but has received no replies.

FOCUS

By SAM MABE

One member of the committee who asked not to be named, confirmed receiving a letter from Mr Nesbitt, but would not comment on its contents.

The only contact the bus company has had with the committee was when it was visited on February 5 by two men who said they represented the committee.

The men would not give their names, but demanded that the company make a Press statement condemning the activities of security forces in the townships and said it should not allow the forces to board its buses.

The committee seems to be faced with the problem of being unable to operate openly. Its members are lying low and are reluctant to talk to the Press for fear of possible police harassment.

It is also not possible for them to hold meetings with the community to assess the boycott because public meetings are banned.

These constraints seem to fuel their anger and make them even more determined to continue the boycott, particularly because they believe that the company is collaborating with the police.

One committee member said: "As long as the police continue to harass our people, we will not talk to the company".

Commuters continue to walk the 13 km between Kagiso and Krugersdorp and the eight kilometres between Kagiso and the industrial area in Luipaardsvlei every day.

Mrs Zenzile Ramabula, a commuter, said: "We will go on walking to work for as long as the boycott is one."

Mr Jan Matala, looks at what he perceives to be the positive side of the boycott: "It has become a good exercise for us."

A consumer boycott of white-owned business in the West Rand townships started late last year. The boycott was extended to Greyhound buses on January 6 was because the company refused to have its buses used during the funeral of an unrest victim.

The company is also accused of:

- Opposing licence applications by black taximen;
- Not allowing pensioners free travel on pay-out days;
- Being insensitive to the needs of black charities;
- Lacking interest in black scholars; and
- Allowing security forces and vigilante groups to use its buses as "Trojan Horses" to invade townships to attack boycotting residents.

Mr Nesbitt said he has never been formally approached on these accusations which he says are untrue.

Taxi

He said:

- His company no longer objected to taxi licence applications;
- Pensioners travel free on pay-out days;
- His company often received requests for donations and in many instances free buses or reduced charges are awarded on merit; and
- Pupils on the West Rand and children of company employees received bursaries and other financial aid for school and university study.

The company has also kept scholars' fares low even when other fares were increased.

Another allegation Mr Nesbitt denied is that his company donates R45 000 a year to the Krugersdorp Town Council.

He would not say how much his company had lost since the boycott started but he said that the boycott was causing "unnecessary hardships and worry throughout the communities concerned and to Greyhound workers".

His other concern is for the drivers, who have not been working for the past two months.

"We have continued paying them their wages and we have sent some on their annual leave. The leave will soon be running out and we will soon have to consider shorter working days. If the boycott continues, we might have about 100 workers going on unpaid leave.

"One point I cannot over-emphasise is my desire to meet the boycott committee and see if we cannot reach some form of agreement to end the boycott. I am prepared to meet these people anytime and wherever they wish," said Mr Nesbitt.

Taxi owners, who begrudge the company because of its alleged opposition to their taxi licence applications before the Road Transportation Board and the loss of business they suffered when the company introduced 24-seater mini-buses, are delighted by the boycott.

"The company never seemed to think of us as people who had families to raise. All they were interested in was to monopolise the transport business in our own communities," said one taximan.

But they do admit that on their own they are unable to cope with the demand for transport.

Without any agreement between the bus company and the boycott committee, it would seem that the only way open to the company to end the boycott is to meet the demands of the two representatives who visited the company on February 5.

Political comment in this issue by J Latakgomo and A Klaaste. Sub-editing, headlines and posters by S Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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Bus drivers blackball Soweto

B DAY 7/3/86

332

SOPHIE TEMA

PUTCO bus drivers yesterday refused to enter unrest-affected areas in Soweto after one of their colleagues had been stabbed and stoned to death.

A scooter driver was also said to be missing after being attacked by youths on the Soweto Freeway between Orlando East and Noordgesig on Wednesday afternoon.

Eyewitnesses claimed a woman was also killed by the bus when the driver lost control of the vehicle after it had been stoned.

Putco PRO Pat Rogers identified the dead bus driver as Jerry Mothibedi, a father of two who lived in Naledi.

Rogers said: "Mothibedi was stoned by the youths and lost control of the vehicle which swerved over an island and hit a house on the opposite side of the road.

"Mothibedi left the bus, and it appeared that he tried to get back in when he was pulled out and stoned to death."

Rogers said the bus was empty at the time.

Eyewitnesses who claimed to have witnessed the incident said the bus ran over a woman standing in front of it, swerved over an island and then hit a house on the opposite side.

Unconfirmed reports said a scooter driver had also been stoned and then stabbed to death.

Yesterday the remains of the burnt-out scooter was still lying on the road.

After the decision not to enter Soweto Putco suspended services pending discussions with staff.

A number of buses resumed services yesterday afternoon but carried passengers only as far as the buffer strips of the township.

□ In Atteridgeville, near Pretoria, arrangements are being made for the funeral of Esther Madiphoso Masuku, 51, who was killed after unknown people fired shots and threw a handgrenade into her house.

Masuko's three sons were also injured in the attack.

One of her sons said funeral arrangements were being made for next weekend.

Masuko's eldest son, Oupa, 29, a member of the Atteridgeville/ Saulsville Youth Organisation and youth organiser of the South African Council of Churches is still in hospital.

WORKERS STRANDED

SOWETAN 7/3/86

THOUSANDS of commuters were stranded yesterday when Putco suspended its services in Soweto temporarily after one of its drivers was stoned to death by a mob in Orlando East on Wednesday afternoon.

Mr Jerry Mothibedi (31) of Naledi, was attacked by about 100 youths who stoned the bus he was driving before it crashed into a lamp post.

He was driving between Orlando East and the Noordgesicht coloured township when he was attacked.

The youths dragged him out of the bus, stabbed and stoned him.

According to Colonel James Beeslaar, Divisional Criminal Investigating Officer of the Soweto Police, Mr Mothibedi died on the spot.

The bus was also set alight.

Mrs Johannah Mothibedi, the dead man's mother, said her son was a soft-spoken person who never picked fights.

"Will somebody tell me if what the mob did is for the advancement of the struggle?" she asked.

Saddened

A spokesman for the Transport and Allied Workers' Union (Tawu) to which Mr Mothibedi belonged, deplored the action.

He said the union was saddened and appealed to all responsible to stop this "irresponsible action".

He said all employees of Putco would observe a period of silence between 1pm and 2pm tomorrow in solidarity with "the fallen comrade".



Mr JERRY Mothibedi.

Mr Mothibedi, a father of two, was the third Putco bus driver to have been killed by mobs since unrest erupted in Soweto towards the end of 1984.

Mr Pat Rogers, PRO for Putco, confirmed last night that buses entering Soweto via Noordgesicht were turning back at the New Canada station, and those from Roodepoort were stopping at the Dobsonville Police Station.

He said services from the Baragwanath depot were not affected, and that all services would return to normal today.

The Azanian Students Movement condemned the killing of Mr Mothibedi, calling it "a counter-revolutionary move".

In another incident in Orlando East, a lorry driver narrowly escaped death when knife-wielding youths forced him out of his vehicle and threatened to kill him.

He managed to escape, but his lorry, valued at R18 000, was driven away.

Police have not yet made any arrests and investigations are continuing.

Profitability must now be Putco's big concern

13/11/86 Bus Bay

STEPHEN ROGERS

AFTER experiencing losses last year for the first time since the takeover by the Carleo family in 1971, Putco's management must be deeply concerned about bringing the company back to profitability.

Last year's results show that apart from forex losses of R18,2m, the company was faced with more inherent problems that may impinge on profitability in the years ahead.

After reaching a high of 396-million in 1982, passenger volumes have fallen for three consecutive years to stand at 323-million in the last financial year.

Putco attributes the downturn to a variety of reasons, the most serious of which are black unemployment and competition from minibuses.

With black unemployment on the increase, Putco's potential market is shrinking and the company sees this as the single biggest threat in the future.

However, although it is impossible to quantify, competition from minibuses has accentuated this problem, with Putco admitting that it has lost market share to these competitors.

Not subject to the restrictive legislation controlling the bus industry, the minibuses are free to ply Putco's more profitable routes, picking up passengers at will and also using the company's bus-stops. They are undoubtedly more cost effective than Putco.

Bus-kilometres travelled a year have risen — from 183-million in 1982 to 188-million last year — simultaneously with falling passenger/volumes, thereby reducing the load factor (passenger) per bus. Putco says that one reason for the higher kilometres travelled is the extension of long-distance services to destinations such as KwaNdebele.

The average load factor in 1985 was estimated at 50%, but Putco would ideally like it to rise to 60%. However, with the government and employer subsidy (estimated at 30% of revenue) based on passenger volumes rather than kilometres travelled, this implies a reduced subsidy in the future.

Unlike its competitors, Putco is faced with the fundamental problem of providing a consistent scheduled service, the demand for which is subject to wide fluctuations, with a fleet large enough to cater for peak period demand. Thus for the greater part of each day the bus fleet is under-utilised, with heavy fixed costs which militate against cost effectiveness.

Minibuses, on the other hand, can alter their schedules to operate at peak times, and only on the profitable routes, but Putco is obliged to offer a daily service at both peak and off-peak periods.

Fare increases have not kept pace with the rise in operating costs, putting trading margins under pressure. Although the recent fuel increases will have raised operating costs further, the biggest single expense is salaries and wages which contributed 35% of last year's operating costs.

Putco has reduced its workforce by 1 040 to 10 917 and has a ratio of just under three employees per bus. However, further staff cuts could be in store as the company considers its optimum workforce at a ratio of 2,75 a bus.

The company has a target return on capital of 15% — which has never been achieved. Managing director Albino Carleo believes that there is little prospect of achieving this target unless the recommendations of



the Welgemoed Commission are accepted, giving Putco more autonomy over its fare structure and hence its revenue.

Putco has maintained a conservative gearing policy with borrowings not exceeding 50% of shareholders' funds in the past five years, in a period when the group was pursuing a policy of vertical integration through acquisition.

The group believes that this policy has helped to contain costs and envisages chassis assembly and tyre re-capping as the final steps still to be taken.

Carleo hopes that if forex losses are non-recurring in the future, the group will be restored to bottom-line profitability. However, with a company policy of 50% forward cover on foreign transactions, further forex losses might be forthcoming.

Even though the group might be restored to profitability, it will be unable to compete with the minibuses on an even basis unless transport services are deregulated or, alternatively, the minibuses are subject to regulation.

Putco advocates the National Transport Policy Study recommending the deregulation of bus services, including allowing operators greater access to the central business districts and the introduction of trip or kilometre subsidies instead of the present passenger subsidy.

To flatten the peak period problem, Putco would like flexitime to be introduced for black workers and dedicated bus lanes made available so that buses can make more than one trip during peak periods.

Transport consultant for the Council for Scientific and Industrial Research Paul Browning is confident of Putco's ability to counteract the threat posed by minibuses should deregulation be introduced.

"Studies abroad show that buses can compete favourably with minibuses as a form of transport. I am certain that Putco's performance would be greatly enhanced through deregulation," he said.

No aid for Unita while talks go on

From RICHARD WALKER

NEW YORK. — American Stinger and Redeye missiles earmarked for Unita will stay in their crates while the United States strives to prise out of Luanda an agreement based on South Africa's new SWA/Namibia settlement offer.

This was made clear in the face of conservative grumbling over the non-delivery of the US covert military aid for Unita.

With US Assistant Secretary of State Dr Chester Crocker meeting his Soviet counterpart, Mr Vladilen Vasev, in Geneva and his deputy, Mr Frank Wisner, doing the selling job around the frontline capitals, US officials were guardedly optimistic that a deal could be brokered on the basis of President P W Botha's offer to let the UN into SWA/Namibia to supervise an independence process if a firm agreement on Cuban withdrawal from Angola was achieved by August 1.

The Americans did not seem unduly concerned by Luanda's blunt rejection of the Botha proposal, reasoning that a hard line in public had to be expected.

They said that two months ago the Angolans had suggested getting South Africa to come up with a specific date and had hinted that it might meet with a positive response.

SA shipping shows signs of improving

B-DAILY 11/3/86 332

SHIPPING-MARKET conditions worldwide continue to be depressed generally, with little sign of any likely improvement, according to Afromar.

The South African area, by contrast, has witnessed more interest and activity, and has also seen some rate increases in certain areas.

Basically, the very faint firmer trend is positional, and whether this can be maintained is certainly debatable.

Reports that the Durban authorities have ceased overtime work had a potential knock-on effect on freight rates. As a hedge against the congested conditions and slower turn round, owners are certainly asking higher levels and increased demurrage rates for loading from Durban.

The Atlantic area remains weak. This was particularly so for handy-sized carriers, with spot tonnage available in all areas and nothing to lift the absymal freight levels recorded recently.

Far East markets showed slightly more-active conditions.

There was miscellaneous business from the Atlantic basin and Brazil at unchanged levels — again not suggesting any trend of better trading conditions ahead.

Overall, markets across the board remain at very uninspired levels.

Thousands stranded in bus protest

A protest by scores of Putco drivers this morning, at the murder of one of their colleagues, left thousands of workers stranded as buses failed to arrive.

A spokesman for Putco said today that at a meeting held with management last night, driver representatives from the Putco Dobsonville Division indicated they would not operate services today.

They are acting in protest at the murder last week of Mr Jerry Mothibedi, who was stabbed to death by a mob of youths. He is to be buried today.

The Dobsonville division serves Dobsonville and Meadowlands and operates services from Soweto to the northern suburbs.

"We understand drivers in the Soweto division have also become involved and services have been affected," the Putco spokesman said.

Putco announced yesterday its bus services in Soweto would be stopped between 11.30 am and 1.30 pm to mark the funeral of Mr Mothibedi.

Road hauliers say new third party system is a 'foul-up'

13/2/86 STAR 332

By Frank Jeans

South Africa's road hauliers estimate that the new fuel-linked third party insurance levy will cost them millions of rands a year more than the old token system.

The top five companies in the road transport industry estimate that last year's third party bill of R54 000 will be "peanuts" compared with the estimated R2,25 million outlay for 1986.

And the government, according to a leading figure in the industry, has admitted that this is the result of "something being wrong with their figures".

Hitting out at the government for having made no effort to talk with the industry before introducing the new system, Mr Jack Webster, executive director of the Public Carriers Association (PCA), says: "We repeatedly asked the authorities to discuss the matter with us, to no avail.

"As a result, the government has got its sums hopelessly wrong and road hauliers are paying out many times more than they should, while the mess is being sorted out."

Mr Webster makes the point that a five-axle articulated vehicle will now be burdened with a levy for third party insurance which is seven and a half times that of a car for the same distance travelled and 50 times the premium previously paid.

COSTLY DELAY

A haulier who paid R54 a year for a five-axle articulated vehicle last year could be paying R2 700 this year — based on a distance of 180 000 km travelled which is reasonably typical in the transport business.

"Every day's delay is costing our members considerable sums of money they should not have to pay and which they will not recover," he says.

"Government has acknowledged to us that there is something wrong with their figures but we won't be getting a refund."

Costs of this size, say the hauliers, cannot possibly be absorbed by the industry which is already at a disadvantage in relation to the subsidised South African Transport Services (Sats) rail freight service.

They maintain that Sats can afford to make a loss, because the taxpayer is always there "to bale them out".

"Our members have been upset about this for some time," says Mr Webster. "Now they are downright angry at what they regard as a stab in the back for the road transport industry."

The PCA, it is understood, has given the authorities written evidence on the matter including statistics illustrating the superior safety record of the professional hauliers over all other categories of road user per kilometre travelled.

Mr Webster says revised figures offering the government "a way out of this major foul-up" have also been supplied.

Bus chaos: thousands stranded in city

14/3/87 SOWE

By Montshiwa Moroke

Thousands of workers were stranded yesterday afternoon as Putco drivers continued their protest over the murder of a colleague in Soweto last week.

The situation was chaotic as peak-hour commuters searched for transport home. As night fell, hundreds still waited in long queues for taxis.

At some terminuses, no buses were operating. At others, buses arrived at long intervals but then went only as far as Baragwanath Hospital — the scene of confusion and desperation yesterday morning.

The worst-affected area comprised the West and Sauer streets bus terminuses in Johannesburg. Queues began forming from about 4 pm and by 5.30 the Stock Exchange building in Diagonal Street was almost surrounded by commuters.

Taxis did a roaring trade but could not cope and commuters became angry as the queues grew. Some people did not know why services were not operating.

The decision by drivers not to operate services was taken at a meeting held with management on Wednesday night. The Putco Dobsonville division drivers said they were protesting over the death of Mr Jerry Mothibedi, who was stoned by a mob.

Putco had announced earlier that its Soweto bus services would be stopped for two hours yesterday — between 11.30 am and 1.30 pm — to mark the funeral of Mr Mothibedi.

● See Page 7.

No action against 400 Putco drivers

By Chris More

Putco announced yesterday it would not take any disciplinary action against 400 drivers who refused to work on Thursday in order to attend the funeral of a slain colleague, Mr Jerry Oupa Mothibedi (30), leaving about 112 000 commuters stranded.

The errant drivers were from the Soweto and Ikwezi depots.

A spokesman for the bus company, however, praised drivers from other depots who continued to provide a public service.

"It is unlikely we will take disciplinary action against the drivers who did not report for work on Thursday, when their colleague was being buried.

"We regret the inconvenience caused to the public and recognised our responsibilities in this regard."

Ministers' share row: Botha 'not concerned'

Cape Times 31/3/86 332

Own Correspondent

JOHANNESBURG. — The State President has said it was of no concern to him if cabinet ministers accepted preferential share allocations as long as it did not involve a conflict of interests with their political responsibilities.

President P W Botha was responding to the row brewing over the acceptance of a total of 32 700 preferential shares by seven senior cabinet ministers and two deputy ministers from Metropolitan Life Insurance Company (Metpol).

He told a Johannesburg newspaper, the Sunday Star, that if a conflict arose it was the duty of individual ministers to bring it to the State President's attention.

But he did not respond to an appeal by the Progressive Federal Party finance spokesman, Mr Harry Schwarz, to initiate a code of conduct governing ministers' shareholdings, the newspaper said.

Business transaction

Mr Schwarz condemned the ministers for accepting the offer as the PFP did not accept that it was normal practice to offer shares to opinion formers, and called on the Registrar of Financial Institutions to investigate the question of preferential shares and the method of their allocation.

But the ministers involved said they had viewed it as a normal business transaction, the newspaper report said.

The Minister of Home Affairs and National Education, F W De Klerk, said he had been assured by the company's MD that the application forms had been offered to a wide cross-section of the community.

He said as he was not involved with the activities of Metpol through his portfolios, he regarded the purchase as a normal business transaction.

Mr Hendrik Schoeman, Minister of Transport Services, said there was nothing sinister about his decision to purchase the shares and the invitation to him to do so was done in open correspondence.

He said he believed he was as entitled to the shares as any other member of the public.

Mr Piet Clase, Minister of Education and Culture in the House of Assembly, said Metpol's offer had reached him in the post and there was no indication this was by virtue of his position as a minister.

He said it had not crossed his mind that he was accepting the offer in his official capacity.

No conflict of interest

The Deputy Minister of Industries and Commerce, Mr Kent Durr, said he had obtained authority from two senior ministers, Dr Dawie de Villiers, the Minister of Industries and Commerce who also bought shares, and the Minister of Finance, Mr Barend du Plessis.

He said the purchase represented no conflict of interest as he did not administer the insurance industry.

The other ministers involved are the Minister of Manpower, Mr P T C du Plessis, the Minister of Constitutional Development, Mr Chris Heunis, Mr P J Badenhorst, the Deputy Minister of Constitutional Development, and Dr Willie van Niekerk, the Minister of National Health.

Passport puzzle

CITY P 30/3/86

CP Correspondent

SWAZILAND cops are investigating the mysterious disappearance of 300 passports from the Ministry of Interior and Immigration.

Rumour has been rife in Mbabane that the passports were taken by former Swaziland roving ambassador Antonio Fernandes, who has left the country.

Fears have been expressed in parliament that the disappearance of the passports may be linked to a plot to overthrow the Government.

Braaied at braai

CITY P 30/3/86

CP Correspondent

A BOPHUTHATSWANA man was jailed for 18 years this week for setting a construction worker alight.

David Sedingo, 36, set Ishmael Mbatha alight after Mbatha tried to stop Sedingo quarelling with a friend at a braai last year.

The court heard that Sedingo doused Mbatha with petrol while he was asleep – and then set him alight.

Mbatha died of 90 degree burns.

Judge P Waddington said Sedingo was "a danger to society" and should not be shown any mercy.

Old enough to be their grandfather

OLD-TIMER Herbert Riley likes his women young – too young.

The 74-year-old Bellville man was this week found guilty of committing "indecent acts" with three girls – all under 16.

Riley, who pleaded guilty, was acquitted on three counts of rape. He was sentenced to 18 months' imprisonment, suspended for three years.

Riley admitted committing indecent acts with three girls aged 11, 12 and 14.

● The father of one of the girls – initially Riley's co-accused – is to be tried on three charges of rape. – Sapa.

Bekkersdal's got boycott-busters!

CITY P 30/3/86

By HERMAN LETSIE

THE fleet of minibuses recently bought by new Bekkersdal taxi-owners has made the township's youths see red.

They claim the taxis were sponsored by the Greyhound Bus company – which is being boycotted.

Earlier this month, over 21 applications for taxis were approved by the local Transportation Board. The new taxi owners badly needed minibuses – their permits were for eight passengers.

Last week 11 new minibuses entered Bekkersdal – and there were rumours they had been bought by the bus company.

Angry Bekkersdal youths called on commuters not to board the new minibuses – claiming the taxi owners were just a "front".

"Some of the new taxi owners were known to be without money. I smell a rat," a youth told *City Press*.

But a spokesman for the new taxi owners said they bought the taxis with the help of the African Bank.

"We paid a small deposit compared to other financial institutes. We have no business with Greyhound," he said.

He said he had taken a youth leader to the bank "to prove what I'm saying".

ROAD TRANSPORT

Fuel folly

Adding insult to injury, government has once again proved to SA's freight hauliers that its avowed commitment to consultation with the private sector goes little further than the promise.

Despite repeated requests for discussions, government went ahead with the introduction of the new fuel-linked Third Party insurance system to shore up the Motor Vehicle Assurance (MVA) fund when the last petrol price cut came into effect.

Now it transpires that the new scheme will, effectively, push up the road transport industry's annual bill by millions of rands.

The top five companies in the industry alone estimate that, under the new system, their Third Party cover costs could jump from last year's R54 000 to R2,25m this year. Inevitably this will affect tariffs.

The levy of 2c on each litre of fuel replaces the annual premiums previously paid to insurance companies.

Hauliers have already been angered by government's continuing support for Sats' subsidised rail freight service, which they claim is unfair competition (*Business* September 13).

"Sats can carry its loss," says Public Carriers Association (PCA) executive director Jack Webster. "The taxpayer is always there to bail them out, whether he likes it or not. But we have no such safety net."

Big increase

Webster says that, under the new system, a five-axle articulated vehicle carries a Third Party insurance levy which is 7,5 times that of a car for the same distance travelled, and 50 times the premium previously paid.

Last year hauliers paid R54 for cover for such a vehicle. But this year, assuming a reasonably typical annual mileage of 180 000 km, he could be paying as much as R2 700.

Webster claims Pretoria made no effort to respond to the PCA's requests for consultation. "As a result, government got its sums hopelessly wrong." He says government admits there is a problem with the figures and "every day of delay is costing our members considerable sums of money they should not be paying, and which they will not recover. Government has not offered a refund." In fact, government departments themselves appear to be confused by the matter. The levy was imposed and is administered by the Deparment of Mineral and Energy Affairs, but the calculations were made and advice was given by the Department of Transport. As a result, neither Department is willing to comment, believing the other to be responsible for the levy.

The PCA has submitted written evidence to support its claims of inequities in the new system, including statistics on the professional hauliers' "superior" safety record, says Webster.

It has also produced revised figures which offer government a way out of what Webster refers to as "this major foul up." However, he adds: "We are still waiting for some action — and paying through the nose for the delay." ■

STAR 25/3/86

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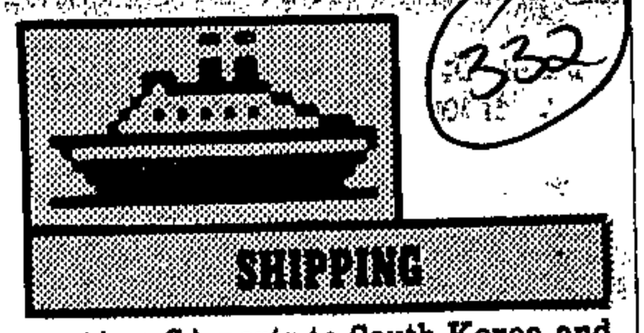
Bus accord extended

Putco Operating (Pty) Ltd (POTS) has extended its public bus transport agreement with the Sandton municipality by 18 months. It will be running the town's bus service until the end of December 1987.

The agreement was made against an uncertain background. It is unclear when Regional Services Councils (RSCs), which have earmarked public transport as one of their functions, will be established.

It is also not clear whether the RSCs will directly control public transport

SA freight market 'rather lethargic'



AN UNEVENTFUL shipping week has been seen in most areas, and it is most unlikely that any fireworks are going to be seen for some time, reports Afromar.

The SA area was rather lethargic last week, with little increase in demand.

A 21 000-ton cargo of maize was quoted from Durban to up to three Japanese ports for loading in the second half of April, for which charterers will probably talk a rate in the region of $16.

Taiwanese interests quoted a tender for the movement of 250 000 tons of maize from Durban or East London to Taiwan for shipment in vessels of 24 000-33 000 tons between May and July.

There was quite good inquiry in the coal sector, but when the crunch came many of the orders were not definite.

One of the major oil companies took two panamax vessels for cargoes from Richards Bay to Hong Kong at $6. It should be noted that both vessels were looking for employment to the East in order to be scrapped.

Ore charterers came into the market for the movement of 40 000 tons of iron ore from Saldanha Bay to Eregli in Turkey, with shipment spread between April 1986 and April 1987.

A re-let cargo of 14 000 tons of concentrates was quoted from one or two SA ports to South Korea and Japan for April shipment, while 5 000 tons of fertiliser were quoted from Italy to Durban for prompt loading.

A combination cargo of fertilisers and wood pulp was to be lifted from Antwerp and Drammen in Norway to Tamatave, for which a rate of $275 000 was quoted on a lump-sum basis.

Time-charter rates have tended to ease for handy-sized vessels for trips to the Continent.

Atlantic trading was fairly steady at previous levels with, for example, $6,25 being paid for a 75 000-ton cargo of grain from the Mississippi River to Europe.

Little coal fixing was reported but a 90 000-ton cargo was arranged from Hampton Roads to the Netherlands at $3,95 for April loading.

Some business is being quoted out of the Great Lakes, and an 18 000-ton cargo of grain was fixed to the Netherlands for first open water at $17,50.

However, the feeling seems to be that inquiry is going to be reduced this season, which will not help the Atlantic handy-sized market.

There has been slight improvement in the Pacific area, where good liner-type vessels have been able to obtain employment more readily.

Road costs study 'incomplete'

18/3/86
332
1 DAY

ALAN PEAT

ONE of the Transport Affairs Minister's pre-conditions for deregulating the transport industry is based on incomplete information, according to the Public Carriers Association (PCA).

PCA chairman Deon Blignaut criticises a statement by Transport Affairs Minister Hendrik Schoeman that hauliers be made to pay their fair share of road infrastructure costs before deregulation.

"An early decision made by the National Transport Policy Study (NTPS) suggests something entirely different," says Blignaut.

"The sub-committee on the industry's financial position came up with the conclusion that road hauliers are almost paying their own way already."

But Schoeman can begin outlining government's revised transport policies before the NTPS is completed, Blignaut adds.

"His proposal to have an initial White Paper in three weeks is acceptable," he says. "The NTPS has already made its broad recommendations on which the paper can be based.

"But if he puts something solid forward on this issue of us not paying our way, he will be wrong in relation to the NTPS. The main steering committee has yet to finalise its conclusions on that — and this cannot be done until the next meeting on April 18."

The private sector road transport industry also has pre-conditions of its own incorporated in the NTPS.

"These were put forward in the main recommendations," Blignaut says.

"A quality-control system for the transport industry should be instituted before anything else goes through. And the position of the SA Transport Services road section should be resolved.

"They have no right to be on the road, competing with private hauliers, as long as they have all the artificial benefits of a State-controlled industry."

Daily inter-city bus service launched

B DAY 18/3/86
332

Own Correspondent

CAPE TOWN — A daily bus service is operating between Cape Town and Port Elizabeth.

The Translux service, run by SA Road Transport, was introduced after SA Transport Services (Sats) withdrew two train services between the cities.

Reporters and Sats officials were taken on the service's inaugural run on Friday, travelling in air-conditioned comfort along the Garden Route.

The bus features reclining seats, a toilet aboard, refreshments served by a hostess, and a 25kg luggage allowance for each traveller.

Sats Western Cape regional manager Bertie Heckroodt said the service would break even at 60% usage.

The fare is R80 single and R148 return.

The bus service is the latest addition to the Sats passenger fleet, which on March 31 last year consisted of 439 country passenger buses, 409 passenger semi-trailers, 48 intertown buses and 93 dual-purpose goods/passenger buses.

The Translux bus leaves Cape Town on Mondays, Wednesdays and Fridays at 7am from the coach terminal at Cape Town station. It returns on Tuesdays, Thursdays and Sundays from the Elizabeth Sun and the Port Elizabeth station.

The bus will pick up passengers in Somerset West, Caledon, Swellendam, Heidelberg, Riversdale, Mossel Bay (where there is a lunch stop) Hartenbos, George, Knysna, Plettenberg Bay and Humansdorp.

Bookings can be made at the mainline ticket offices at all stations on the route. The intermediate tariff scale is also available at mainline stations.

Heckroodt said at a cocktail party held before the journey that more than 15-million passengers had been transported by Sats' road motor services during the 1984/85 financial year.

Lesotho changes top posts

18/3/86 B DAY
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MASERU — Lesotho's military rulers have announced the first major changes in top civil service and diplomatic posts since the coup.

A circular from the principal secretary for the public service announced at the weekend that the First Secretary to the Military Council of Lesotho will be Tom Thabane, former principal secretary for the interior and chieftainship affairs.

Three diplomats have been recalled:

- Paul Moonyane, former ambassador in Brussels, who becomes principal secretary for the interior and chieftainship affairs.
- Tseliso Thamae, former high commissioner in Ottawa, becomes principal secretary for foreign affairs.
- A L Thoahlane, former ambassador in Washington, becomes principal secretary for labour and manpower development.

There are five other changes among senior servants. — Sapa.

Petrol plan judgment

Euro M

Experts seek ways to put transport on the road to free competition

Legislation will be tabled in Parliament next year aimed at the deregulation of the road transport industry. Transport Reporter ZENAIDE VENDEIRO takes a look at how road transport is administered. The second report deals with radical proposals by a Government-appointed team of experts aimed at dismantling the mass of regulations that hamper free competition.

The regulation of the South African road transport industry is based on the principle of non-competition.

That is not only the opinion of road hauliers — who regularly lock horns with the Government transport enterprise, the South African Transport Services — but also of a group of public and private sector leaders appointed to investigate transport policy.

The National Transport Policy Study group has spent four years unravelling the maze of laws and regulations affecting the industry and is now helping to prepare a White Paper aimed at bringing about greater competition. Legislation based on the White Paper is expected to be passed next year.

SATS is, by law, supposed to be administered on business principles but the study says its entrepreneurial capacity is severely compromised by its role as an instrument of Government policy.

It has to render many uneconomic social services. Some of these costs are covered by the annual appropriation from Parliament and the remainder is covered by profitable services such as the pipelines.

SATS is, however, also afforded other safeguards to ensure commercial viability.

The Road Transportation Act of 1977, which regulates road transport services, is designed to protect SATS from competition.

Freedom of entry into the industry is regulated by permits, of which there are three types: temporary, private and public.

Temporary permits are required by anyone wanting to undertake road transport for a period not exceeding 14 days. Private permits are needed by companies engaged in industry, trade or business wishing to transport their own goods.

But the permit that arouses the most controversy is the public permit. It regulates competition between SATS and public hauliers.

If no transport facilities exist over a route, the applicant need only show the need for the service and his ability to provide it.

However, when there is an existing transport facility over a route, the applicant has to prove that this service is not satisfactory and sufficient to meet the need and that he has the ability to provide it in a manner satisfactory to the public.

The applicant must also prove either that the tariffs of the existing service are unreasonable (impossible as rail tariffs are deemed, by law, to be reasonable) or that it would be in the public interest to grant him a permit or that he belongs to the same class as the majority of people to be served by the proposed service.

Meeting these requirements is extremely difficult. Hauliers may spend thousands of rands in legal fees in applying for permits with no guarantee that they will be granted or, if granted, that they will not be withdrawn.

Most favour some form of control in the industry but say it should be based on quality requirements such as vehicle standards and driver licensing.

WE'RE

Star
18/3/86

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Search on for better system on the roads

The aim of the National Transport Policy Study is to bring about a changeover from the present controlled transport environment to a considerably freer and more competitive arrangement.

The study group, which consists of transport leaders in the public and private sector, is helping to prepare a White Paper on exactly how this will be achieved.

Its proposals for the rationalisation of transport may at first seem complex — but not if one takes into account that there are 15 Acts relating to transport, and many central, provincial and local authorities administering the laws.

The recommendations feature two new statutory bodies — a Transport Advisory Council and a Transport Tribunal — as well as a co-ordination unit for liaison between the Department of Transport (DOT) and South African Transport Services.

The function of the Transport Advisory Council will be to advise the Minister of Transport Affairs on all aspects of transport policy.

It will comprise representatives of all population groups, users and operators.

The Transport Tribunal will regulate competition according to statutes and regulations. A single quasi-judicial organisation staffed by qualified transport professionals and legal personnel, it will hold permit application hearings, hear appeals and investigate specific transport matters.

The study group has presented options for change in both the passenger and freight transport markets.

Regarding the passenger market, the group proposes there be a certain amount of control but that allowance be made for greater competition.

They envisage a public transport system of train services (provided by SATS), bus services (by tender) and more informal services.

Applicants for public transport permits will have to meet certain quality requirements and show that the services they propose will not disrupt the market.

The study team has identified three major problems in the market: intervention by Government in both the operations of SATS and through the extensive system of permits; the significant costs of the system; and the difficulty in enforcing it.

Solutions suggested by the group are the eradication of financial inequities between modes such as rail and road; relaxation of the permit system to allow greater entry into the market; and the protection of the public through the setting of vehicle standards.

Fifty buses burnt down

FIFTY buses belonging to the Bophuthatswana Transport Holdings were burnt down by unknown persons in Maboloka, Bophuthatswana, yesterday morning.

A BTH spokesman estimated the damage at R1m. He said the incident took place during the early hours of the morning at the company's parking area.

Thousands of commuters were left stranded as buses did not operate on the route. The company spokesman said there was no way in which a service could have been quickly restored because a large number of vehicles were involved.

Colonel M A Molope, a divisional commissioner of police in the Odi and the Moretele regions, said the matter was under investigation.

"The situation was so serious that many people could not reach their places of work because of lack of transport this yesterday morning," he said.

SUNTIMES. 332 6/4/86.

Putco — workhorse and whipping boy

DIAGONAL STREET
By David Carte



A R19,7-million loss in the six months to December notwithstanding, don't sell out on Putco yet.

First, let's look at the result, then at the company's basic trading position.

We should remember that Putco makes enormous depreciation provisions and that cash flow is always strong. It owns huge assets — more than 3 200 buses, worth an average R65 000 each, and properties worth more than R100-million in prime spots all over the Pretoria-Witwatersrand-Vereenging area and Durban — assets of R308-million against total debt of about R70-million.

Forex loss

If necessary, the company has the strength to sustain losses of this order for years — though one doubts that it will have to.

About R10,3-million of the stated loss represents the unrealised portion on a foreign-exchange position which Putco appears to be taking on the chin. The stronger rand since the year end has reduced the unrealised loss by R3,3-million.

With the rand at 37 US cents the outstanding deferred forex liability stood at R5,3-million. This would have come down by more than a million already, so forex should no longer be a serious factor in future.

Apparently, damaged buses in unrest last year amounted to R6,5-million to R8-million. Revenue forgone because some routes could not be operated at certain times lifted damage to the company because of unrest to R20-million.

An extremely positive development for Putco shareholders is that the Department of Transport has subsidised losses arising from Putco's inability to go into townships because of unrest.

Subsidy

This amounts to tacit recognition that Putco faces abnormal risks in the townships, in fact, is unjustly paying the price of apartheid and must be compensated.

A second request for subsidisation has been submitted and "if approved, it will materially alter the financial results in this financial year".

Fairly large quantities of cash are flowing or could flow from several one-off situations.

Having received R15-million for rationalisation of its Bophuthatswana services, Putco expects to receive compensation of R18-million from the National Transport Commission because of the opening of the Mabopane railway line. It also hopes to recover R3,8-million from the Magnum disaster.

That's potentially R37-million in the bank.

Finally, the work force has been trimmed by more than 800 for a saving of R8-million a year.

Putco met strong competition from combi-taxis last year. It is resigned to competing with them, although it argues it has to ply uneconomic routes, while the combi-taxis pick the eyes out of its most profitable ones.

Putco takes the view that taxi commuters have gone up-market, but that the mass of working people will stick to buses, which are cheaper to use.

The scrapping of influx control and the strong trend to urbanisation, together with population growth, will ensure continuing long-term demand for its services.

In recent years, Putco has been caught between a rock, in the form of black commuters who cannot or will not pay economic fares, and a hard place in the form of a cash-strapped Government which cannot afford subsidies.

Complicated

Putco's strategic position is complicated. It is pushed and pulled hither and thither by about 10 constituencies — a number of black political groups, commuters, trade unions, commerce, industry, government and its own shareholders. It cannot please them all.

Take the matter of work stay-aways. Black political groups, such as the UDF, Azapo and Cosas, have demanded a stay-away on June 16 in commemoration of the 1976 Soweto riots and insist that Putco stops services that day. Black trade unions, on the other hand, demand a stay-away with no buses on May 1, international labour day.

Putco sincerely wants to be apolitical and to get on with the business of carrying passengers — but cannot. If it runs commuter services on either of those days, buses could be stoned or burned.

If it complies with the wishes of either of the factions and does not operate on those days, thousands of commuters, who might wish to work, will not be able to. The Government will be displeased and that could be a disadvantage next time subsidies are discussed.

The low rand has sent fuel and bus prices soaring and Putco has not been properly compensated by its customers or their sponsors (the Government, commerce and industry).

Putco has gone out of its way to oblige all parties. It has been a fence-sitter, but increasingly it must feel the need to go with the wishes of its customers and against those of the Government.

In accepting all the pushing and pulling of its numerous publics, Putco has given the impression of powerlessness. But the company has considerable financial and strategic strength, which it can bring to bear.

Friend

Both black communities and the Government need Putco's services desperately. The Government once toyed with the idea of nationalising private bus companies, but now recognises that it is impossible.

That damage to buses was held to less than R8-million last year shows that most blacks recognise Putco as a friend more than than a foe. The Government knows it is far cheaper, with the help of commerce and industry, to subsidise Putco than to own it.

Without Putco's services, many blacks would starve. Tens of thousands would not get to work — with devastating economic, social and political consequences.

Theoretically, the Carleo family, which controls Putco, could terminate services and wind up the company tomorrow if it wished to, taking out something like 900c a share in cash.

The Carleo family says a sale of assets is simply not on — but this has to be the bottom line, the unspoken, unthinkable ultimate threat. The owners of Putco cannot permit an asset-rich company to slowly go broke.

This is what would happen if last year's events were allowed to continue indefinitely. Far wiser to wind up the company today while it still has assets.

The bottom line is certainly a compelling reason for the Government to give Putco the subsidies it needs not only to survive, but to keep expanding its fleet.

It is also a good reason to stay on board as a shareholder.

Unrest puts skids on Putco's profits

MERVYN HARRIS

TOWNSHIP unrest and boycotts put the skids under Putco in the half-year to December, extending its attributable losses from R2,4m to a mammoth R19,7m.

Foreign exchange losses of R13,4m (R1m) and fierce competition from the informal private sectors operators of minibuses and illegal taxis did not help matters either.

But the directors are confident of returning the operating divisions to profitability in the near future. They say further subsidies by the Department of Transport will materially alter the company's results for the current financial year.

Revenue increased by almost 20% to R144,7m (R120,9m), but this was wiped out by a 28,2% jump in operating costs to R149,2m (R116,4m). As Putco prepares its accounts almost entirely on a current costs basis, financial gearing had a positive effect of R3,8m (R4m) to cut the operating loss to R693 000 (R8,5m profit).

Finance charges rose 36% to R5,3m (R3,9m) but the improvement in the rand-dollar exchange rate since the year-end has resulted in a decrease of R3,2m in unrealised foreign exchange losses.

Deferred foreign exchange losses to be written off in future periods totalled R5,4m at end-December.

The loss before tax was R19,4m (R1,3m) while the bottom line loss a share increased from 9c to 74,4c. The interim dividend has been passed (3c).

The directors say township unrest compelled the company to reduce its normal services. Losses resulting from this disruption were subsidised by the Department of Transport up to the end of September to avoid further fare increases and the company is hopeful of obtaining further subsidies.

cart, (iii) Queenstown, (iv) King William's Town, (v) Komga and (vi) Stutterheim area entered for the St 10 examinations in 1985, (b) how many entrants in each category (i) passed, (ii) failed and (iii) obtained matriculation exemption and (c) how many entrants passed (i) mathematics and (ii) physical science in that year?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

The honourable member is referred to the answer to Question 151.

Q COR 1027.
HANSARD 10/4/86 332

Bus service: permits

658. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

(1) Whether any applications for permits to operate a bus service between Cape Town and Port Elizabeth have been received; if so, (a) from whom and (b) when;

(2) whether any permits have been granted in respect of these applications; if not, why not; if so, (a) to whom and (b) on what date was each such permit granted?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) Interkaap Ferreira Busdiens (Pty) Ltd, City Tramways Ltd. and the South African Transport Services.

(b) On 30 August 1984, 21 February 1985 and 10 April 1985 respectively.

(2) No, the matter is still being considered by the National Transport Commission.

(a) and (b) Fall away.

The honourable member's attention is, however, drawn to the fact that motor carrier certificates were granted to the South African Transport Services (SATS) on 25 October 1948 by the then Central Road Transportation Board and on 25 August 1959 by the Local Road Transportation Board (LRTB) Cape Town to render a service between Cape Town and Durban with intermediate stopping places including Port Elizabeth. These services were introduced on 8 November 1948 and 5 September 1959 respectively. Following this the SATS applied to the LRTB Cape Town on 28 February 1985 to amend the authority granted to them on 25 August 1959 to provide for the exclusion of Oudtshoorn as a stopping place in respect of four buses commuting between Cape Town and Durban. The LRTB approved this application on 4 March 1985.

In a further application on 7 March 1986 the SATS applied to the LRTB Cape Town to introduce four luxury buses in the place of the four buses which had previously been withdrawn. This application was approved and the buses are now utilised as follows—

* Two provides a service between Cape Town and Durban with intermediate stopping places including Oudtshoorn and Port Elizabeth and return.

* The remaining two operate between Port Elizabeth and Durban and return.

Duncan Village: schools

HANSARD 10/4/86 (67)

691. Mr E K MOORCROFT asked the Minister of Education and Development Aid:

Q COR 1028

(1) How many schools were there in Duncan Village as at the latest specified date for which figures are available;

(2) (a) how many of these schools are functioning at present, (b) what are their names, (c) in respect of each of these schools, how many (i) classrooms are there, (ii) pupils can be acoommodated, (iii) playing-fields are available for use and (iv) pupils are registered and (d) in respect of

what date is this information furnished?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) There were 11 schools in Duncan Village on 31 March 1986.

(2) (a) 11 schools are functioning.

(b)

	(c) (i)	(ii)	(iii)	(iv)	(v)
Ebenezer Majambozi Sek Qaqamba Sek	8 classrooms, 1 typing room, 1 hall, 1 laboratory, 1 Woodwork room and 1 domestic science room	560	None	300 comb*	19/3/86
Ikwezi HP Zabanisa HP	Church	200	None	55 comb*	19/3/86
Nompumelelo LP Nontutuzelo LP	Church	200	None	202 comb*	19/3/86
Noxolo LP Emendweni LP	Church	200	None	27 comb*	19/3/86
Inyathi HP Duncan Village HP Makinana LP	Church	200	None	116 comb*	19/3/86

*Combined

(2) (d) 31 March 1986.

Note: Schools marked * are housed in churches because they were burnt down on the 12 and 13 August 1985.

Q COR 1029.
HANSARD 10/4/86 (27)

Prof T van der Walt: inquiry

762. Mr P G SOAL asked the Minister of Education and Development Aid:

(1) Whether, with reference to the reply of the Minister of Co-operation, Development and Education to Question No 4 on 5 March 1985, the report of the inquiry led by Prof T van der Walt has now been completed; if not, why not; if so, what (a) were the findings of the inquiry and (b) was the total cost involved;

(2) whether copies of the report are to be made available to Members of Parliament; if not, why not; if so, when?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) Yes.

(a) The findings of the inquiry will soon be released in full.

(b) R5 866,25.

(2) Yes, as soon as the report is ready for release.

BUSDAY 14/4/86 332

SA freight market is still static

THERE was not much change in the overall freight-shipping market last week, reports Afromar.

The local market has continued to lack any real substance. Some inquiry has been quoted, which may or may not be definite business.

A 211 000-ton cargo of maize is being quoted to up to three Japanese ports for shipment during the first half of May, for which charterers are indicating a rate of $15, although owners may be able, eventually, to better this slightly.

While there was a small drop in inquiry in the coal sector, rates have tended to be maintained for all sizes. The lower bunker prices have not really had any effect on rates, since levels have, in any case, been rather low.

Italian charterers are thought to have taken a 55 000-tonner for a cargo from Richards Bay to La Spezia at a rate believed to be just under $6,50.

Spanish charterers fixed a Spanish-owned Panamax-sized vessel for a cargo from Richards Bay to the Spanish Mediterranean at $6,20 on a subsidised basis.

There is another cargo — probably on a similar basis — to be moved for end-April/early May shipment.

A Cape-sized cargo was quoting from Richards Bay to two Danish ports, for which charterers' ideas were in the region of $5,50. A similar-sized cargo to Rotterdam will probably be covered at the $5 level.

A 25 000-ton cargo of sulphate was quoted from Lisbon to Richards Bay for mid-May shipment, with charterers indicating a level of $13/$14.

Two thousand tons of fertiliser came into the market for shipment from Rotterdam to Durban for May/June lifting.

Local charterers had a combination cargo of just more than 15 000 tons of ores, steels and woodpulp to a number of Japanese, Korean and Hong Kong ports.

Conditions in the Atlantic have not improved because the anticipated seasonal revival in the grain trade has not materialised.

With too much tonnage available, as well as cheap bunkers, rates have tended to put even more pressure on owners.

The Panamax rate for grain from the US Gulf to Japan eased $1 to $9,50. This is the level which prevailed about five years ago, which must be a depressing thought for owners, and should mean the Northern Hemisphere summer period will be a most trying time for owners.

The Soviets have also gone quiet and will presumably be encountering problems because their income from oil sales has been cut severely, thereby reducing the amount of dollars available to buy from the West.

Fairly thin conditions were seen in the Pacific, with little fixing being reported, although there was inquiry by Far Eastern charterers on a time-charter basis at about steady levels.

Argus 16/4/86

PARLIAMENT

THE BUDGET DEBATE

Black commuter subsidy is a 'strain on economy'

By FRANS ESTERHUYSE
Parliamentary Staff

A WARNING has been given in Parliament that the huge cost of subsidising black commuters may soon become too much for the economy.

Mr Reuben Sive (PFP Bezuidenhout) said research on the commuter issue was an indictment of the Group Areas Act and homeland consolidation.

Speaking in yesterday's Budget debate on the Transport Vote, he said some black commuters spent more than six hours travelling to and from their jobs in Pretoria each day.

Quoting from a CSIR research report, Mr Sive said the total transport costs for black commuters travelling daily across the borders of the Republic amounted to about R1 000-million a year.

R2 000-m yearly

Together with other items such as time costs, the overall cost was as high as R2 000-million a year.

Preliminary estimates showed a "surprisingly low" commuter volume (2,1 million trips for peak periods daily), but at "an alarmingly high cost".

In countries of the European Economic Community (EEC), the average distance travelled by bus commuters was 13,5km a day, compared with 28km for black commuters in South Africa.

"The economy may soon be unable to afford this subsidisation because there may not be enough money available,' Mr Sive said.

"Would bleed"

Replying, the Minister of Transport Affairs, Mr Hendrik Schoeman, said his "heart would bleed" for black commuters if subsidies on bus and train journeys were abolished.

It was an achievement that so many people could travel cheaply on public transport "with so little Government aid".

Referring to distances travelled, Mr Schoeman said Mr Sive had referred only to certain people.

Many white people also travelled long distances to and from their work.



Mr Schoeman



Mr Sive



Mr Lockey



Mr Abrahams

Govt drops clauses on control of black areas

By PETER FABRICIUS
Political Staff

THE Government has dropped controversial legislation which would have empowered homelands to administer South African black communities against their will.

The legislation would have "circumvented" a Supreme Court decision forbidding the South African Government from transferring the administration of the Mgwali community to Ciskei, Labour Party MP Mr Desmond Lockey told the House of Representatives yesterday.

It also could have affected several other communities which have successfully resisted forced removal to homelands.

The legislation was contained in two clauses of the Laws on Development Aid Amendment Bill which passed its second stage in the House of Representatives yesterday, after a standing committee had dropped the clauses.

"These clauses followed a Supreme Court decision after the Mgwali people went to court in 1985 over an agreement between the South African Government and Ciskei to transfer the administration of Mgwali to Ciskei,' Mr Lockey said.

"The Supreme Court decided that the South African Government had no right to transfer the government of its citizens to a foreign country."

The controversial clauses were an attempt to circumvent the Supreme Court's decision by making good the shortcomings of the Black Laws Act, Mr Lockey said.

'No cultural differences'

Parliamentary Staff

THE Minister of Finance, Mr Barend du Plessis, said he saw no cultural difference between himself and the Rev Allan Hendrickse.

Mr du Plessis is classified white and Mr Hendrickse, the chairman of the Ministers' Council in the House of Representatives, is classified coloured under South African law.

Mr du Plessis made the admission during the Budget debate in the House of Delegates in response to a question from Opposition MP Mr Pat Poovalingam (Solidarity, Reservoir Hills).

Mr Salaam Abram-Mayet (NPP, nominated) had earlier taken the Minister to task for suggesting on Monday that the rationale for racially separate education was the desirability of mother-tongue instruction.

Why then, asked Mr Abram-Mayet, were there not separate state schools for Greeks, Portuguese and Hebrew-speaking white children.

Most coloured people shared the same mother-tongue and church as most Afrikaners, he said.

Mr Poovalingam later asked the Minister if he saw any cultural difference between himself and Mr Hendrickse.

Mr du Plessis conceded that he did not.

'Just colour?' Mr Poovalingam asked.

'Yes,' replied the Minister.

'My heart would bleed' for blacks if aid cut: Schoeman

PARLIAMENT — The Minister of Transport Affairs, *Mr Hendrik Schoeman*, said his "heart would bleed" for black commuters if Government subsidies on bus and train journeys were abolished.

Replying to the debate on his Budget vote yesterday, he said it was a matter of prestige that so many people could travel cheaply on public transport "with so little Government aid".

Referring to points raised by Progressive Federal Party speakers about the distance travelled by black commuters, the Minister said not everyone could stay "in Houghton or in the metropoles".

Many whites travelled long distances too, taking the train to Johannesburg from as far afield as Springs.

As for people living in home lands such as kwaNdebele near Pretoria, it was the Government's intention that they work at factories established near their homes and not in the city, wherever possible.

Referring to a call by *Mr John Malcomess (PFP Port Elizabeth Central)* for SAA to reduce their fares after the drop in fuel prices, Mr Schoeman said the airline operated at a loss of R400 million last year.

SEIZE PLANES

Last month it had lost a further R3 million on overseas flights.

"The planes are not full. We can't reduce the prices with the first drop in the fuel price.

"Why are British Airways planes also not full — because of the unrest in South Africa?"

On privatisation, Mr Schoeman said SATS was "moving in the direction" of asking private consortiums to construct and run toll roads.

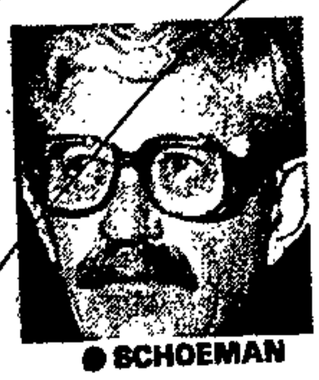
Asked by *Mr S P Barnard (CP Langlaagte)* for an assurance that SAA aircraft would not be seized as guarantee for the country's overseas debts, Mr Schoeman said:

"If they take our goods, you must remember many other people's goods come to us."

Mr Barnard said South Africa did not have the right to seize other countries' property, although the Minister of Finance, Mr Barend du Plessis, had "given that right to other countries."

PARLIAMENT

Schoeman backs pref share offers


SCHOEMAN

THERE was no reason why Cabinet ministers should not buy shares, as long as it did not affect their official duties, the Leader of the House of Assembly said yesterday.

Replying to a question, Hendrik Schoeman said no official guidelines had been laid down for the acceptance of preferential shares by cabinet ministers and senior government officials.

There was, however, a code of conduct by which cabinet minsters were obliged to declare their interests where they came into conflict with official duties.

Ministers had to report their assets to the state president when they were sworn in and had to give updated reports every year.

There was no reason why a public servant should not participate in the normal economic process, as long as it did not affect judgment in carrying out official duties.

When asked by members of the Progressive Federal Party if this meant cabinet ministers were entitled to accept preferential share allocations, he said buying such shares could sometimes result in a loss.

In a statement later, Ken Andrew (PFP), said State President P W Botha should set far more stringent guidelines for the acceptance of preferential share allocations by cabinet ministers and senior officials.

Government should be seen to be aboveboard and beyond suspicion.

Botha's refusal to stop acceptance of preferential share allocations by senior officals was to be deplored.

"It is clear to anyone that cabinet ministers and senior officials are given preferential allocations because of their positions.

It is unacceptable that they are put in a position of being able to make quick profits on deals such as this," Andrew said. — Sapa.

R281 000 spent on flat

A FLAT worth R281 147 has been bought in Cape Town for official accommodation for the chairman of the Commission for Administration, says Minister of Communications and Public Works Dr Lapa Munnik.

Replying to a question by Alf Widman (PFP Hillbrow) in the House of Assembly yesterday, he said a further R17 900 had been spent on modernising the flat at Twin Towers, Three Anchor Bay. — Sapa.

Inequalities to be phased out: Schoeman

INEQUALITIES between SA Transport Services and private road hauliers would be phased out as part of the implementation of the National Transport Policy Study's recommendations, said Transport Minister Hendrik Schoeman yesterday.

Replying to the debate on his budget vote, he said the recommendations of the R7m study had been received, and a White Paper would be tabled and discussed during the current session of Parliament.

Recommendations acceptable to government would be implemented over a three-year period beginning in 1988, with the first legislation being discussed next year.

Among the reforms envisaged were the phasing out of the permit system for private road hauliers and the cheaper diesel price paid by Sats road transportation vehicles.

Schoeman added that his "heart would bleed" for black commuters if subsidies on bus and train journeys were abolished. He said it was a matter of prestige that so many people could travel cheaply on public transport "with so little government aid".

Referring to points raised by PFP speakers about the distance travelled by black commuters, the minister said not everyone could stay "in Houghton or in the metropoles". — Sapa.

Drivers protest strike pay loss

Labour Reporter

PUTCO bus services to the north of Durban are not operating fully because of drivers refusing to work overtime, according to a statement released by the management yesterday.

Mr Ashley Milanese, the company's operations executive in Durban, said about 30 trips during the peak travel times on the Kwa Mashu, Inanda, Inanda/Newtown, Newlands East and Ntuzuma routes were being lost.

'The action by the drivers follows dissatisfaction regarding non-payment of drivers for the period which they were on strike the previous week,' he said.

The company was advertising for additional drivers in Durban to reduce the need for overtime.

A spokesman for the drivers said they were protesting because they had not been paid for the time they had been on strike on April 3. The strike was over 'disciplinary dispute'.

Black commuting costs too burdensome — Sive

Political Staff

PARLIAMENT — A warning has been given in Parliament that the huge cost of subsidising black commuters may soon become too much for the South African economy.

Mr Reuben Sive (PFP Bezuidenhout) said research on the commuter issue was an indictment of the Group Areas Act and homeland consolidation.

During yesterday's budget debate on the Transport Vote, he said some black commuters spent more than six hours travelling to and from work in Pretoria each day.

ALARMINGLY HIGH

Quoting from a CSIR research report, Mr Sive said the total transport costs for black commuters travelling daily across the borders of the Rupublic amounted to about R1 000 million a year.

With other cost items such as time costs, the overall cost was as high as R2 000 million a year.

Preliminary estimates showed a "surprisingly low" commuter volume (2,1 million trips a daily during peak period), but at an "alarmingly high cost".



Mr Reuben Sive.

In countries of the European Economic Community (EEC), the average distance travelled by bus commuters was 13,5 km a day, compared with 28 km for black South African commuters.

Mr Sive said 25 years ago South African commuting patterns were mainly short-distance and there was a marked absence of rail and combi-taxi commuting.

Due to the implementation of separate residential areas, first on a sectoral basis through the Group Areas Act and then on a satellite basis through homeland consolidation, the pattern shifted towards medium and long-distance commuting.

To a large extent, the shifts were involuntary because they were imposed by the apartheid laws of Parliament.

Research figures showed that the annual subsidy of black commuters increased in proportion to distance travelled.

RAPID URBANISATION

It was estimated that over a 30-year period, a commuter travelling 100 km a day would cost the taxpayer R15 210.

Mr Sive said rapid urbanisation led to greater commuting, but in South Africa it was the poorest section of the population which was forced to live in far-away places with little time for anything but sleep, work and travel.

White South Africa had never been told the "cost in money and agony".

CapeTimes 17/4/86

Taxis form blockade

DURBAN. — Sixty-five mini-bus taxis yesterday formed a massive blockade of the old North Coast Road at Durban's Greenwood Park in retaliation against police impounding six taxis on Tuesday.

The taxis were confiscated by the SAP acting on the instructions of the Road Transportation Board.

The blockade ended early yesterday afternoon, after riot squad police asked the leaders of the Inanda Taxi Company to go to the Greenwood Park police station and negotiate the return of the taxis. — Sapa.

Cheaper season tickets from Putco

Bus. Day 17/4/86

PUTCO is to reduce fares to its regular customers in the Transvaal as a result of the lower fuel prices.

Monthly and weekly tickets will be reduced by up to 7%. There will be no change in the price of cash, scholar or children's-concession fares.

Putco intends to reduce monthly season tickets from May 1 and weekly season tickets from May 5.

"The decrease is being limited to season tickets — which account for half of total revenue — to maximise benefits for the regular commuter, who is the worker," the company said.

"Another factor is that scholar fares and children's concessions are already sub-economic and subsidised heavily by the company."

The company will save about R350 000 a month in the Transvaal as a result of the lower fuel prices.

Weekly tickets now costing R2,90 or less will be reduced by 20c, and others by up to 35c. Monthly tickets costing R12,75 or less will be reduced by 90c, and others by up to R1,55c.

In Durban, where the company will save R120 000 a month, all fares costing 40c or more will be reduced by 5c. There will be no change in scholar's and children's concession fares.

Fuel-price increases introduced in November and January were not passed on to passengers, but were absorbed by the company. The fuel-price decrease in February did not offset the earlier increases, but the latest decrease means a net saving of about 5c/*l* for the company in the Transvaal, which is now being passed on, Putco explained. — Sapa.

graduate students for data collec- pital.

Taxis told to quit JSE area

BLACK taxi ranks are a security threat, says the Johannesburg Stock Exchange.

And the Johannesburg City Council has banned taxis from Diagonal Street, saying it wants to turn it into a pedestrian Mall.

A JSE spokesman said this week it considered black taxi ranks a security threat.

"There is a high security risk involved here. The east side of the trading floor consists of a glass wall 3mm thin and any explosive device planted in a vehicle outside could prove disastrous.

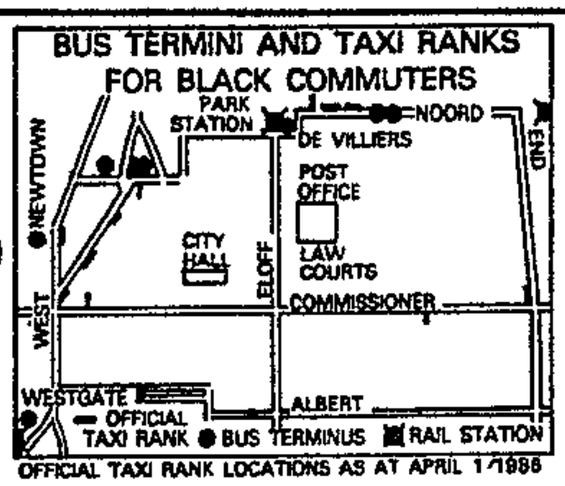
"Added to this, we had a situation where untidiness and hygiene posed a problem, he said."

The spokesman claimed there was no political or moral overtone in objections to the taxi ranks.

The JSE stance has angered black transport operators. One said yesterday: "Certain businesses are branding all blacks as potential saboteurs. How can we ever hope to solve our problems if they continue to say blacks are untidy and unhygienic?"

A spokesman for the Southern African Bus & Taxi Association, Pat Mbatha, said the move to bar black taxis from Diagonal Street came as a shock.

"We have been moved nearly two kilometres out of town to the old power station site. The only rank remaining there now is the one in West Street.



OFFICIAL TAXI RANK LOCATIONS AS AT APRIL 1 1988

MICK COLLINS

"We feel bad about it, but as a second best we had to accept the situation. It means that people will now have to walk that bit further."

Nigel Mandy, chairman of the Central Business District Association, admitted there was an urgent need to improve facilities. "One difficult spot is the Diagonal Street area where the interests of financial offices conflict with those of black commuters," he said.

Johannesburg Chamber of Commerce (JCC) said there was evidence of opposition by certain property owners to black taxi ranks and bus stops.

JCC president Pat Corbin said: "With the opening of the Central Business District (CBD) as a free trading area, all commuters are entitled to easy access to the city centre."

The JCC is involved in talks with the council to resolve the transport issue in the city centre.

A Putco spokesman said his organisation had made repeated representation to the city council. "We can drive through the streets but can only collect passengers at official bus stops, none of which exist in the CBD area," he said.

SA aircraft bombed us, says Maputo

MAPUTO — A South African plane bombed southern Mozambique a week ago, but did not cause any damage or casualties, senior Mozambican defence officials said yesterday.

They said the attack — during which the plane dropped two bombs — took place near Massingir Dam, 30km east of the Mozambique-South African border, on April 10.

The officials, who asked not to be named, gave no other details.

Massingir Dam, originally built to provide irrigation water to nearby areas, is now being turned into a hydro-power station to supply electricity to the country's capital Maputo, which is heavily dependent on power from SA.

This is the first reported attack on Massingir since Mozambique and SA signed the 1984 Nkomati non-aggression accord barring each from supporting forces opposed to the other.

The area used to be frequently attacked by right-wing Mozambican National Resistance (MNR) rebels, who have been fighting against President Samora Machel's government since Mozambique's independence in 1975.

A spokesman for the SA Defence Force denied that any aircraft from the SADF were involved in the incident.

"The Defence Force is also not aware of this incident," the spokesman said. — Sapa.

INDUSTRY

Truck renters at the crossroads

332

THE truck rental business has its back to the wall as fortunes decline in an increasingly sluggish market.

There have been various takeovers in the trade in the past year. The McCarthy Group has taken over the Supreme-Fleetrent amalgamation and Imperial Truck Hire has acquired a number of former Rent-a-Bakkie branches.

Some other smaller operations have gone out of business, and fleet sizes of the remainder are diminishing.

The only practical remedy is for companies to keep improving cost-efficiency, says the president of the SA Vehicle Rental and Leasing Association and MD of Hertz, Noel de Villiers.

"The market cannot be increased" he says. "Under present conditions the answer is to keep overheads low and wait for the economy to improve."

ALAN PEAT

There is a continuing slackening in demand and increasing surplus capacity in available vehicles.

February 1986 figures from the University of Pretoria's Bureau for Financial Analysis show a 9,8% decrease in fleet sizes over the figure for February 1985.

The industry has been making strenuous moves into alternatives like a modified rental contract market. Emphasis here is laid on supplying complete distribution contracts for companies with the renters offering full transport management, scheduled delivery, appropriate vehicles, maintenance, drivers and the like.

There are also operations opening new branch offices in attempts to sell the increasing idle time their vehicles face.

FIN MAIL 18/4/86
FREIGHT RATES 332

Staying put

Hopes that this year's two fuel price cuts will bring down rail rates, a major contributor to the costs of industry, commerce and agriculture, appear to have been dashed.

The 21% reduction in average pump prices in the last six weeks will save Sats R91m on its budgeted expenditure on fuel in the current financial year — practically covering the estimated deficit for 1986/1987.

However, for the time being there is little chance of tariffs being reduced. At most, lower costs will be taken into account in determining future tariff increases, Sats assistant GM finance Thomas Greef tells the *FM*.

"The problem is that although we are going to save, our accumulated deficit is still about R630m, with a budgeted deficit this year of R98m. This still has to be recovered."

He adds that the overall effect of the lower fuel price is minimal. "Even if we passed on the latest savings, the direct overall rates decrease would be only about 1%."

There has been widespread criticism of Sats' two freight hikes this year. On January 1, freight rates increased by an average of 6,9%, and on April 1 new increases ranging from 2,2% to 15% came into effect.

The March reduction in the fuel price saved Sats R2m on petrol and R40m on diesel over the financial year, says Greef. The latest cut translates into a further saving over the year of R1m on petrol and R48m on diesel.

This week, PFP transport spokesman John Malcomess called on Transport Minister Hendrik Schoeman to reduce air fares and rail tariffs. "The cost of fuel has now been cut by no less than 20% and it would be a miscarriage of justice if Sats did not pass this on to the hard-hit consumers."

SA Agricultural Union president Kobus Jooste says the impact of the fuel price cuts would be "even more effective if all institutions — whose price, service or tariff structures are in some way connected to the fuel price — would agree to adjust these structures accordingly."

Assocom executive director Raymond Parsons is also cautious. "While a fall in fuel prices alone cannot solve the inflation problem in SA, it will enhance the chances of a much lower rate of inflation in the second half of 1986."

Of course, there is always the fear that the maintenance of existing rail tariffs would speed up the swing to road transport, increasing Sats' losses. This, however, does not appear likely. Private road hauliers look like following Sats' example by maintaining current freight rates, believes Presto Containers MD John Gibb.

"Most private hauliers look to the decreases with relief as an opporunity to recover some cost increases of the last few years," he says. ■

INDUSTRY BUS DAY

Anomalies see homelands excluded

28/4/86 332

Transport riot cover slammed

RIOT insurance cover for transport companies operating in neighbouring territories has again come in for harsh criticism.

ALAN PEAT

One major transport concern, Elliot International, is already struggling to recoup costs after a removal vehicle was burnt out near Pretoria.

Company MD Tom Ansley said his firm considered the actions of four black youths as vandalism and claimed on its comprehensive policy. But the insurance company disagreed and defined it as "political riot damage".

A claim was then lodged against the South African Small Risks Insurance Association's (Sasria) riot cover policy and was refused.

This was due to a technicality — the vehicle being in a section of the independent homeland of Bophuthatswana.

Sasria's cover only extends to vehicles within the boundaries of SA — including KwaZulu, KwaNdebele, Kangwane, Qwa Qwa, Lebowa and Gazankulu — and Namibia (Walvis Bay). It does not cover incidents in the independent homelands of Bophuthatswana, Venda, Transkei or Ciskei.

"This was all the more ridiculous as neither I nor the driver knew the vehicle was travelling through Bophuthatswana, as the road was completely unmarked," said Ansley.

"Another problem arose when I tried to arrange insurance for our occasional trips through the independent homelands.

"It was only available through Lloyds of London."

But Sasria legislation also disallows foreign companies from insuring for riot damage within SA.

"This meant I was faced with having to pay the insurance premium for the fleet twice to get full riot cover."

"These are anomalies of legislation," said Sasria director George Raath.

"We realise that it does cause a problem and have made the necessary representations to Minister of Finance Barend du Plessis to accommodate the independent homelands as well."

The original exclusion of the independent homelands, according to Raath, was because of lack of funds to cover that extra area.

"Government acts as the ultimate re-insurer," he said. "Using taxpayers' money, it can only cover incidents within the country's boundaries.

"We have realised the problem, but the Sasria board is not in a position to make changes".

Charterers dominate in a quiet market

332

SHIPPING

GENERALLY slow conditions have continued in most areas with, reports AFROMAR, only a low volume of reported trade.

The SA market has been quiet.

With inquiry declining, and a surplus of tonnage of most sizes available, charterers are able to dominate owners.

Larger vessels have seen the rate for about 100 000 tons of coal, from Richards Bay to the Continent, fall to $4,90. This is the rate paid by French charterers last week for a cargo of 107 000 tons.

Charterers, in fact, now feel they can move this rate even lower. A panamax cargo of about 65 000 tons was arranged out of Richards Bay to Hong Kong, on private terms, and it is believed the rate was below $5,50.

Japanese charterers were able to obtain a vessel at $5 to lift 110 000 tons from Richards Bay for June loading.

For smaller vessels there was still an inquiry for 10 000 tons from SA or Maputo to Colombo for May loading.

New inquiry has been very limited. Grain inquiry included a 26 600-ton cargo of maize from Durban to Japan for end-May/early-June loading. It looks as though charterers are expecting to obtain cover at under $14.

It was rumoured that other charterers had fixed a vessel at under $14.

There was a tender for the movement of rice, wheat and corn from the US to Mozambique in May or June.

Turkish charterers came open for a cargo of 50 000 tons of iron ore from Saldanha Bay to Eregli for early-May shipment. Turkish interests were also quoting 18 000/20 000 tons of steels and general cargo from Durban to Turkey for mid-May loading.

German charterers wanted to move 1 250 tons of ferro manganese from Durban to Rotterdam for shipment May/-June for about $23.

A 15 000-ton cargo of sugar was arranged from Maputo to the Soviet Black Sea at an undisclosed rate.

US traders quoted a cargo of 18 000 tons of fertilisers from the Black Sea to Durban for May shipment for which their ideas were $15/$16. It was not known if this was just a selling inquiry.

Safmarine's US-SA link stays

Industrial Staff

SAFMARINE has confirmed it is continuing its regular direct cargo service between SA and the United States.

Responding to statements that it had suspended its direct service, a spokesman said that while Safmarine continued to carry cargoes on the triangular service via Europe, it still maintained a direct cargo route between SA and the US every 27 days.

Meanwhile, another company is reported to have set up a cargo service between SA and the US. Reports from New York say Atlantik Express, a German-owned company, has started a triangular service via Europe.

Terminal charges change in June

CONFERENCE shipping lines between SA and the US will adjust terminal handling charges from June 1.

The new rates will be: $8/m³ on measurement-rated cargo; $19 on measurement board feet (MBF); $14/1 000kg on weight-rated cargo; and $14/1 000kg on other cargo.

Containerised cargo will be subject to a minimum charge of $170 for a 20-foot container, $225 for a 40-footer and a maximum of $280 (20ft) or $325 (40ft).

lay of cargo.

Easier conditions seen

21/4/86 BUS DAY

332

THE market has remained lethargic this week, with the tendency being for rates to ease in most areas to even lower levels. This was in spite of the US-Libyan clash which in "normal" times would have resulted in at least some pressure by owners to increase rate levels, reports Afromar.

Bunker prices also failed to respond and are still drifting downwards.

The coal trades were quiet, although there were some cheap fixtures, such as $7 from Baltimore to Japan, which shows a reduction of about $3 over the last couple of months.

The Lakes trade is now getting under way, although the volume of business is not that high. A grain cargo was arranged to Japan from Toledo at $21,50 and $14 for the top off.

Easier conditions have been seen in the SA market, with rates generally tending to ease, although there is a slight pressure for some early positions. Hong Kong charterers fixed a 60 000-ton cargo of coal from Richards Bay at $5,50, which is about unchanged from the last paid, although it should be borne in mind that the previous fixtur

was for a vessel committed to being scrapped in the East, so that this current fixture does in fact reflect a reduction.

It was reported that a 130 000-ton cargo had been arranged from Richards Bay to the Continent at $5,25, but it now seems likely that charterers will be able to see tonnage at under $5 for one port discharge for May dates.

A 10 000-ton cargo was quoted from Durban, Port Elizabeth or Maputo to Colombo for May loading. Turkish charterers came on to the market for a Panamax-sized vessel to load from Saldanha Bay to Iskenderun, for which they were talking about a $6 to $6,50 rate — which even on this market seemed quite optimistic.

A trading house was wanting to move 8 000 tons of wheat from the River Plate to Durban or Dar es Salaam for end April/early May loading.

There was an interest for about 17 000 to 20 000 tons of manganese ore from Port Elizabeth to two ports in Yugoslavia, which will probably be fixed at around $15.

...ssault a ...ghtmare, ...ys wife

THE FACE OF AGONY



By STAN MHLONGO

THE assault on a Vaal bus driver by a group of inmates from the Sebokeng hostel has turned into a nightmare for his wife.

For the Vaal Transport Corporation employee Fortunate Gumede has had to be re-admitted to Sebokeng Hospital – this time after he allegedly tried to set his own house alight.

Gumede's wife, Daphne, this week told *City Press* she believes her husband has lost his sanity. "He now breaks dishes and wants to burn down the house," she said.

Gumede said she still shudders when she thinks of the violence on February 14 this year – the day on which her husband was so badly assaulted by the hostel inmates.

"It was like something from a James Hadley Chase thriller," she said.

Her husband was not the only victim of the attack.

"I was slapped and knocked unconscious by a vicious kick from one of the inmates who later assaulted my husband," she said.

The nightmare started when one of the inmates started pouring beer on the seats of the bus.

The bus – which was to have been driven by her husband – was going to take the hostel inmates to Quamata, Transkei.

"When my husband tried to stop the man, a fight started.

"In the ensuing fracas I was slapped and kicked. I fell to the ground unconscious.

"The inmates then allegedly attacked my husband with an assortment of weapons," Gumede said.

Gumede says her humiliation at the hands of the inmates is nothing compared to the way her husband has had to suffer.

"He remained in a coma for two weeks – and now he is back in hospital."

"The whole thing has become a nightmare.

"I was so happy when my huband was sent home after regaining consciousness.

"And can you imagine how I felt when I discovered that he no longer talked sense?"

A spokesman for the VTC said Vereeniging cops are investigating the case.

NEWS PLUS

AND now for some good news: Some bus fares will go down soon.

That's because Putco says it plans to pass on the benefits of last week's diesel fuel price cut.

In the Transvaal, the decreases will apply to monthly season tickets from May 1, and to weekly season tickets from May 5.

Weekly tickets which now cost R2,90 or less will be reduced by 20c, and others by up to 35c.

Monthly tickets now costing R12,75 or less will be reduced by 90c, and others by up to R1,55c.

There will be no change in the price of cash, scholar or children's concession fares.

A Putco spokesman said the decrease is being limited to season tickets (which account for half of total income) so that regular commuters will benefit most.

● In Durban, Putco will pass on the fuel price decrease to passengers from April 28, through cash trip reductions of 5c for all trips longer than two stages – that is presently costing 40c or more.

As in the Transvaal, there will be no change in scholar and children's concession fares.

TRANSVAAL SEASON TICKET REDUCTIONS

Trips per ticket	Less than two stages	More than two stages
	Weekly	
10	20c	30c
12	25c	35c
	Monthly	
44	90c	R1.30c
52	R1.05c	R1.55c

City Press

Taxis won't be moved

332

SIXTY FIVE taxis formed a massive blockade outside Durban this week in retaliation against police impounding six taxis on Tuesday.

The taxis were confiscated by the SAP acting on the instructions of the Road Transport Board.

Three taxis have since been returned to the Inanda Taxi Company, but the other three are still being held.

Inanda Taxis chairman Maxwell Sibiya said he was not prepared to lift the blockade of the old North Coast Road at Greenwood Park until the three taxis were returned.

Scuffles broke out as police tried to force drivers to drive their taxis away.

Two drivers were seen throwing their keys into nearby bushes.

About 600 people gathered at the scene. – Sapa

SATS 'devours enormous subsidies to survive'

Hauliers hammer Transport Minister

5/5/86.

STAR.

By Frank Jeans

The Minister of Transport, Dr Hendrik Schoeman, today comes in for a stinging attack from the leader of the country's private hauliers, who refers to his office as being "first and foremost the Ministry for South African Transport Services".

Hitting back at recent suggestions by Mr Schoeman that road hauliers are not paying their full share of national roadbuilding and maintenance costs, Mr Jack Webster, executive director of the Public Carriers Association (PCA), says in a statement: "It takes a certain kind of logic to make such accusations.

"It is a matter of public record that SATS devours enormous annual subsidies in order to survive."

Pointing out that SATS was sheltered from the rough and tumble of competition on the open market", Mr Webster maintains that the taxpayer in such a situation acts as a safety net every time.

Hauliers, he claims, have no such protection and are unhappy about the way government is handling the issue.

"SATS has rejected the internationally-accepted Current Expenditure System for calculating these costs which is used by the Department of Transport and by the National Institute for Transport and Road Research for the published statistics on roads, as well as by the private sector," he says.

"Instead, SATS favours a system used by them which would result in an over-recovery of about R100 million from the private sector."

Actual capital cost

Mr Webster believes that to achieve some equitable arrangement between SATS and the private sector insofar as SATS' method of establishing the road infrastructure cost, a possible compromise formula could be:

- The actual capital cost of roadworks as at the end of March this year depreciated over a number of years at the bond rate, plus;
- A percentage of the maintenance cost over a period of years depreciated at the same bond rate, plus;
- A percentage of the current year's expenditure on maintenance.

Using this formula, he says, road infrastructure costs for 1985-86 had been calculated and are to be recovered by an increase in licence fees and an additional levy on fuel for all vehicles using roads.

Private hauliers also criticise what they say is a wide variation in licence fees in the four provinces and the varying interpretation of regulations in each province.

"Operating under the present system is a nightmare," says Mr Webster, "with the PCA going backwards and forwards trying to agree on equitable working arrangements for its members.

"It is clear to us that any minister of transport in this country is first and foremost minister for SATS and cannot be unbiased towards the private sector because of his financial responsibility for Sats.

"In a free enterprise society, this is not good enough and we may be left with no alternative but to ask for drastic changes if the minister will not play fair with us."

No air-courier price war in sight after SAA bypass

MICK COLLINS

Air-courier companies do not foresee a price war in the industry.

Reacting to a move by Sky Couriers to charter its own aircraft instead of using SA Airways, Sun Couriers MD Barry Saxon said his company did not intend making any changes to its prices or service.

"I'm not sure Sky Couriers is going to save much. My company operates seven aircraft, so we know what's involved. We would have been the first to move if conditions with SAA weren't right.

"If Sky Couriers drops prices, it will have to up volumes to compensate for revenue loss."

DHL Couriers MD Larry Macartney said his company had no dispute with SAA. "As market leaders for overseas business, we aren't involved in the domestic scene to the same extent as others.

"Nonetheless, we are quite happy with prices and service from SAA. The airline has gone out of its way to accommodate us, especially with late-night passenger flights which provide additional courier facilities.

Explaining Sky Couriers' move, Sky MD Nick Blackburn said SAA prices had risen 80% since July 1984.

"The way the airline put its case to us, we were presented with a *fait accompli*. What we have now done is to charter three aircraft and provide a competitive service for time-sensitive cargo."

Move to end bus boycott

THE Mohlakeng Crisis Committee has called on Greyhound Bus Lines to persuade the chief magistrate of Randfontein, Mr P S McLeod, to allow a meeting of Mohlakeng residents to take place in order to seek ways of ending the bus boycott in the township.

The call was made yesterday by the Reverend Sipho Masemola, convener of the committee, after an application to hold a report-back rally at Mohlakeng Stadium yesterday was turned down by Mr McLeod on Friday.

Motherwell bus fare up 20c soon

Post Reporter

AN increase of 20c for a single-journey bus ticket from Motherwell to Port Elizabeth is among several fare increases that have been announced by PE Tramways.

The increases have been approved by the Road Transportation Board.

The date when they become effective will be announced later.

The general manager of PE Tramways, Mr Fred Stamp, says in a statement:

"Soaring costs common to all industrial and business undertakings have been, in the main, absorbed by the company.

"A fares increase in June, 1983, of 9% covered wage adjustments, and increases of 8% and 3% in February and November 1985, respectively, covered fuel costs.

"The subsequent fuel reductions offered relief enabling the company to keep this present application at a reasonable 9%.

"Overall, the average increase is 4,15c a passenger, but 33% of passengers will not be affected by the higher fares and 58% would pay between 1c and 4c more.

"At the top of the scale 3,5% of passengers would pay between 6c and 8c more and 5,3% would pay an additional 10c or more a trip, mainly on the longer routes."

New bus service begins this week

EVEPOST 20/5/86

332

Post Reporter

AN overnight bus service between Port Elizabeth and Cape Town, costing R40 for a single ticket and R74 for a return ticket, will be launched on Thursday.

The Trans-City service is being introduced by SA Transport Services in conjunction with Trans-Lux, its regular and more expensive luxury bus service for tourists.

The Trans-City service will run through the Langkloof. A passenger will be able to take up to 25kg of baggage free of charge.

Both services are "international" — open to all races.

A SATS spokesman said the Trans-Lux service, in spite of running in competition with a private company, was so well-patronised since it was introduced several months ago that SATS was able to bring fares considerably down.

Asked whether competition from bus services run by private companies was forcing SATS's fares down, "We are not profit-making marily a concern.

"We are trying to provide a service to the public as economically as possible. Competition is good for us because our own gives the public something to measure our own service against.

"We have an 85% to 90% occupancy rate for Trans-Lux, which is tremendous. We hardly expected the service to be received so well."

When Trans-Lux was introduced the price for a single ticket was R80 and for a return ticket R148.

The prices now are R65 and R120. There are hostesses, air conditioning and a toilet in the Trans-lux bus.

The Inter-City will run from Port Elizabeth to Humansdorp, Joubertina, Misgund, George, Mossel Bay, Albertinia, Oudtshoorn, Heidelberg, Riversdale, Riviersonderend, Caledon and Swellendam, with stops at each of these towns.

A return ticket from Port Elizabeth to George will cost R39 and a single ticket R21.

A return and a single ticket to Caledon will cost R68 and R37. A return and a single to Joubertina will cost R22 and R12.

Ex-manager faces R5-m claim

Sowetan 21/5/84

(332)

By MONK NKOMO

THE directors of a bus company, who fired a manager because of alleged mismanagement, are claiming nearly R5-million from him.

Mr Michael Mathebula and Mr Joseph Mathebula, directors of Mathebula's Bus Service in Kangwane, filed the counter-claim after Mr R W Button, the company's former manager, claimed R1,7-million from them for alleged breach of contract.

In his affidavit, Mr Button submitted that the three had entered into an agreement in July 1983 that he be paid a consulting fee of R3 500 a month. In addition he was paid R350 a day when he came to their business premises and an annual bonus of 7½ percent of audited nett profits before taxation or the appropriation to reserves.

The agreement, which was scheduled to expire in February this year, was "repudiated" when his services were terminated on March 20 last year, Mr Button said.

Mr Sakkie Maboa, the bus company's attorney, yesterday said the hearing is due to be held in the Pretoria Supreme Court on September 19.

Also alleged

In their affidavit, the two directors said Mr Button's services were terminated after he had allegedly failed to perform his duties in an efficient and professional manner.

They also alleged:

- That he threatened both directors whenever they disagreed with his decisions or when they questioned his management policy;
- He physically assaulted an employee;
- He failed to maintain and develop a proper and efficient staff-management relationship;
- He purchased and acquired equipment which was uneconomical and not in the best interests of the company;
- Two white managers appointed during his administration were inexperienced and unqualified;
- By reason of the inadequate systems, general discontent was rife among employees and this resulted in a number of strikes and disruption of bus services; and
- He refused to negotiate with the Natal Sugar and Refining Allied Industries Employers Union. This led to discontent among employees.

Both parties are claiming interest at 20 percent a year from the date of judgment.

Taxi boss resigns

THE chairman of the Transvaal Black Taxi Association (region one), Mr Josia Knox Matjila, has resigned from his post with immediate effect.

Mr Matjila, who is also the public relations officer of the Oranje-Vaal Black Taxi Association, said his resignation was as a result of several reasons, including a threatened split by members in the region.

Region One of the taxi association comprises of Katlehong, Vosloorus, Thokoza, Tembisa and the Vaal Triangle townships.

These associations are affiliated to the South African Black Taxi Association (Sabta).

Mr Matjila said he was unhappy with the way some of the executive members have been holding "secret meetings" without calling the regional executive members.

Some of the executive members were opposed to Sabta and wanted to form their own taxi association, he said.

He was prepared to remain the PRO for the OVBTA, although he indicated that some of the senior officials might resign from the Vaal organisation.

He was going to report the matter to the national executive of Sabta.

A spokesman for the region said they have not received Mr Matjila's letter of resignation. They would investigate the allegations later.

Why Matjila quit

26/5/86 Sowetan

THE simmering anger of black taximen over their leaders' links with the white-controlled Taxi SA private company has led to the sudden resignation of Mr Knox Matjila from his post as cabbies' leader.

This was said at the weekend by a spokesman for hundreds of taximen from Alexandra, Tembisa, Katlehong, Vosloorus and Thokoza.

The spokesman, Mr Ezekiel Mokone of Vosloorus, said taximen's grievances with Mr Matjila included:

- The selling out of taximen's national and personal interests through the Southern Africa Black Taxi Association's controversial contract with the now all-powerful white-controlled Taxi SA private company.
- Mr Matjila has openly admitted in a meeting that the Taxi SA contract with black taximen had been signed before the approval of the general membership could be obtained;
- The alleged "suspension" of Sabta founder and PRO, Mr P M Ngozi, by his executive;
- Mr Matjila's nomination by the Transvaal Taxi Association to serve in Sabta without a mandate from the grassroots;
- Mr Matjila's failure to call meetings in his region to brief his constituency about crucial developments affecting them.



Ephraim Tshabalala tells shanty-dwellers last week that he has stopped the authorities destroying their homes ... but this week police clear out the squatters.
Picture by REUTER

The case of the golf-course squatters

One assumption behind the abolition of the pass laws has been that local authorities will co-operate in clamping down on squatters. The furore which surrounded the suspension of Soweto mayor Ephraim Tshabalala for encouraging squatters has knocked a large hole through that theory.
PATRICK LAURENCE reports

THE suspension of the mayor of Soweto, Ephraim Tshabalala, for encouraging squatters to erect shelters on Soweto Council property may well provide a glimpse into the future.

The abolition of the network of influx control laws and its replacement by a policy of "orderly urbanisation" rests on the assumption that local authorities will co-operate in the enforcement of toughened-up anti-squatting laws.

But Tshabalala's action in opening up first some of his own land in Mofolo, Soweto, and then council-owned land to squatters raises questions about the extent to which black local authorities will be a party to orderly urbanisation.

According to the Soweto Council, which voted to suspend Tshabalala for 45 days pending investigations into his actions, he presented his fellow councillors with the accomplished fact of 400 squatters on the council's golf course in Mofolo.

Faced with the prospect of violent resistance if the shelters were demolished, the council reluctantly agreed to provide portable latrines and reconcile itself to the presence of the squatters.

Its acquiescence was based on two conditions: first, that the squatters move to site and service plots in Emdeni before the summer rains (a flash flood could sweep the flimsy shelters away); second, that no further squatters be allowed to erect shacks.

But within a short time hundreds more squatters arrived, allegedly with the encouragement of Tshabalala, bringing the total number of shelters on the golf course to more than 1 000.

A reputed millionaire, Tshabalala, aged 77, is hardly a radical. What prompted him to encourage people to squat on his land and then at least to a limited extent on a neigbouring council-owned golf course is a matter of dispute.

His foes have charged that he was prompted by a desire to enrich himself. One of the original 400 squatters told Weekly Mail he was required to pay R35, half of which was for the "office" and half to enable Tshabalala to "build houses for us" at Emdeni.

An investigation into allegations of self-enrichment against Tshabalala is pending.

But without prejudging the outcome of the Soweto inquiry, it is a matter of historical record that landowners have in the past found it more profitable to "farm people" — to let their land to the teeming squatter community at Winterveld, north of Pretoria, came into being largely because landowners there found it profitable to "farm people".

Even assuming that Tshabalala showed entrepreneurial enterprise in helping Soweto's homeless erect their own houses, however modest, that does not mean that it was the only motivating factor.

As a Soweto notable, Tshabalala is, in terms of African tradition, expected to provide help to the poor.

As important, however, he is the leader of the Sofasonkwe Party, whose historical origins lie in the movement of black squatters into Johannesburg during the Second World War.

Sofasonkwe means "We shall all die together". The Sofasonkwe Party was founded by James Mpanza, who led sub-tenants from Orlando, Newclare and Kliptown to open ground in Orlando and established a huge squatter settlement there of 20 000 people.

Significantly, most of the people at the Molofo squatter camp are sub-tenants, people who grew tired of living in the houses owned or rented by someone else and who longed to own their own houses. To them, Tshabalala's promise of their own houses was irresistible. It conjured up the days of the great Mpanza.

Soweto has a vast number of sub-tenants. The official waiting list for houses is more than 20 000 families, many living in single rooms in the houses and even the backyards of established families.

In acting as he did, Tshabalala, even if he was prompted by mercenary considerations, was fulfilling the honourable tradition of the Sofasonkwe Party, which under Mpanza succeeded in persuading the authorities to provide homes for the Orlando squatters at Jabavu.

Mpanza, incidentally, charged squatters a fee to settle at his Orlando camp.

Squatters are a source of power to political leaders who win their loyalty, as Mpanza did in the 1940s and as Tshabalala seems to have done at Mofolo.

As long as there are squatters — and the vast number of rural poor — there will be politicians responsive to their cries for help.

These politicians, in turn, mean that the central government's hopes for orderly urbanisation will be under constant threat.

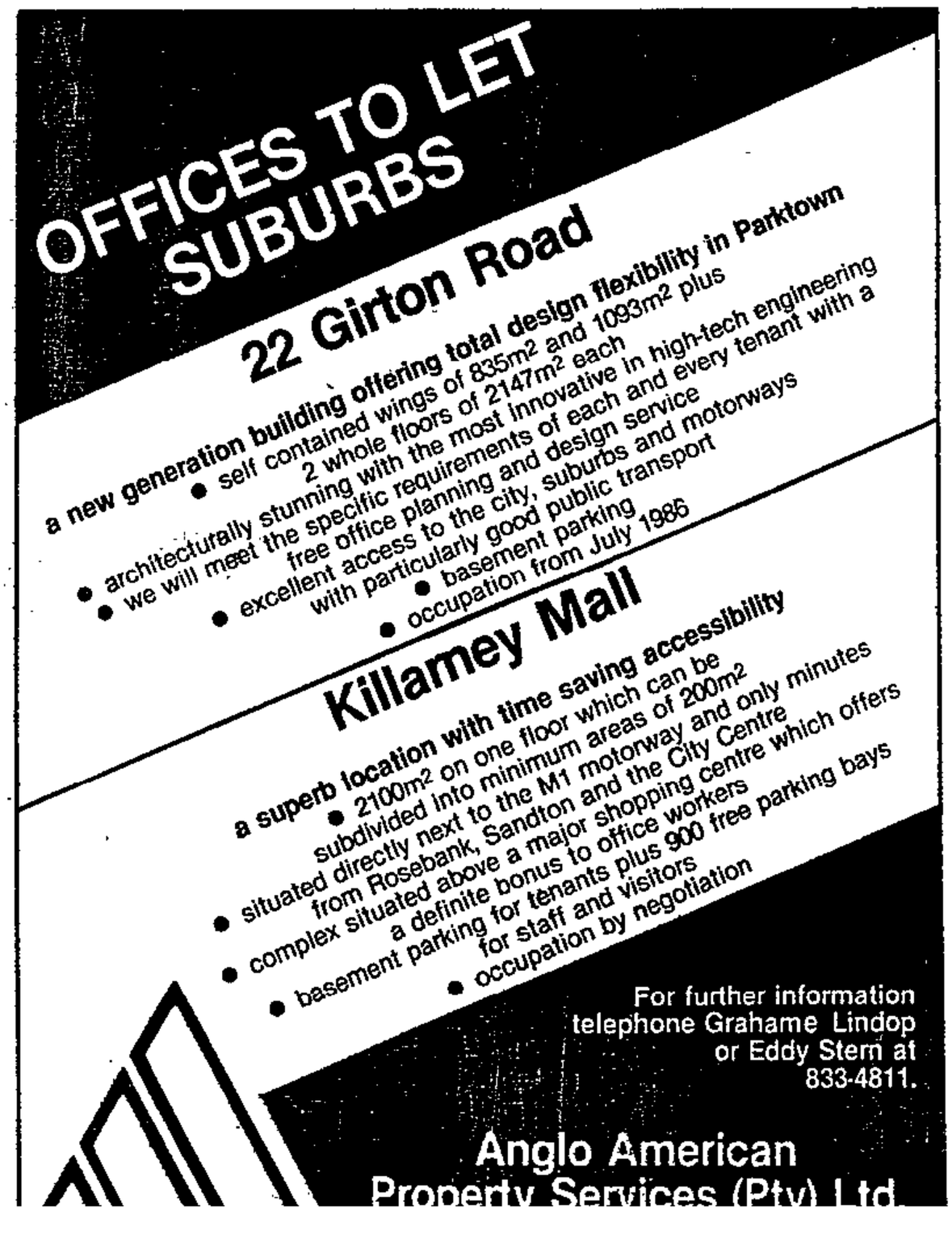
But the squatter communities will, of course, produce their own leaders. They, too, will pit their wits and ingenuity against the best worked out plans for orderly urbanisation.

One is reminded of the prophetic words of Oriel Monogoaha, another Soweto squatter leader of the 1940s.

"The government is like a man who has a cornfield which is invaded by birds," he declared.

"We squatters are the birds. The government sends its policemen to chase us away and we move off and occupy another spot. We shall see whether it is the farmer or the birds who get tired first."

● The above quotation is from Professor Alf Stadler's excellent study of Soweto squatters in Labour, Townships and Protest (Ravan Press, 1979).



Spotlight on Renfreight

'Agents should commit themselves to SA's trade'

The rand needs the thrust of foreign business

The South African economy can benefit from the aggressive efforts of one of the country's leading clearing and forwarding companies.

The management of Renfreight Forwarding is currently holding an international conference for its overseas agents in Lisbon and the message to be dispensed throughout the business world is that "forwarding agents should commit themselves to the South African trade route".

Although it is the aim of Renfreight Forwarding to capture as much as possible of this generated business, it is still to the benefit of the South African economy to have excellent ambassadors to communicate the businessman's point of view worldwide.

This is particularly relevant during these recessionary times, with sanctions and a weak rand contributing to make life difficult for the forwarding industry.

With imports at an all-time low, the efforts of an independent company to restore and confirm confidence in the South African trade routes can only be to the advantage of an ailing economy.

Renfreight Forwarding chief executive David Matterson told this newspaper: "It would be understandable if suppliers worldwide turned away from the South African markets due to all the adverse publicity overseas.

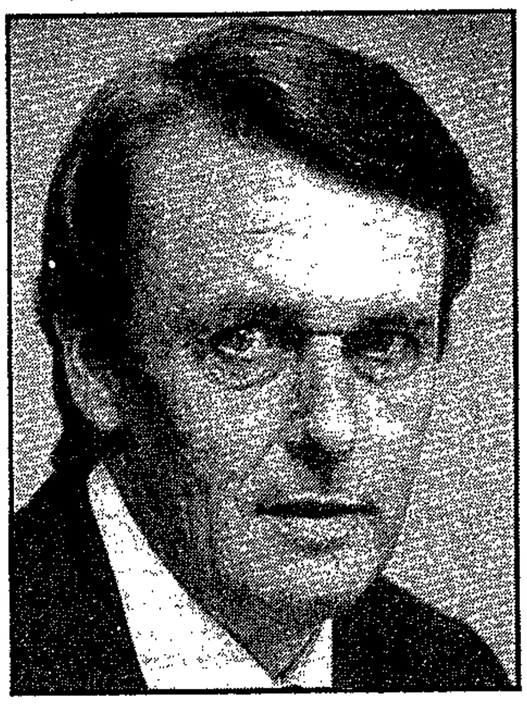
"However, we are determined to build confidence in the South African trade route and, consequently, to promote ourselves as an effective and efficient clearing and forwarding agent.

"Our major trading partners frankly do not want to disrupt trade with South Africa. That must be the view to be adopted by the international world. They do not want to see South Africa rendered impotent or frustrated.

"When the rand returns to its true value, we will become a very attractive place to invest and, in fact, we are currently attractive. When this occurs, it would be great news for, not only South Africa, but also for the transport industry in general.

"Renfreight Forwarding will be in an enormously strong position. We do have the resources and the skills in place and we have the facilities to handle double the volumes we are currently handling without much additional investment.

"Part of our strategy is to actually gear ourselves for the upturn so that, when it comes, we will be ready to capitalise on it."



David Matterson, chief executive, Renfreight Forwarding



Renfreight Projects have established themselves as experts with extensive experience in the handling of international and domestic transport logistics for major international development schemes.

Importers can expect better control works

Foreign businesses importing into South Africa can expect greater management control facilities as a result of initiatives taken by a leading clearing and forwarding agent.

Renfreight Forwarding South Africa, a division of Renfreight Forwarding, are making use of modern technology to compliment their already well researched services.

"The need arises for instant, accurate communications on the whereabouts of cargo and preplanning of shipments to achieve economies," said Eddie Stead, operations executive of Renfreight Forwarding South Africa.

He said that accurate forecasting of disbursement levels to facilitate cash flow estimates was also neccessary.

"Armed with this sort of control management teams are better able to practice the same sort of disciplines on their procurement and throughput as they do in other areas of their business".

This re-alignment necessitates a greater consultancy component in the role of the forwarding agent.

"If we want our people to consult more, we need to free up more of their time.

"Our movements towards a deeper involvement in modern technology will facilitate this.

"We want to let the computers do the work and the people do the thinking," added Stead.

Merger creates leader in freight forwarding

Following the merger of Rennies and Freight Services, Renfreight Forwarding has climbed to the prestigious position of market leader in the very competitive freight forwarding industry.

Rennies and Freight Services have been in business for a very long time, with a total of about 200 years' combined experience in the clearing and forwarding industry, according to David Matterson, chief executive of Renfreight Forwarding.

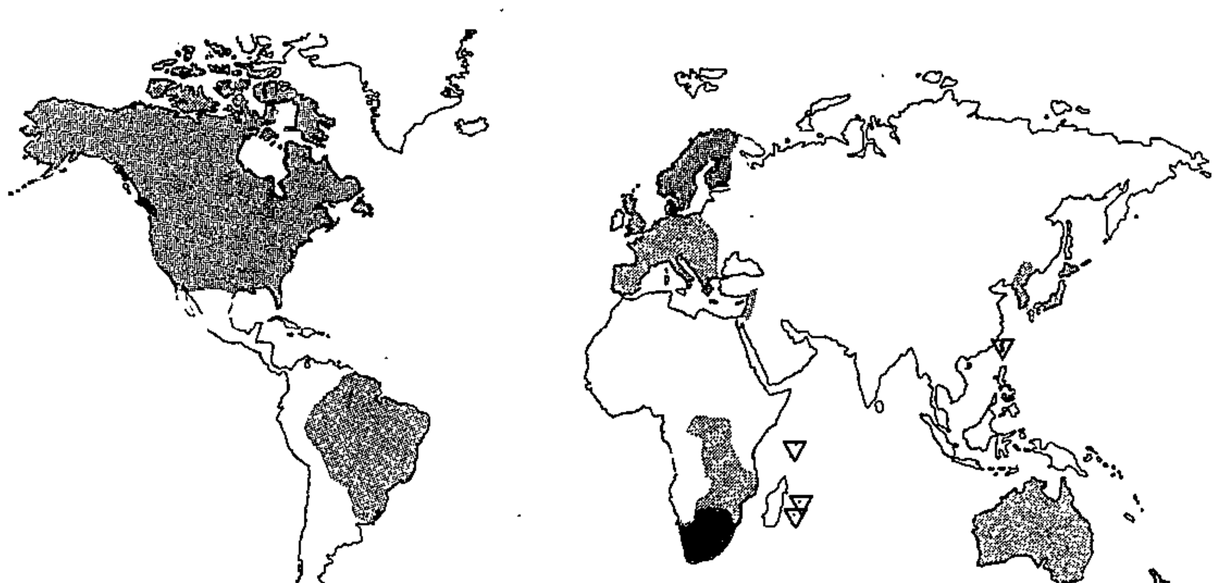
"As the leading company in this industry in the country, which must allow for some track record of success, we hold a 25% to 30% share of the market. Our nearest competitor holds about 10%.

"We are surrounded by strong financial resources and we never had the constraints that the smaller clearing and forwarding agents have had.

"Therefore, a combination of experience and resources are our two strong points," says Matterson.

"Our philosophy is that the customer is the king and we are only as good as the market perceives us and our client is always right," according to Matterson.

The Renfreight philosophy extends to one of complete professionalism and integrity coupled with a personalised service not surpassed by any of its competitors.



Renfreight Forwarding: Network of sea freight overseas offices/agencies

Conference to help improve facilities

An international conference taking place in Lisbon this month will pave the way for improved services for South African importers and exporters.

Renfreight Forwarding, a leading company in the South African clearing and forwarding industry, is staging an overseas agents conference to update its agents on the South African economy and to highlight its latest comprehensive range of services.

The merger between Rennies Shipping and Freight Services into Renfreight Forwarding has led to a broad range of services becoming available which will serve all freighting and related requirements in the Southern African context.

David Matterson, chief executive of Renfreight Forwarding told this newspaper: "South Africa is an import-based economy and, hence, the need arises for overseas agents to represent the South African importer and, specifically, Renfreight Forwarding. We now have a network of approximately 25 overseas agents, each with his own peculiarities, and to deal with each one individually is not very effective.

It is certainly more effective to get them together as one body and to demonstrate to them what we are doing in South Africa."

The current economic environment, changes in the South African infrastructure and changes in customs regulations regarding the movement of containers are among the numerous aspects that the Renfreight personnel at the conference will be discussing with their overseas agents.

"We have a responsibility to always update our agents on everything connected with the South African scene," added Matterson.

"Since the merger, we have consolidated our agency arrangement, there was a lot of speculation about which agents we would have and what the products would look like. It is now highly desirable to have the conference and we will consolidate our relationship with our old and new agents.

SA politics has a major role in trade ties abroad

The South African political scenario plays an an important part in trade relations between South Africa and suppliers from abroad.

This view was expressed by David Matterson, chief executive of Renfreight Forwarding, before his departure to the Renfreight overseas agents' conference.

"We are going to this conference with the philosophy that trade pragmatically tends to transcend political considerations, and it always has in the past," says Matterson.

This conference is an important one for Renfreight, for many reasons. But, particularly with the sensitive economic situation, there are many aspects of foreign trade to be discussed in Lisbon.

"It is difficult to guess how sensitive the political situation will be but we have strong moves by overseas countries, who traditionally supply South Africa with goods, to frustrate trade between South Africa and themselves.

"This is with the very real intention of forcing issues in South Africa as far as politics is concerned and it is safe to say that pressure will be maintained for South Africa to change its political stance.

"At the conference, it is going to be very important to build confidence with our agents that South Africa and, particularly, Renfreight, are still in a position to serve South African imports effectively and efficiently.

There are opportunities for both our agents and ourselves to capture cargoes in the marketplace and there are no real barriers to performing and delivering an effective service."

At the conference, Renfreight executives will give a backdrop to the economic situation in South Africa, paint the picture and perhaps put forward a number of scenarios as to what the effects of sanctions may be.

"Businessmen have a big obligation in the current situation. As we have seen recently, some businessmen are now prepared to act independently of Government, and one must be hopeful that the actions of businessmen will influence the political scene in this country.

"We have seen the very serious effects of overseas banks not being prepared to bank-roll us. This is hurting everybody in South Africa and I believe that this will have a major impact on the political stance and on how we manage our country politically."

"THEY'RE DOING WHAT IN LISBON?"



The launch of Renfreight Forwarding has effectively created an organisation equipped to offer a range of services that fulfills all freighting needs in Southern Africa. The quality and consistency of service is reliant on the skills, knowledge and commitment of overseas partners. Hence Lisbon. From 13 - 16 October, delegates from more than 25 major trading countries will meet Renfreight Forwarding Management in Lisbon to discuss all aspects of handling cargo on an international basis, to the satisfaction of Southern African shippers. Subjects to be discussed include present and future levels of trading, the cost-efficiency of the various transportation alternatives, and the needs and concerns of South African importers and exporters. Renfreight Forwarding will return from this exciting venture with renewed commitment from the people who represent the organisation around the world to the mutual development of cargo movement to and from Southern Africa.

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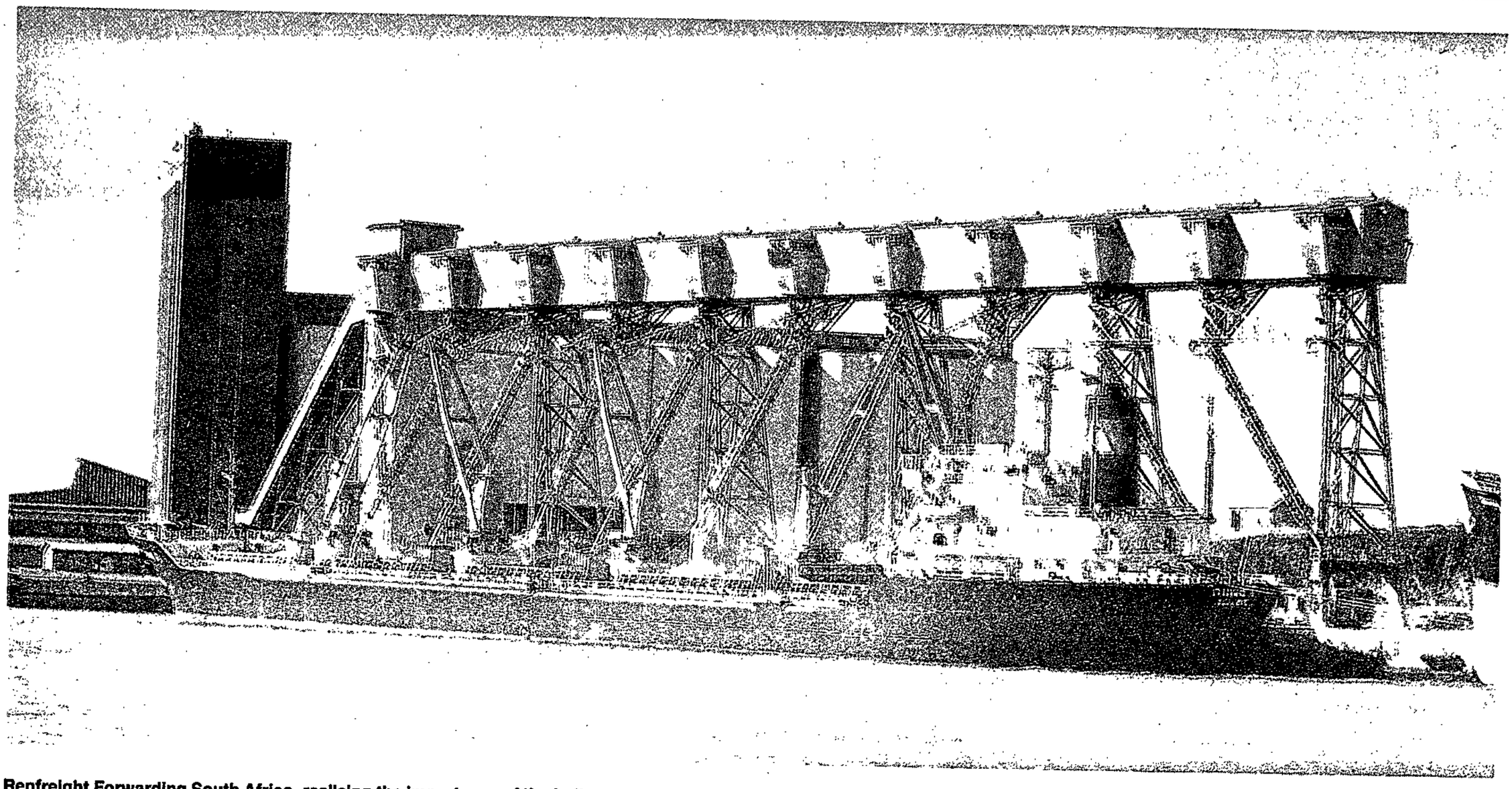


Renfreight Forwarding South Africa, realising the importance of the bulk agricultural markets within South Africa, have employed the necessary resources for the provision of continuity of imports and exports of bulk agricultural products.

Hardware has a major role at Renfreight

Communications technology is already playing a major role in the day-to-day activities of Renfreight Forwarding.

Prior to the merger between Rennies and Freight Services, both companies had made substantial investments in technology and now this combined advantage leaves Renfreight Forwarding way ahead in the technological field, and there is more to come.

Peter Hollard, systems executive of Renfreight Forwarding comments: "We have, for many years, been able to develop significantly and rapidly, because of the enormous investments in computer hardware in the Rennies group.

"We have behind us many years of communications technology and systems based on computers.

"One of the significant features of the Renfreight group is that the investment has been in place for some considerable time, and it would seem our competitors in the industry are at a disadvantage.

"A large gap would tend to be opening between the level of computerisation in the Renfreight group and that of its competitors.

"The enormous costs and allocation of resources that our competitors would have to make in this area would seem to be one of their biggest challenges.

"We consider ourselves, in our industry, to be the leaders in technology and we have developed a number of products which we will place in front of our agents

"Fortunately, in Europe and America their communication technology is in some instances ahead of South Africa, so we can complement and supplement what they are doing.

"Together we are very strong in the technological area and together we can develop unique products to put in front of the market place, which will benefit the South African importer."

Regarding future technological developments in conjunction with satellite facilities, Hollard told this newspaper: "If communication via satellite becomes viable for commerce and industry, then we will explore it and make use of it. We do not have any barriers to exploring technological advancement once it is cost effective.

"We can communicate around the world at the moment, and it is difficult to speculate if we need more sophisticated communication," he added.

Engineering is praised

The engineering profession was lavished with praise recently by a leading member of the freight forwarding industry.

David Matterson, chief executive of Renfreight Forwarding, told this newspaper that the engineering sector is well resourced, well structured and very well disciplined.

"It does not come and go like other industries and, for Renfreight Forwarding, it is a very attractive market place.

"A natural empathy has grown between ourselves and the engineering marketplace and, consequently, we have developed expertise in handling engineering related products.

"Prior to the merger between Rennies and Freight Services, both companies were leaders in capital projects so we have developed a lot of expertise in this area," added Matterson.

Generally, the capital projects area involves large sums of money and the necessity arises for a competent clearing and forwarding agent.

Renfreight Forwarding with its numerous years of acquired experience have enjoyed much success in this area.

It is part of the future strategy of Renfreight Forwarding to place market sectors into specialised channels to develop skills and expertise in particular areas.

Up to now, the handling of engineering products has flowed naturally to Renfreight, and this common factor of efficiency will be extended and capitalised on.

"Of most importance to the engineering sector is the question of import tariffs. We have entry clerks very knowledgeable in the tariffing of engineering products and this sector will remain a major area of specialisation for Renfreight," says Matterson.

Renfreight has made huge investments in property, namely terminals, warehousing, refrigerated facilities, freight bases and bulk terminals.

"This is one of the major differences between ourselves and our competitors. We have these resources in place and they are our own.

"Our facilities are well supported by capital equipment at all locations, such as lifts, gantry cranes and transport vehicles," he added.

Show of skills at Lisbon seminar

The promotion of a new resource in South Africa, the merger between Rennies and Freight Services, will be the fundamental aim of the Renfreight overseas agents' conference.

The merger has brought added skills and resources, and a lot of new products have emerged, all of which will be presented at the conference in Lisbon.

David Matterson, chief executive of Renfreight Forwarding, explains: "We have done a lot of restructuring and the new products which have emerged will be presented to our overseas agents so that they can understand them, operate within the new structures and sell the Renfreight group and at the same time sell South Africa.

"We will spend three days at the conference with plenty of time set aside to handle specific issues with specific partners."

At the conference, a vast diversity of cultures, languages, temperament and local environments will present themselves. But it is the intention of the Renfreight executives in attendance to be effective right across the board.

"We always have areas which need reinforcing and we have a facility for side sessions," added Matterson.

Computerisation the key to happy clients

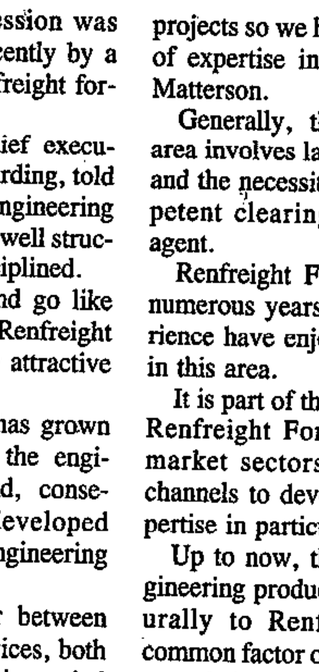
Computerisation has revolutionised the processing of documentation for the leading company in the clearing and forwarding industry.

Eddie Stead, operations executive of Renfreight Forwarding South Africa, told this newspaper: "We look upon computerisation as being the only route to follow. We are in the process of upgrading our service levels for the benefit of our clients."

Renfreight Forwarding uses the philosophy that specialised and small business units are essential to complement their consumer-orientated strategy. This is the core reason for Renfreight's current position as league leaders in the freight forwarding industry.

This philosophy is uppermost in the mind of Stead as he masterminds the success of his South African forwarding department.

Stead ensures that his staff have adequate time to guide and help their clients and the introduction of computerised systems will make a large contribution to this end.



Eddie Stead, senior executive, Renfreight Forwarding South Africa.

Renfreight's clients will soon start to notice tangible benefits from the introduction of Renfreight automated processing of import documentation (RAPID).

Stead explains: "In the past, customs bills of entry have been lengthy and complex exercises, often taking days to complete. The role of the entry clerk has been weighted on the side of the scribe rather than expert.

"RAPID uses computer technology to produce bills of entry within minutes rather than hours. Faster clearance through customs, with the consequent avoidance of storage charges, is only one of the advantages.

"With the system taking care of the routine processing, the expert is free to give more of his time and attention to the content and quality of the clearance," added Stead.

This will allow the experts in this area to examine their clients' importation methods and perhaps suggest a better way of routing their cargo, with better through-rating structures.

RAPID is linked to a data base of product names and tariff classifications, but quality control is maintained by a an expert tariff consultant.

Information in the RAPID system is always up to date. Variable data such as exchange rates and tariff amendments are loaded into the system regularly.

The system is now operational in Johannesburg and Durban and has already received favourable comment from the authorities. RAPID will soon be extended to other coastal offices.

Consumer the guide to forceful marketing

Carefully planned and implemented market research programmes are the core of all marketing activities adopted by South Africa's leading clearing and forwarding agents.

Renfreight Forwarding is a market leader in the freight forwarding industry and aggressive marketing policies have been a large contributing factor in the company's climb to the top.

"We don't develop projects that we think are great, we go out and find out what the client needs and develop accordingly," comments Michele O'Hara, marketing manager of Renfreight Forwarding.

Consumer orientation is the philosophy of this modern marketing department, where a significant percentage of the marketing budget is spent on research.

The results achieved from the marketing budget are a reflection of the deeply thought out research policies which are implemented prior to adopting new marketing plans.

The marketing department of Renfreight Forwarding writes all four marketing and public relations strategies for each of its four divisions.

This is done first of all by product within each division and then by location throughout the four country divisions.

On the international side, the strategies are by route, for example Australia, Brazil or West Germany.

From the marketing strategy stage a set of marketing plans are drawn up. "Every month, everybody knows what has to be done, by product and by port, and so on," added O'Hara.

Renfreight Forwarding has a vast range of activities that have been lifted to the top.

"We have evolved from our policy of specialisation on a range of small business units and individual products.

"These have been branded, following carefully planned research, and launched on the relevent markets," explained David Matterson, chief executive of Renfreight Forwarding.

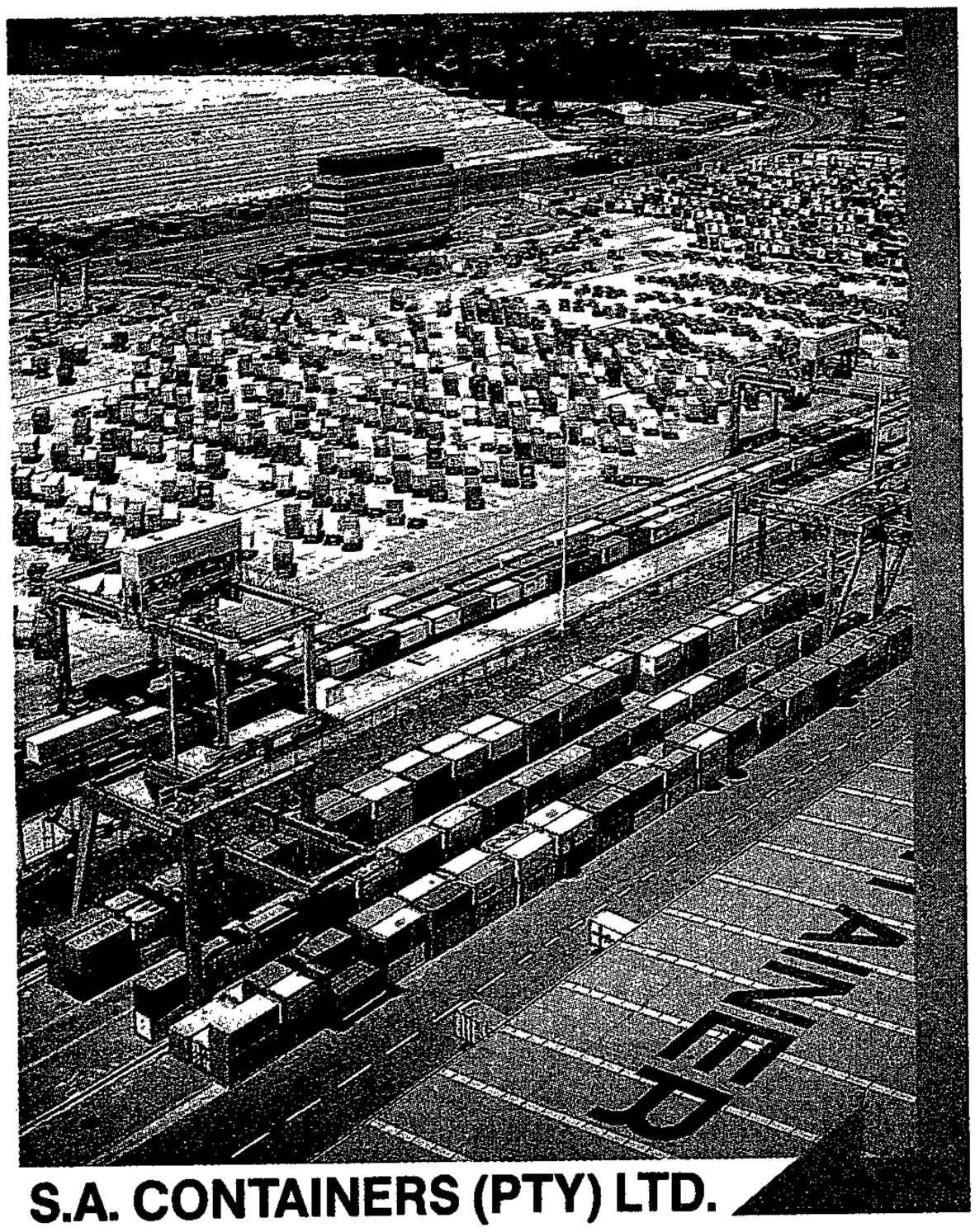
"We have the resources to create the awareness, impact and feeling of specialisation and, hence, create a big difference between what we do and what our competitors offer," he added.

O'Hara added: "We carry out a great deal of desk research, but our most valuable assets are our personnel out in the various markets — especially Africa, which changes so often — who bring back the most up-to-date information available."

Renfreight can also feel proud of its fully equipped audio visual studio.

The studio, says Renfreight, is constantly in use to produce various presentations to target audiences.

SAFTAINER



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Transport currently taking a back seat

Investments in the South African transport industry are unlikely to take place in the near future.

This is the view expressed by David Matterson, chief executive of Renfreight Forwarding, prior to his departure for the Renfreight overseas agents' conference in Lisbon.

"The transport infrastructure in this country is economically strapped at the moment and we would not expect anything exciting to happen in the near future.

"Structural transport developments generally have a connotation of overseas investments and the present climate for that is not good," says Matterson.

Matterson also urges that serious thought be given to privatisation in the transport industry, but he adds: "It is difficult to see when it will take place. The country is significantly well resourced in transportation networks."

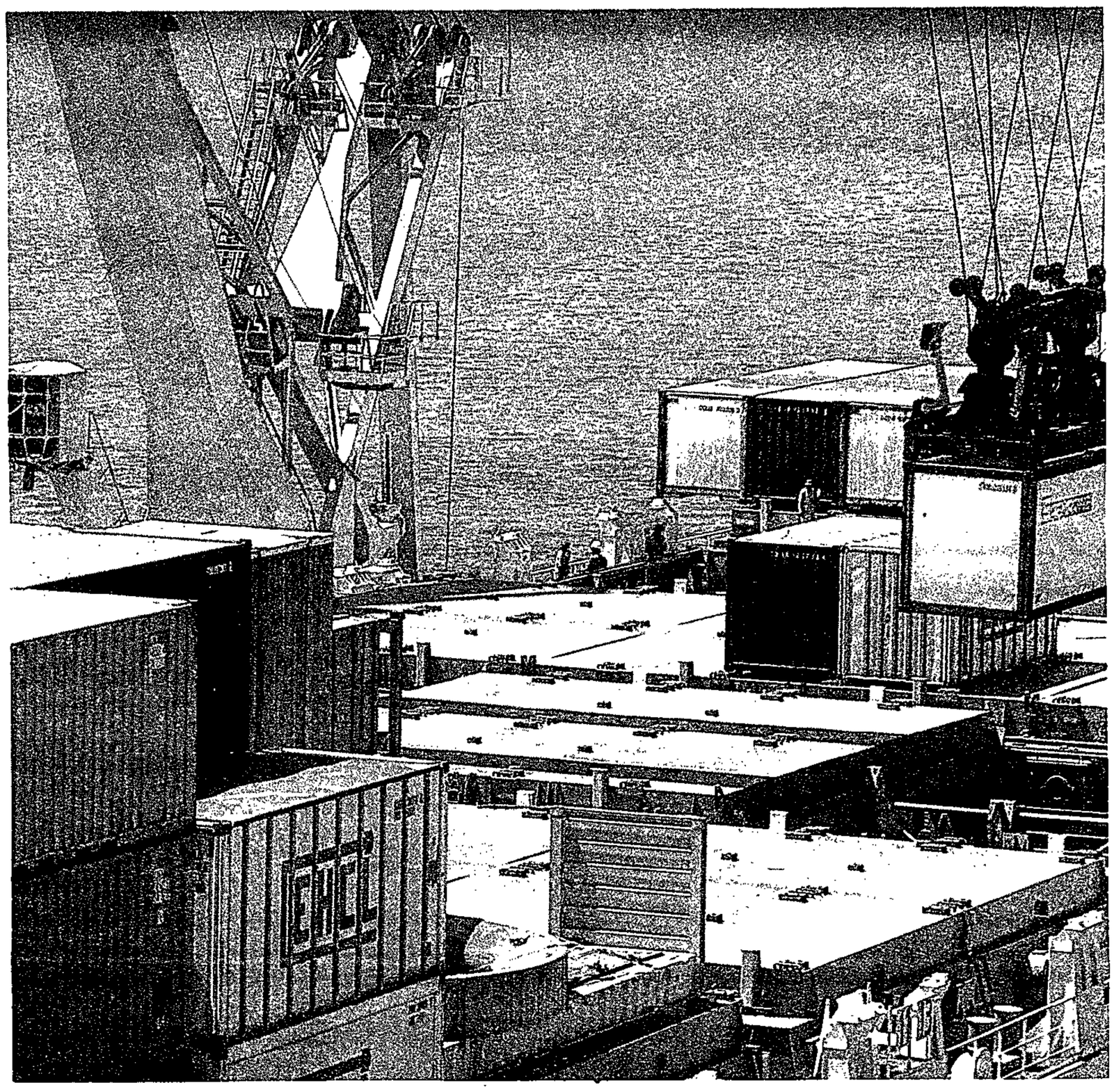
The four diverse sections

Renfreight Forwarding is segmented into four main departments:

- Renfreight Forwarding International, comprising international forwarding, road freight throughout South Africa, marine insurance and project handling;
- Renfreight Forwarding South Africa, comprising a national network of offices serving importers and exporters as well as domestic movers and stagers of cargo;
- Renfreight Forwarding Africa, which leads the way in cargo handling, management and logistical support services in many countries throughout Africa;
- Renfreight Aircargo carries out activities in the forwarding, clearing, export and domestic service areas.

Renfreight clears your air cargo by the express link

Aircargo markets big four in freight



Container groupage services — these give careful and speedy handling for engineering sector cargos.

Renfreight Aircargo markets four main products — Freightair, Freightclear, Freightlink and Freightexpress.

Freightair was instituted for the purpose of transporting time-sensitive cargo from foreign suppliers to South Africa.

"Our accredited agents in over 25 countries provide a comprehensive network that can meet any importers airfreight erquirements," said David Sapseid, senior executive of Renfreight Aircargo.

Having first researched the market comprehensively Renfreight Aircargo found that an adherence to deadlines as well as overall reliability are the attributes most highly prized.

Sapseid adds: "Freightair is closely meshed with our Freightclear service to provide a one-stop international throughput package." Freighclear ensures the speedy clearance and delivery of imported consignments through South African customs. Advance facsimile transmission technology enables the transmission of documents from abroad to South Africa in a matter of minutes, resulting in the pre-clearance of critically urgent consignments before flight arrival.

"The efficient clearance of imported cargo has both time and cost implications," said Sapseid. "Delays through customs stoppage have to be avoided if deadlines are to be met. Furthermore, total familiarity with commodities is necessary to ensure that the lowest legitimate customs' tariffs are applied."

A system of specialised channels provides for an effective clearing operation. Each channel handles a particular group of activities and gives the specialist executives total familarity with the particular requirements of their clients.

Freightlink is the export service designed to speed up the delivery of time sensitive cargo to international destinations.

With representative offices throughout the world, delivery to final destination is smoothly arranged whether it is to a major centre or not. Part of this service incorporates a series of export seminars.

Freightexpress specialises in the the domestic market throughout South Africa. Various time/cost options are tabled to users who may choose from same-day delivery, arrival next morning, arrival next day, or a 36- to 48-hour transit when economy is the watchword and the cargo is less time-sensitive.

Skill on a large scale in projects

Considerable skills are required to manage large scale projects, which is why Renfreight Forwarding has established its own specialised projects unit.

Freight projects is managed by the international division of Renfreight Forwarding, under the watchful eye of its senior executive Nigel Haselau.

His team of professionals have considerable experience in handling international and domestic transport logistics for major industrial-development schemes.

The service offered by this unit covers every stage of the transportation process, from initial route surveys to the arrival of the cargo at its final destination.

Where abnormal loads are concerned, planning is critical and special vehicles may be required, bridges may need to be raised and other route peculiarities taken into account.

"We specialise in moving high value, large tonnage cargoes on a door-to-door basis, from manufacturer to the construction site. We also provide lifting equipment to offload on site and to assist with the erection on site," said Haselau.

"We have the specialised knowledge to discuss staged consignment rulings with customs which can have a favourably impact on duty levels."



Freight projects — meticulous attention to critical path detail.

Specialisation for a 24-hour cargo service

A philosophy of "specialised units" has cleared the way for Renfreight Forwarding to become market leaders in the field of air cargo.

David Sapseid, senior-executive of Renfreight Aircargo said that to optimise the resources of the organisation more emphasis was placed on small specialised units.

"This is particularly relevant in the engineering and electronics sectors," he said. "We now offer these market sectors a unique service at the airport. Through our management team we can give our clients a 24-hour service, seven days a week".

Renfreight Aircargoes' specialists can offer the engineering importer correctly rated goods in terms of tariff regulations.

In the past the computer industry provided the mainstay of Renfreight's Aircargo business. However, with the current international business environment, a wider base is more desirable.

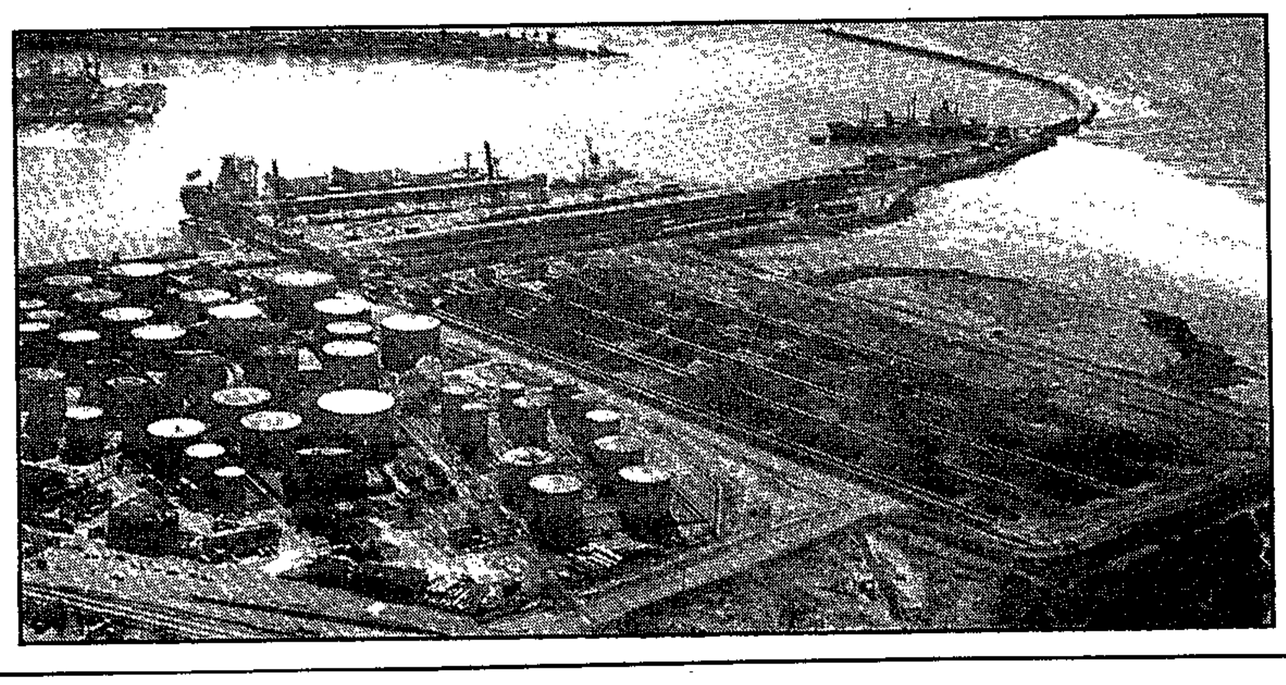
"Of our top 50 clients a great deal are in the electronics industry, which have been good recessionary- and inflationary-proof industries," said Sapseid. "But one must realise the possible difficulties arising from sanctions so our gross area of strength may become a risk area".

Renfreight Aircargo represents more than 50% of the major motor manufacturers in South Africa.

"We have lived for the last two years with decreasing volumes due to the current state of the motor industry. Though our clients may read like a who's who of South African business, we are also tied to very volatile businesses.

"With specialisation so relevant in the South African economy, there will always be a certain amount of imports coming into the country," he said. "We are well equipped to serve the South African importer."

Renfreight Forwarding South Africa remain up to date with international shipping methods and procedures and present a full range of options to shippers who require fast, efficient handling and wharfside storage of cargos. This is through considerable investment in terms of equipment and facilities at all ports.



Renpak is efficient, punctual

Packaging, handling and transportation of personal and household effects, cars and livestock within South Africa is a service marketed by the South African division of Renfreight Forwarding.

This efficient service is called Renpack. With the full backing of the Renfreight infrastructure it ensures that all belongings arrive at their destination punctually and in perfect condition.

Also handled within this division is the international importation and exportation of similar goods. With Renfreight's worldwide network of agents, the collection and transportation of these commodities is handled efficiently.

Freightbase, another service offered by the Renfreight network, has kept pace with the many changes in warehousing that have taken place in latter years. It offers a complete range of warehousing and handling services, all geared towards effective and reliable cargo management.

Freightbases provide for the packing and unpacking of containers, full and empty container storage, and trans-shipment from rail to road and vice-verse.

Eddie Stead, operating executive of Renfreight Forwarding South Africa, told ConstructionWeek: ''We operate container parks in Johannesburg, Durban and Cape Town as an auxillary function to the warehouse service.

''We stage empty containers for container operators and we repair and refurbish these containers if necessary. We use them to pack export cargo in and the advantage is that they are very close to our export facilities''.

Stead continues: ''We recognise the vital importance of South African bulk cargoes and so we have assembled a proficient, cohesive unit to co-ordinate specialised handling, storage and transportation.

''This bulk handling unit, Freightbulk, handles bulk cargoes for most of the Southern African major shippers. Freightbulk offers a comprehensive range of services, backed up by modern technology, computerised systems, and valuable expertise, whereby professional advice can be given to bulk importers and exporters.

''Due to South Africa's geographical location, the costs involved in transporting cargoes to and from South Africa are considerable. Freightbulk is committed to handling, storing, and transporting the cargo with optimum cost efficiency to ensure that clients remain competitive in their respective markets.''

"WHAT DO YOU MEAN 'RELAX'?"



It's difficult to stay calm when you're told that the consignment your company's future depends on will not arrive on time. Unfortunately, by the time you find out, it's too late to do anything other than reach for the tranquilisers. Here at Renfreight Aircargo we know that time is of the essence. That's why our computerised networking system makes absolutely certain that all documentation is correct and complete – before your precious cargo even leaves the ground. Computers, motor parts, machinery, pharmaceuticals, textiles, publishing and entertainment material, you name it – if it has to get there fast, we'll get it there fast. We've got people with the experience to handle every aspect of imports, exports and customs clearing. Professionally, quickly and efficiently. (What's more, we can make local deliveries in a matter of hours.) When it comes to urgent consignments, you can't afford not to talk to Renfreight Aircargo. You'll find our approach very relaxing.

Renfreight Aircargo
When you can't afford to take a chance.

Bloemfontein (051) 303017, Cape Town (021) 9314211, Durban (031) 426024, East London (0431) 26777, George (0441) 79010/1/2, Jet Park (011) 8265923, Port Elizabeth (041) 514102/3, Pretoria (012) 283870

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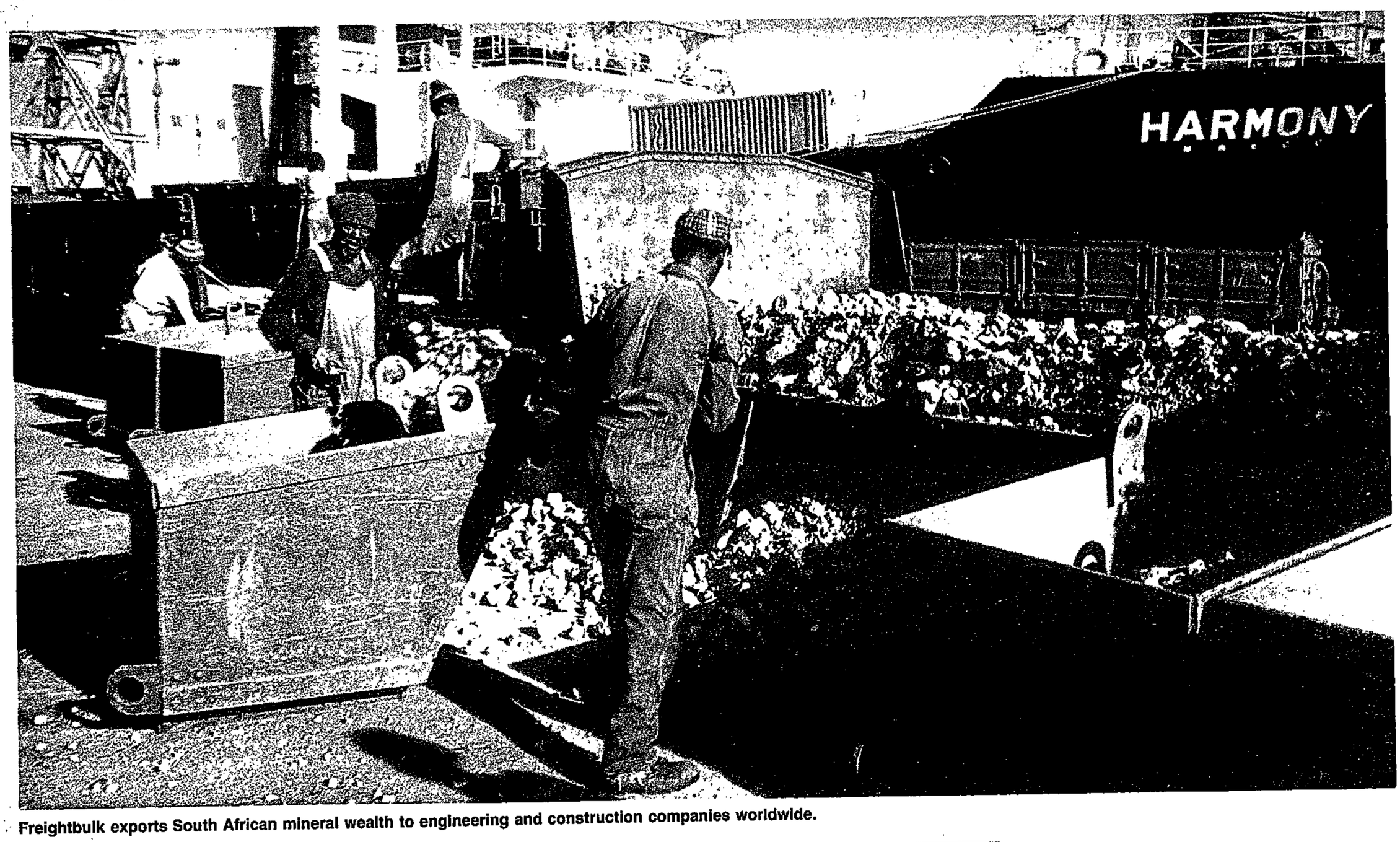


Freightbulk exports South African mineral wealth to engineering and construction companies worldwide.

Branch is tracking down SA imports

All import consignments to be handled by Renfreight Forwarding South Africa will be closely monitored by computerised systems.

Renfreight import tracking system (RITS) is at present available in the Johannesburg and Durban offices.

It is anticipated that the system will come on line at the ports in Cape Town and Port Elizabeth before the end of this year.

"At any one time the full and exact status of a shipment can be determined and any shipment behind schedule can be identified and drawn to the attention of management," said Eddie Stead, operations executive of Renfreight Forwarding South Africa.

RITS was introduced in 1983 and has proved invaluable to the Renfreight clearing function. Terminals are located in the clearing channels and easily accessed by staff involved in the clearing process.

The following details may be entered into the system to provide management information as required;

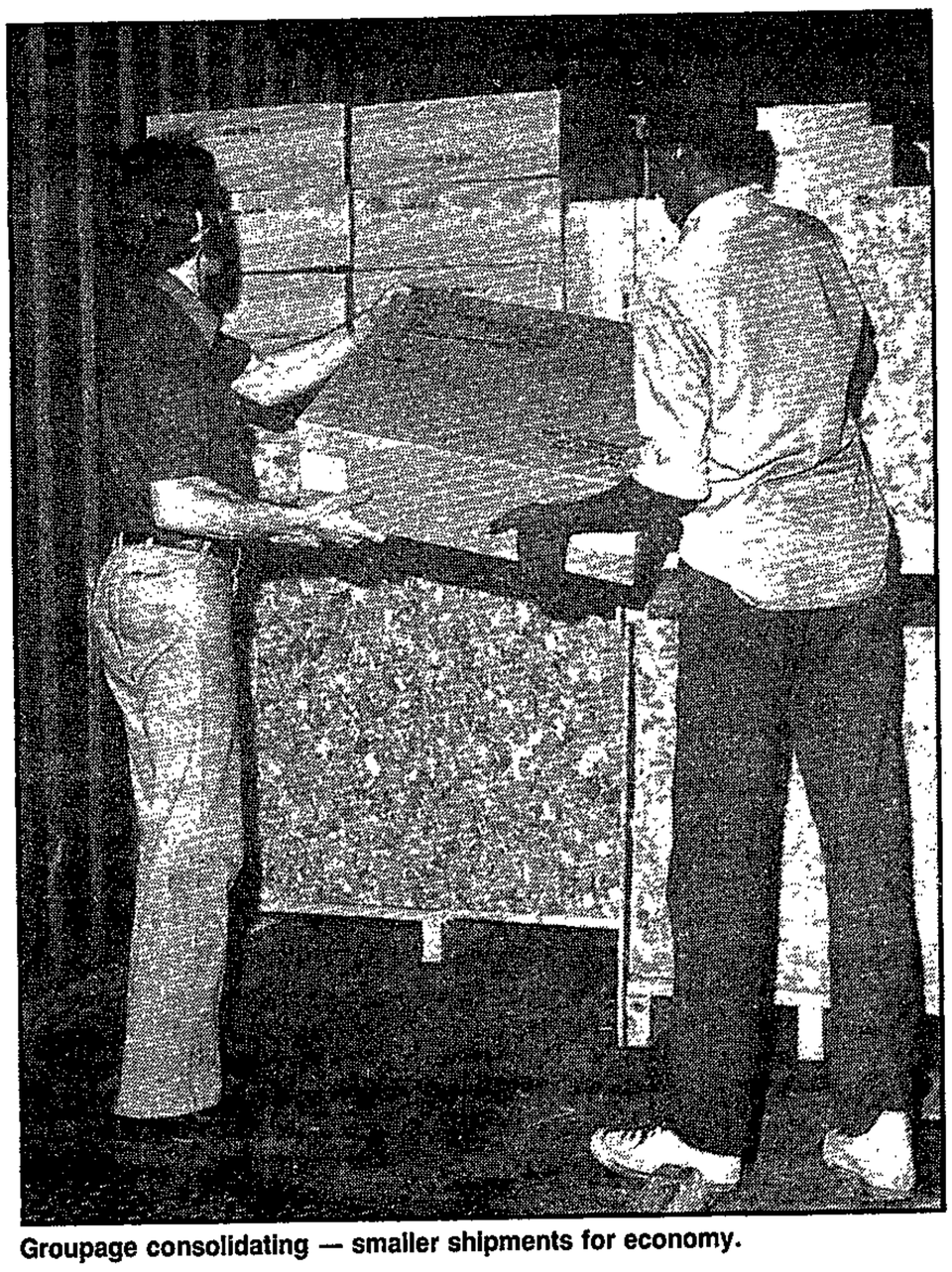
- Container marks and numbers;
- Unpack details;
- Vessel arrival dates;
- Import permit numbers and balances;
- Rail, truck and road transport information;
- Rig entry requirements;
- Provisional payment details;
- Credit terms;
- Bank guarantees.

The availability of status information has improved timing and accuracy and has increased productivity levels.

The system produces excellent reports to highlight where action is needed, and standard correspondence to improve operational efficiency.

Channel managers, controllers and their assistants spend less time searching for information as it can be obtained from RITS.

They are thus free to anticipate client needs and keep importers up to date on the physical whereabouts of their cargo and also on clearance status.



Groupage consolidating — smaller shipments for economy.

Freight geared for speed

Freightspeed is a South African non-vessel-owning cargo carrier freighting organisation, and one of the four services marketed by Renfreight Forwarding International.

It has substantial corporate backing and a comprehensive spread of local and international facilities. Freightspeed is geared to meet the need of all central and southern African shippers, domestic and internationally.

FreightAfrica, another service under the wing of the Renfreight International division, is specifically designed for fast and secure cargo conveyance throughout Africa.

Marine insurance is an integral part of the transportation process, and it covers the client for any possible loss or damage. Renfreight Forwarding International has for this reason instituted Freightcover. This is a broking service to assist clients with every aspect of freight insurance.

Experienced staff are on hand to give practical advice and assistance to clients moving import, export and transit cargoes anywhere in the world.

Freightcover incorporates policy negotiations, rating reviews, documentation and administration, claims settlement and claims negotiation.

The international division is growing in stature as trade increases with Africa. South African exporters are now realising the tremendous potential of markets on their door step.

'We go to the ends of the earth'



Nigel Haselau, senior executive, Renfreight Forwarding International.

"We go to the end of the earth for our clients" — both literally and figuratively.

This is the strong consumer orientation which underlines the policies of the Renfreight Forwarding International division. Nigel Haselau, senior executive, spoke to this newspaper on the subject.

"We offer made-to-measure services at off-the-peg prices," he said.

In the shipping area the same principle applies, said Haselau, with customers assured of individual attention at all times. Renfreight's agents and partners overseas are carefully selected by the management of Renfreight Forwarding.

"Our agents are the best rendering the required service in the desired countries," he said. "They are well-established, and as concerned as us that the cargoes arrive at their destination promptly."

Haselau told this newspaper before his departure for the international overseas agents conference, the company will be planning ahead and looking at various eventualities.

"Many of our clients are in the engineering and electronics sector and such strategic industries must be kept going and have to be supplied from overseas," he said. "Our customers look to us for continuity to and reliablility of service.

"We will also be reinforcing the fact that we are the best in the business. Many of our agents have made considerable investment in building up trade over the years with South Africa. We will assure them that it is business as usual despite the adverse press abroad."

Forwarding agent serves in SA and out

Renfreight Forwarding South Africa serves importers and exporters as well as domestic movers in the private and public industrial sectors.

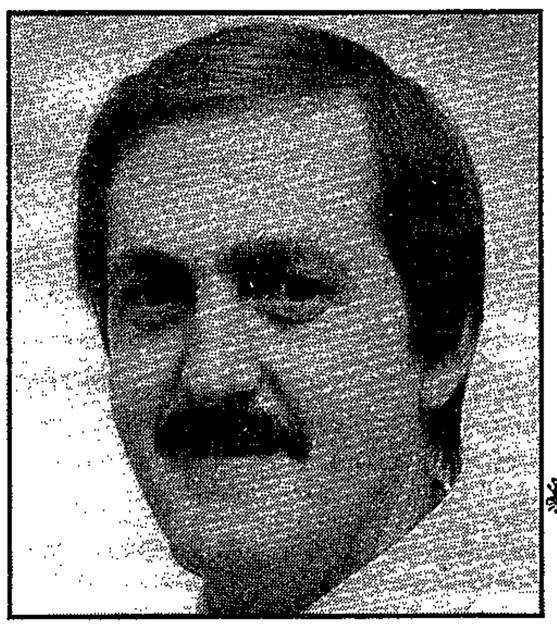
With offices strategically placed all over South Africa, this division of Renfreight Forwarding is one of the most entrepreneurial clearing and forwarding agents in the country.

Freightforward is Renfreight's export groupage service which serves the Indian ocean islands, the United Kingdom, Europe, America and the Far East.

Freightforward will respond speedily by collecting the consignment, consolidating it into a groupage container, providing advice on dispatch, shipping and delivering the goods to their destination.

A full door-to-door service means one invoice in rands and the security of having cargo handled through a tight network worldwide.

Renfreight Forwarding offers a complete range of national and international export freight management services covering a wide spectrum of activities. These range from documentation and export clearance through to container handling and insurance.



Piet Stein, senior executive, Renfreight Forwarding Africa.

Trade growth opens up new freight areas

The growth in trade between South Africa and many other African countries has opened up a great deal of potential for Renfreight Forwarding.

This is reflected in the fact that a totally independent division of Renfreight Forwarding looks after the affairs of many African countries. This division, Renfreight Forwarding Africa, is headed by Piet Stein, its senior executive.

The division leads the way in cargo handling and management, transportation and broking. It provides logistical support services and co-ordinates strategic group interests throughout the countries in which it operates.

Renfreight Forwarding operates its own company in Zambia, Zimbabwe, Malawi, Mocambique, Lesotho, Swaziland, Botswana and Namibia. It also works under an agency agreement in Zaire.

"We deal mainly with large companies, many of whom are government or paragovernment bodies," Stein told ConstructionWeek. "It is important that third party relationships in these countries are well established. In all these countries Renfreight Forwarding Africa has demonstrated its commitment to the country concerned and the development of that country's economy."

Importing mineral and agricultural bulk commodities demands meticulous co-ordination of the entire transportation package. At Renfreight Forwarding Africa this is centrally managed to orchestrate all movement over land and sea efficiently.

Flexibility

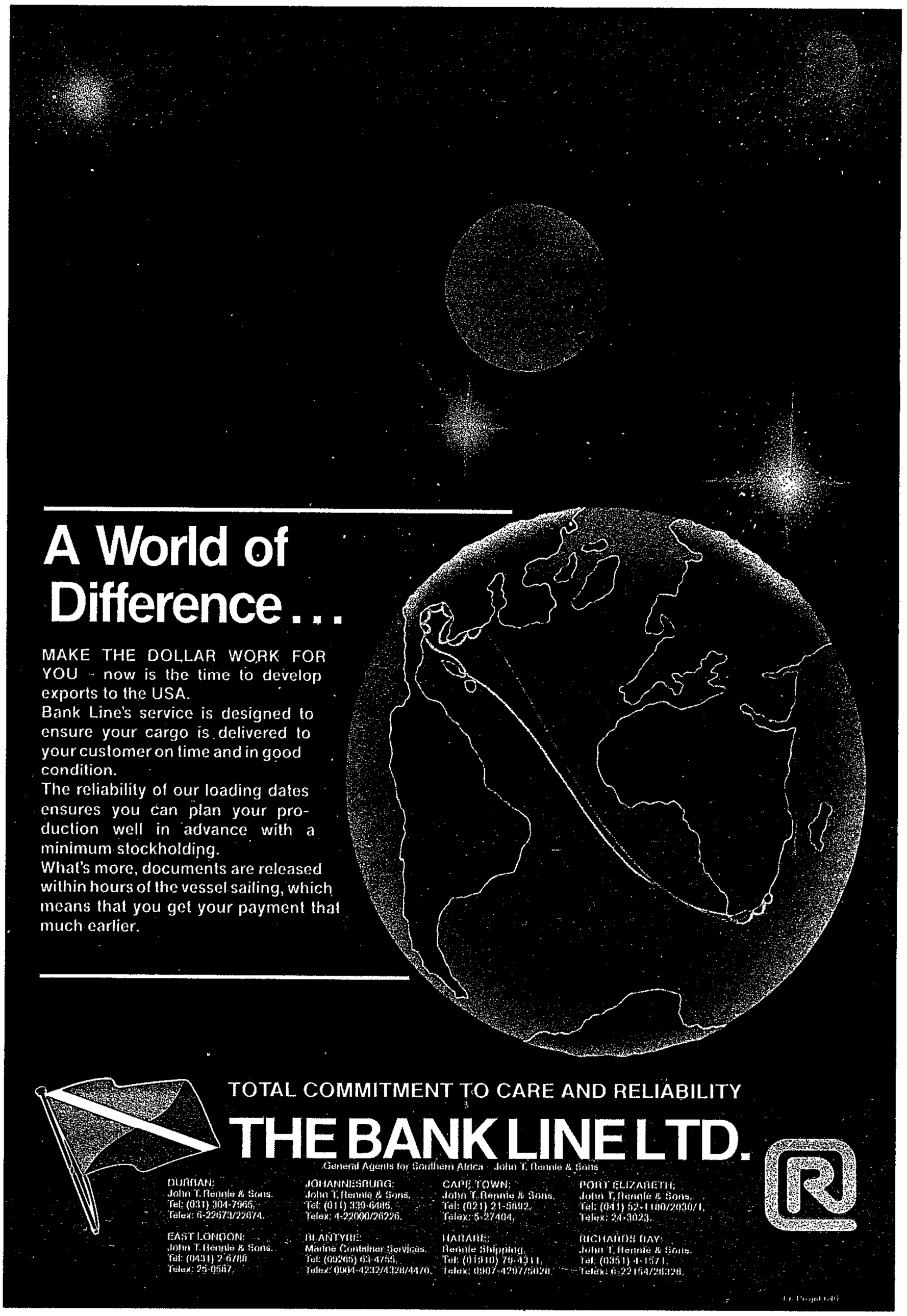
Because management and throughput costs of bulk cargo are directly affected by timing, every aspect of customs, harbour and transit facilities, staging and warehousing, as well as cargo security, is taken into account when planning bulk shipments.

The flexibility of this system allows for bulk, breakbulk and refrigerated or containerised cargos to be transported safely by road or by rail.

Renfreight recognises the vital role mineral and agricultural exports play in African economies. It has to focus much of its expertise in the highly specialised area of bulk exports.

The appointment of specialised and carefully trained co-ordinators, and the careful selection of the most advanced technical and operational facilities, has ensured that Renfreight Forwarding Africa is equipped to provide a comprehensive service to bulk exporters.

With many African countries being land bound, the expertise and infrastructure of Renfreight Forwarding can help find ways to overcome the resulting complexities.



ndt's social bundu bash

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Socialist International, the world's largest and oldest association of political parties, gathered in Botswana this past weekend. The focus was on Southern Africa and Pretoria's policies

☐ KAUNDA



BRANDT ☐

NEIL JACOBSOHN in Gaborone

SI president Willy Brandt, the former West German chancellor, said it publicly: "The source of violence is not those who resist, but those who have built their rule on injustice and oppression."

It says something about the world's preoccupation with apartheid that the conference took place at all. And while non-socialists might be tempted to dismiss the SI as one more extremist organisation, it is hardly an insignificant body.

With 75 organisations worldwide as members, 45 of them active political parties, SI can boast an indirect following of more than 100-million voters. At present, 24 of its 45 member parties hold or share government in 23 countries.

SI claims to have existed in various forms since 1864, when the First International was established in London by none other than Karl Marx.

Excluded

Communist and Marxist parties are not admitted as members to the SI, which indeed includes as consultative parties such exiled organisations as the Yugoslav Socialist Party and the Social Democratic Party of Latvia.

Which brings us to a Botswana bundu bash on an April morning.

The current strength of SI undoubtedly is attributable to its president Willy Brandt, who has been re-elected leader four times.

Brandt is a pragmatic socialist, and a more conservative one than many, and members admit privately that this plays a role in winning respectability for the organisation.

Brandt admits in private conversation, for example, that he is uncomfortable with the idea of sanctions, be they applied against SA or anyone else.

But on the SI platform, he's as stout a defender of the faith as anyone. But as a pragmatist, he showed a great liking for good Cape red wine.

The SI has moved somewhat Left over recent years, mainly because of the influx of Latin American members. Socialism was spawned by the working classes during the industrialisation of Europe, but, as in the United Nations, SI now finds itself numerically dominated by essentially Third World countries. Thus Brandt's high profile and his pragmatism is doubly useful.

Certainly he dominated this conference, along with Zambian President Kenneth Kaunda, who delivered a gritty opening address in which Pretoria was spared few harsh words. They were familiar words, but devoured by both the delegates and the swarm of foreign Pressmen present.

The major plague of Southern Africa continued to be the apartheid regime and Pretoria's aggressive destabilisation of neighbouring states, said Kaunda.

He dismissed current reforms with contempt, making the point — with which many within SA would agree — that apartheid cannot be reformed, it must be abolished.

The US, too, came in for a tongue-lashing, accused of being an ally of apartheid through its policy of constructive engagement and its support for Unita. Multinational corporations operating in SA were also branded apartheid supporters by Kaunda.

It's easy to dismiss much of what emerged as simply rhetoric. The language of socialism has become almost a cant.

Thus, in summing up the conference, Brandt thundered that he would tell President P W Botha that there was no compromise with apartheid. And he called for a wide-ranging new package of sanctions against SA. Again, it's easy to dismiss the call. SI is a voluntary body, and its resolution on sanctions is anything but binding.

Fixed item

But at the same time there is no doubting that the message taken back this week to Australia, Belgium, Denmark, France, West Germany, the UK, Italy, the Netherlands, Norway, Senegal, Sweden, Spain and the US is not one P W would like.

And messages of this nature are having their effect. Already Denmark has announced its intentions to completely end trade with SA. Other Scandanavian and European countries are likely also to tighten the noose.

In the words of Senator Margherita Boniver, of the Italian Socialist Party, apartheid has finally become a fixed item on the international agenda.

That meant something concrete to the recently-assassinated Swedish Prime Minister Olof Palme, who was a leading light in SI.

"When the world decides to abolish apartheid, apartheid will disappear," he said in one of his last major speeches. The world shuffled one step closer to that this weekend.

Europeans disenchanted

Sea trade agreement likely to end

BUD DAY 26/5/86. 332

THE Ocean Freight Agreement — governing sea trade between SA and Europe — may be allowed to quietly expire when it comes up for renewal in 1991.

Senior shipping sources say European members of the Conference Lines consortium are becoming increasingly disenchanted with the agreement, and are unlikely to press for its renewal.

They are unhappy with the financial returns received on their investments.

Under the 1977 agreement, designed to guarantee a shipping service committed to the SA route, government guarantees to send its cargoes on Conference vessels and to "encourage" parastatals to do the same.

In return, say Conference officials, the shipping lines are limited to 12,5% return on investment in ships, and 10,5% in cargoes. They are also obliged to offer to lift all available cargoes on the route.

In effect, shipping lines are receiving little or no return on investment. By 1984, returns were down to 2% and this year some operators fear they may receive no return at all on their investment.

The main problem, in their eyes, is the presence of non-Conference services on the route —because they attract up to 20% of cargoes and their lower rates also force the Conference to charge what they

DAVID FURLONGER

consider uneconomic rates in order to maintain market share.

They claim government is not doing enough to encourage parastatals like the SA Transport Services (Sats), or commerce to use Conference facilities.

These factors, and the present depressed state of SA shipping routes, is leading to increased pressure on non-SA lines to reduce their commitment to the market.

Many lines face replacement of their present fleets during the 1990s, and Conference chairman Neil Sempill predicted some European members of the consortium might be unwilling to re-invest.

"The agreement is unlikely to be renewed in its present form given the current state of the shipping market," he said.

"Lines may decide to go for ships less dedicated to the SA trade and prefer to remain flexible in order to take ships out when needed."

The result would be a depleted cargo shipping fleet committed to the SA route — a dangerous option for a country reliant on sea trade. While independent lines would certainly step in to take up the

● To Page 2

Trade agreement likely to expire

● From Page 1

332

slack, many would remain only if they profit.

Safmarine senior GM Tony Farr, whose line carries an estimated 40% of Conference cargoes, said it was too early to speculate on the fate of the OFA.

However, he added that if fellow lines should review their SA commitment and the freight market should continue its decline, Safmarine could swallow a large part of the market.

He agreed that present market and investment return levels could make it difficult for some lines to re-invest when their ships reached the age where they should be replaced.

"It may be premature to be talking of an end to the Ocean Freight Agreement," he said.

"Things may be bad now, but by 1991 it could be a lot different."

Sea rates kept stable by early demand

EARLY pressure on panamax vessels in the North Atlantic has kept freight shipping rates steady in that region.

Afromar reports that $4 was paid for a 70 000-ton coal cargo from Hampton Roads to the European continent, although the rate for 55-60 000 tons of coal from the US Gulf to the Continent was slightly down at around $5.

Rates in the Far East appear to be easing off, with a cargo of 60-70 000 tons of coal from New South Wales to Europe at $8,40. Charterers expect to be able to cover further business at a lower level.

The Soviets were reported to have bought 1-million tons of grain from the US, but this was thought to be part of the normal contract arrangement.

The SA market remained quiet last week and rates remained steady.

There was little new inquiry in the coal trades, although it is understood a 65 000-ton cargo was arranged from Richards Bay to Hong Kong at just below $4,50, or 40 cents down on previous business.

A major energy company came into the market for 25 000 tons up to panamax size from Richards Bay to Antwerp for loading during the second half of June. Despite the availability of panamax tonnage at $5,50, charterers are likely to achieve $5 by fixing the load as part-cargo on a cape-sized vessel.

Cape sizes are still holding relatively steady at around $4,40/45 for Richards Bay to Rotterdam. While handy-sized rates changed little last week to the Continent, rates to the Far East were easier.

Other activity included the seeking of inquiry to move 10 000 tons of beans in bulk from the River Plate to Durban for July/August shipment, while 1 500 tons of sulphur was quoted from the Persian Gulf to Durban for June shipment.

A cargo of 11 000 tons of steel products was quoted from Maputo to China for early loading, with charterers wanting about $18,50/19. A 15 000-ton cargo of manganese ore was fixed from Port Elizabeth to Portugal at $12,60 for early June loading. German charterers came into the market for a vessel of around 15 000Dw for a time-charter trip from Durban to the West Indies.

(2) whether the use of this poison was unbanned recently; if so, (a) when, (b) why and (c) who took the decision in this regard; if not,

(3) whether any special permission was granted to use BHC to combat the locust infestation in 1986; if so, (a) why and (b) who took the decision in this regard;

(4) whether any restrictions or conditions were placed on the use of this poison; if so, what restrictions or conditions; if not, why not;

(5) whether persons employed in applying BHC were informed of the dangers involved in contact with this poison; if not, why not; if so, what information were they given;

(6) whether any persons applying this poison failed to wear masks and dust goggles; if so, (a) how many, (b) why and (c) by whom were these persons employed to apply this poison;

(7) whether the health of these persons is being monitored; if not, why not; if so, (a) by whom, (b) at what intervals, (c) in what manner and (d) with what results;

(8) what specified substitutes for BHC have been or are being used to combat locusts;

(9) whether any reports of contaminated meat or diary products have been received from the affected areas; if so, (a) what is the extent of contamination and (b) what action is being taken as a result;

(10) whether his Department has instituted any monitoring procedures in regard to livestock in areas sprayed with BHC; if not, why not; if so, what procedures;

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

†The DEPUTY MINISTER OF AGRICULTURAL ECONOMICS:

(1) Yes, but the State could keep it's stock on hand at that time for an emergency.

(a) October 1970.

(b) It was established that the Beta-isomer of BHC accumulates in the fat tissue and liver of humans and animals.

(2) No.

(3) Yes.

(a) Owing to the intensity of the locust plague and a shortage of other suitable insecticides.

(b) The Registrar of Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies. (Act 36 of 1947).

(4) Officials in charge of the campaign were instructed to ensure that BHC is not applied to crops and that the active ingredient is not in excess of 1 kg per hectare.

(5) No, contact with BHC does not constitute an acute danger for humans or animals.

(6) Yes.

(a) Unknown.

(b) BHC does not cause acute poisoning—especially not in the open air. Masks and dust goggles only serves to protect the membrane of the eyes and nose. The wearing of masks and dust goggles is however compulsory in the store where BHC is loaded and transported.

(c) The Directorate: Soil Protection of the Department of Agricultural Economics and Marketing.

(7) Yes. (a), (b), (c) and (d): Officials of the Department supervised the operation and would have taken anybody

who showed signs of ill effects of the poison to a doctor for examination and treatment. No cases were reported.

(8) Fenitrothion, Diazinon and synthetic Piretroides are used in liquid form. They are unsuitable for use as powders.

(9) No.

(10) No, in view of (5) above.

(11) No.

27/5/86 Q Col. -1969

Gert Jacobus Koekemoer

HANSARD.

*5. Mr S S VAN DER MERWE asked the Minister of Law and Order:

(1) Whether members of the police paid a visit to the residence of a certain person in Mowbray, whose name and address have been furnished to the South African Police for the purpose of the Minister's reply; if so, (a) on what date, (b) at what time of day, (c) for what purpose and (d) what is the name of the person concerned;

(2) whether any action has been taken against this person; if so, (a) what action, (b) when and (c) why;

(3) whether this person is to be charged; if so, (a) in terms of what statutory provision, (b) when and (c) why?

The DEPUTY MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 17 April 1986.

(b) 14h30.

(c) To interview him with regard to a complaint of contravention of section 26(1) of the Group Areas Act, 1966 (Act 36 of 1966).

(d) Gert Jacobus Koekemoer.

(2) No.

(a) to (c) Fall away.

(3) No.

(a) to (c) Fall away.

Cape Town/Port Elizabeth: bus company

HANSARD 27/5/86

*6. Mr D J N MALCOMESS asked the Minister of Transport Affairs: 332

(1) Whether a licence to convey passengers between Cape Town and Port Elizabeth has been issued to a certain bus company, the name of which has been furnished to the Minister's Department for the purpose of his reply; if so, (a) when and (b) what is the name of this company;

(2) whether any conditions were attached to the licence so issued; if so,

(3) whether these conditions contain any restrictions relating to the conveyance of members of certain race groups; if so, (a) what restrictions and (b) why in each case?

†The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) On 30 April 1986; and

(b) Interkaap Ferreira Busdiens (Pty) Ltd.

(2) No.

(3) Falls away.

Mr D J N MALCOMESS: Mr Speaker, arising out of the reply of the hon the Minister, can he tell us whether shortly after the granting of this licence SATS reduced both the price and the duration of the trip to Port Elizabeth, as their monopoly had been dispensed with. Is this an indication that more of this type of thing should be done?

The MINISTER: The fares of the plus buses came down because there was compe-

to the question today, but next week when he will be here. [Interjections.]

†Mr F J LE ROUX: Mr Speaker, further arising out of the hon the Deputy Minister's request, since when is it the custom that replies to questions stand over until the hon member who posed the question is present in the House?

†The DEPUTY MINISTER: Mr Speaker, the hon member for Jeppe asked me whether I would not reply to the question next week, as he is not able to be here today. It is at his request that the question stands over further. The reply is however already available. [Interjections.]

[Reply standing over.]

New Questions:

SABC

*1. Mr L F STOFBERG asked the Minister of Foreign Affairs:†

(1) To what extent is the State liable for losses suffered by the South African Broadcasting Corporation on films produced in partnership with foreign companies;

(2) whether a case of this nature occurred recently; if so, (a) what film was involved and (b) what steps does he intend taking in this connection;

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

The DEPUTY MINISTER OF FOREIGN AFAIRS:

(1) The State is not responsible for any losses suffered by the South African Broadcasting Corporation.

(2) and (3) In terms of article 3 of the Broadcasting Act, No 73 of 1976, as amended, the business of the South African Broadcasting Corporation is managed and controlled by the Board of the Corporation.

Consequently I have forewarded the hon member's question to the Chairman of the Board of the South African Broadcasting Corporation and I will make his reply available to the hon member as soon as it is received.

I might add that in terms of the Broadcasting Act, the South African Broadcasting Corporation is obliged to submit a report to Parliament in which amongst other things, its balance sheet appears as well as a statement of income and expenditure of the previous financial year which has been properly audited.

Kimberley/Diskobolos: members transported

*2. Mr L F STOFBERG asked the Minister of Defence:†

(1) Whether any members of the South African Defence Force were transported between Kimberley and Diskobolos on or about 1 April 1986 in buses belonging to Black companies; if so, (a) where are these companies registered and (b) to which population group do the bus drivers concerned belong;

(2) whether it is the policy of the South African Defence Force that members of the Defence Force be transported in this way; if so, (a) in what cases, (b) since when and (c) why;

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

†The DEPUTY MINISTER OF DEFENCE:

(1) Yes.

(a) Bophuthatswana.

(b) Black.

(2) No.

(a), (b) and (c) Fall away.

(3) Yes. Normally in the conveyance of SA Defence Force members by road on official journeys, only Defence Force vehicles are used. If a situation were to arise in which the SA Defence Force may be forced to make use of civilian road transport, the circumstances of the case will dictate which means of conveyance will be used. In the case in question the members were not on duty but on week-end leave and it was a private journey which was arranged by the unit. The unit in question has a contract with a White controlled bus service to transport National Servicemen to their homes and back, over week-ends at a reasonable tariff. It, however, occurs at times that this firm does not have enough buses available to transport the servicemen to different destinations. In such a case it hires buses from the SA Transport Services. In emergencies where the SA Transport Services cannot assist or cannot provide the number of buses required, the firm hires buses from a Black controlled firm, because these buses are mechanically sound and the interior appointments are of an acceptable standard for the unit. National Servicemen who make use of these buses do so voluntarily without any duress from the side of the Defence Force.

Mr H H SCHWARZ: Mr Speaker, arising out of the hon the Deputy Minister's reply, as I understand a company to be a juristic person on its own, would he like to tell us what a Black company actually is?

Imported parts

*3. Mr L F STOFBERG asked the Minister of Trade and Industry:†

(1) Whether the retail prices in South Africa of parts imported from European countries are higher than those at which such parts are sold in the countries of origin; if so, (a) to what extent, (b) why and (c) what cost factors are responsible for this;

(2) whether his Department has instituted and/or will institute an inquiry in this connection; if not, why not; if so, (a) when and (b) what were the findings;

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

The MINISTER OF TRADE AND INDUSTRY:

(1) It is accepted that the question refers to motor vehicle parts.

(a), (b) and (c) The Department of Trade and Industry does not keep record of prices of commodities in other countries. It can be expected, however, that the retail prices of motor vehicle parts imported from European countries will be higher in South Africa than those in the countries of origin because, among other things, cost factors such as freight charges, import duties, import levies, insurance cost and the cost of financing purchases are taken into account when determining the local price for imported goods. The same applies to parts in general.

(2) No. Such an investigation is not to the point. At issue is rather the local content programme in respect of motor-cars and light commercial vehicles and, as has already been announced, this programme is being reinvestigated at present. Furthermore, it may be noted that sound competition exists in the motor industry.

(a) and (b) Fall away.

(3) No.

Poison BHC

*4. Mr P G SOAL asked the Minister of Agricultural Economics:

(1) Whether, with reference to his reply to Question No 18 on 15 April 1986, the poison BHC was banned in the Republic at any stage; if so, (a) when and (b) why;

Sowetan 27/5/88

'Clerk refused to sell ticket'

A 56-YEAR-OLD teacher at a Soweto high school failed to report for duty on Monday after a South African Transport Services employee allegedly refused to sell him a ticket.

Mr William Molomo, of Mamelodi West, who is a teacher at the Emadwaleni High School in Mzimhlophe, Soweto, said he was insulted by a black clerk at the Denneboom station in Mamelodi when he bought a weekly ticket at about 5.45 am on Monday.

The clerk, he added, pushed his money through the window and refused to sell him the ticket. "He did not tell me why. Instead he ordered me to voetsek", Mr Molomo said.

He added: "People in the long queue were surprised at his actions and urged him to sell me the ticket. But he ignored them and shouted 'push this thing away — kick this man from here' ".

Mr Molomo said one of the men in the queue suddenly grabbed him from behind and pushed him away tearing his jacket almost into two pieces. He later boarded a taxi and went to report the matter at the SATS police station in the city.

A spokesman for the SATS police yesterday confirmed that Mr Molomo had laid charges against the clerk and investigations had been launched.

Taxi pirates have a bad time

PETERMARITZBURG Bureau

THERE have been 253 prosecutions of illegal or "pirate" taxi operators in a month in a drive which will be intensified, says Mr Geoff Pascoe, Pietermaritzburg Circuit Traffic Officer.

Speaking to the special squad had been involved in other activities which had been kept under shorter than that. Statistics provided by the Traffic Department had been broadcast by the Legal Taxis Association.

Pascoe said the operators had to have at least secondary school education in terms of the Road Transportation Act.

Unfair

The squad was gathering information about operators who were in possession of passengers for hire without permits or licences, was unfair to those who did have permits or licences and who were prejudiced by the illegal operations.

Mr Pascoe said the income from the illegal taxis was lost to the province.

He said that the drive would be intensified and that the public would be informed when the squad was operating in the area.

Pirates had been using the Road Traffic Act

Putco using property to raise R30m

JANE STRACHAN and STEPHEN ROGERS

PUTCO is finalising bonds of R30m against its R100m property portfolio. The loan is being raised to finance current repayments on the bus company's long-term loans.

Executive treasurer Manny Levitan says nine properties within the Putco portfolio are likely to be mortgaged in a deal with Syfrets.

The money will finance current repayments of R36,96m on the group's long-term loans of R70,5m. A further R23,7m is to be paid in the following financial year.

The repayment terms will have little effect on the group's interest bill for the 1986 financial year (last year R7,4m)

With the group running up an attributable loss of R19,7m at the interim stage, and short-term funds depleted, the bond may indicate that Putco was not able to call upon internal resources to service its loans.

Farmer's Weekly 30/5/86 332

More airfreight space? Perish the thought

EXPORT by air involves commodities which cannot be exported successfully by any other means. Not only because of their obvious perishable nature, but also because their inherent physiological processes cause loss of quality or deterioration during long storage even in cold stores.

THE very nature of perishables means they must reach their destinations as quickly as possible. But flights to and from SA have been reduced and more direct flights to accommodate passengers means more space for fuel and less for cargo. GERT KACHELHOFFER, deputy chairman, marketing development, Perishable Cargo Agents, looks at the situation.

The more important kinds of products available for export include avocados, cherries, chillis, litchis, mangos and melons etc. This list has of necessity been temporarily shortened recently because of the drastic curtailment of freightspace on scheduled airlines through a reduced number of flights and destination combinations.

Flowers — like cut flowers, protea, gladioli and wild ferns — are a huge export product. And don't just say vegetables as there are so many. What about fish, live lobsters? Perishables cover an enormous amount of exports.

The amount airfreighted by the industry in 1984 was 15 500 tons and the forecast for 1985 is 22 000 tons with foreign exchange earnings at about R250m.

Should perishable exports by air be seriously curtailed, the result will be a serious loss of foreign exchange and probably also markets built up and established during the past 25 years.

Most of the commodities are produced from permanently established orchards; crops from such orchards increase annually as trees grow larger and young plantings come into production. As is the case with most horticultural crops in SA, the undertakings are largely dependent on exports because of the limited local market.

Should producers be forced (by curtailment of exports by air) to place their produce on the local market, a total dislocation of such markets will result, causing hardship to many producers. A single client from Cape Town exported 3,5-million kg by air last season alone. This is because when SA has summer Europe has snow . . . imagine the market for fruit and vegetables and flowers!

Practically all the commodities produced for export by air involve labour intensive operations, so that very serious unemployment will result, should the normal flow of produce to market be halted. It is possible to get an idea of the enormity of the problem by noting the number of employees used by producers of proteas for export only. They employ 15 000 labourers throughout the year.

We have been forced to advise producers of annual crops, such as vegetables, not to plant for export because of the lack of freightspace. Such producers find themselves in a difficult position because they have made capital investments in irrigation equipment, based on the assumption of production for export.

A crisis situation has arisen. General economic conditions of the country have produced problems for all airlines. Few passengers and little freight southbound, result in a reduction of a number of flights on both domestic and external services.

Even the few flights still available now have less freightspace than before because airlines are obliged, by present adverse economic conditions, to aim at 100% passenger payload, whereas formerly an average 60% payload was acceptable.

In order to attract more passengers, airlines are introducing more direct flights to Europe thus the freightspace that would have been available has been sacrificed for extra fuel taken on at the point of departure (Jan Smuts).

The crisis can be circumvented. The obvious answer is, naturally, to acquire more freightspace and the following ways of getting it deserve investigation:

☐ Chartering of cargo aircraft is possible, but costs are high because such aircraft will have to travel southbound practically empty — to avoid competition with SA Airways and scheduled pool partners. The problem then is to find some way of financing such charter cargo aircraft.

☐ Many thousands of workers will lose their jobs if export is seriously curtailed. And because substantial foreign exchange will not flow into the country, government financial assistance is justified and urgently necessary. It is important to find funds to promote this export in order to avoid adding to unemployment.

The best solution is that finance be provided by the State to enable the charter freighters to operate direct. Chartering by agents should be permitted rather than chartering through SAA, because agents can limit space in the first place for perishables whereas, if done through SAA, they will be obliged to accept a 'first come first served' policy, which would be to the detriment of perishable produce.

It will also mean a charter may not accept southbound freight.

The matter has become one of extreme urgency because the high season for perishable exports is November to February.

If there was more airfreight space to Europe we could have doubled our exports tenfold from SA. This is the only commercial setup I know that is forever depressing business; we cannot develop because of lack of freightspace.

Politics and economics leave SA sea routes in the doldrums

30/5/86. BUS DAY. 332

DAVID FURLONGER

THE SA sealanes were once a guaranteed moneyspinner for the world's shipping lines — but no longer.

Political pressures and the weakening rand have so disrupted SA's traditional trading patterns that today it is a brave shipowner who sinks his money into carrying goods to and from this country.

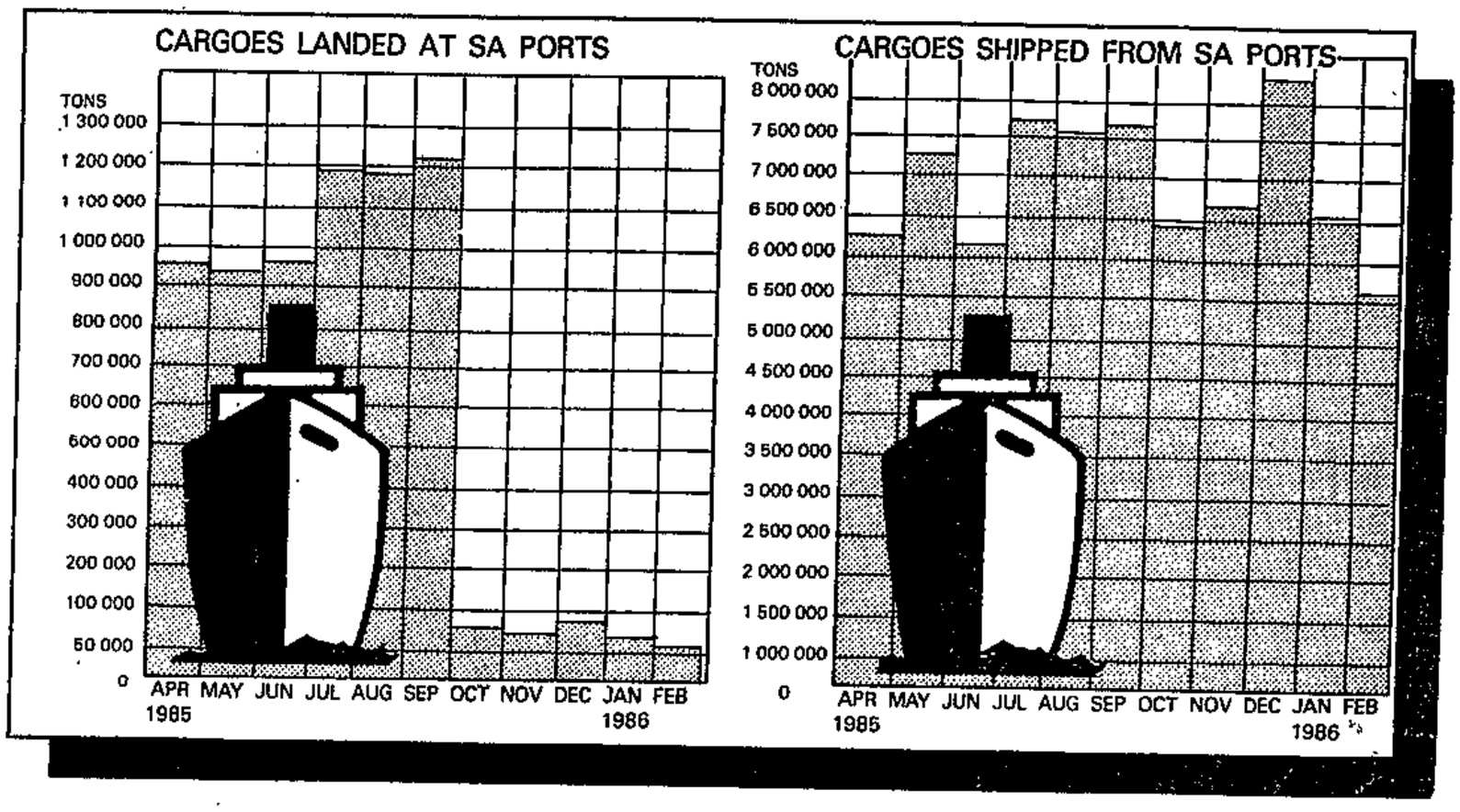
Latest official figures show that in February this year, only 568 431 tons of cargo were landed at SA's seven major seaports — the lowest total since February 1977.

Outgoing cargoes of 5,56-million tons were the lowest since April 1984. Total cargo handled at the seven ports — Richards Bay, Durban, East London, PE, Mossel Bay, Cape Town and Saldanha Bay — was 6,13-million tons, the lowest since July 1983.

Starved of cargoes, shipping lines are being forced to adopt drastic measures. US Lines, a member of the SA-US Conference consortium, has abandoned loss-making direct sailings between the two countries in favour of a trans-shipment service via Europe.

Safmarine, while maintaining a reduced direct service, is sending many of its US cargoes on the European dogleg route.

Members of the European Conference — SA-Europe Container Services (Saecs) — are openly expressing doubt about the future of the Ocean Freight Agreement (OFA), which governs sea trade between SA and Europe.



Saecs' European members have become disenchanted with the agreement and sources say they are unlikely to press for its renewal when it expires in 1991.

As its part of the 1977 agreement, designed to guarantee a shipping service committed to the SA route, government guarantees to send its cargoes on Conference vessels and to "encourage" parastatals to do the same.

In return, Conference lines are limited to 12,5% return on investment in ships, and 10,5% in cargoes. In effect, they are receiving little or no return on investment. By 1984, returns were down to 2% and this year some lines fear they may receive no return.

They single out two chief obstacles — the weak rand, which has distorted cargo volumes by encouraging SA exports and discouraging imports; and the presence of non-Conference services on the route, both because they attract up to 20% of cargoes and because their lower rates force the Conference to charge what they consider uneconomic rates in order to maintain market share.

They also claim government is not doing enough to encourage parastatals such as SA Transport Services (Sats), or business in general, to use Conference facilities.

Many lines face replacement of their present fleets during the 1990s, and local Saecs chairman Neil Sempill predicts some European members of the consortium might be unwilling to re-invest.

"The OFA is unlikely to be renewed in its present form given the current state of the shipping market. Lines may decide to go for ships less dedicated to the South African trade and prefer to remain flexible in order to take ships out when needed."

The result would be a depleted cargo shipping fleet committed to the SA route — a dangerous option for a country reliant on sea trade.

Safmarine Senior GM Tony Farr, whose line carries an estimated 40% of Conference cargoes to and from Europe, says it is too early to speculate on the fate of the OFA. However, he adds that if fellow lines should review their SA commitment and the freight market continue its decline, Safmarine could swallow a large part of the market.

'Simplify trade procedures'

A LACK of standard documents for foreign trade transactions costs SA business anything up to R100m a year.

"Without standard documents and procedures, hundreds of thousands of errors are made each year in export/import transactions. It's not only time-consuming but very costly," says Fanie Jordaan, senior manager, international operations of Standard Bank's international division. He points out that until 1984, SA was 10 years behind other countries in trade facilitation.

And compounding the problem is that import/export transactions require many different documents and hundreds of copies. Jordaan says many internal documents and forms are generated by both companies and authorities involved in international trade, creating immense standardisation problems.

Helping to solve these issues — by cutting down and simplifying the paperwork — is the Simplification of Trade Procedures SA (Sitprosa).

The association is part of a worldwide network of national trade facilitation bodies whose aim is to promote, develop and implement simpler international trade procedures and documents.

Though Sitprosa has been in existence in SA for many years, it has only recently become active with government granting special financial aid to the association.

Sitprosa is supported by many local private and public sector organisations involved in international trade .

The need for standardisation is highlighted by the fact that banks reject about half of all sets of documentary credit documents on first presentation because of discrepancies.

Jordaan points to a number of recent breakthroughs in trade simplification made by the association. These include the production of local export documents to meet world standards; writing SA's first definitive export documentation and procedures manual; and tackling a range of smaller local problems.

One of Sitprosa's major projects has been the production of a set of standard export documents produced to world documentation standards. The set consists of a master form and 10 standardised documents.

The process, known as a "one-run" system, speeds up the transaction operation and is also accurate.

Another achievement is the development of documentary credit checklists designed to cut the cost and risk involved in this type of trading. The purpose of documentary Letters of Credit (LC) is to give prompt and secured payment. These benefits are often lost because of the lack of standard procedures.

Standard Bank's international division recently provided the financial assistance for and published two documentary credit checklists for Sitprosa under licence from Sitpro, London.

Standard has also been involved in the introduction of simpler marks for shipping containers that meet with international labelling standards.

Jordaan says the next challenge will be the development of electronic trade data interchange, where the savings are potentially huge.

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Richards Bay — looking for growth

HELGA ST BLAIZE-MOLONY

DISCUSSIONS over the expansion of Richards Bay Coal Terminal (RBCT) have suffered a further setback, owing to SA Transport Services' (Sats) plans to raise rail rates.

Shrinking export prospects are also obstructing expansion plans which have been in abeyance for over a year.

The key to the problem is finance.

The RBCT was financed and established by its present users, which include the major collieries in SA. At present, it is designed to handle up to 44-million tons of coal a year. This year, the RBCT is expected to export 40-million tons.

Phase three of the RBCT allows exports to go up to 52-million tons by 1988. Most of this tonnage is produced by present users.

But under phase four, export authorities have been granted to a number of small mines and collieries, bringing tonnages up to 84-million tons altogether, 80-million tons of which is destined to go through RBCT.

Phase four's expansion plan entails two stages: the low-cost Brownfields stage (a) for which some infrastructure already exists; and the much more costly Greenfields stage (b) which would be implemented later and which the new users were expected to undertake.

The scheme, drawn up by producers when burgeoning export growth was expected up to the year 2 000, was viewed by the newcomers as unfairly prohibitive in cost. Negotiations have been underway to find an alternative solution.

However, now all such discussions have come to a temporary halt, says Icodev MD and chairman of the Large New Users (LNU) Alan Tew.

Not only has inflation made any capital expenditure even less attractive but also the prospect for soaring exports has dramatically declined. Producers are already struggling to maintain contracts overseas and tonnages through the RBCT are down.

It had already been agreed earlier this year that the terminal should not be expanded to full capacity, but only to handle 70-million tons a year by 1992-2000.

Now railage rates have added a further obstacle. Producers face increases of up to 50% in rail charges, or R7/t when current transport contracts expire in March next year. Coal producers are still hoping to beat Sats down, but "until we know what costs are going to be, we cannot go ahead with plans," says Tew.

An alternative transport plan has also been thrown into disarray by declining exports. Some of the smaller users, headed by Independent Coal Producers Association chairman Danie Kirsten, were negotiating with Sats over the purchase and expansion of the Durban coal terminal.

However, industry sources report these negotiations have come to a standstill as the terminal is not being fully utilised. Yet, over the past two years, exporters struggled to find space for their tonnages.

The financing of this project is also fraught with problems now aggravated by the recessionary climate. Says a source: "There are many producers who would like to be in on the scheme. Sometimes as many as 50 seem interested when the rand is right, and no doubt if the coal price was more favourable."

"Expansion of the terminal could cost anything from R80m to R200m. It all depends on how many users there are and how much they are prepared to pay. At the moment, no-one seems prepared to pay anything."

FREIGHT & EXPORTING
A Business Day Survey

Chemicals: imports overshadow exports

ASA spells out the benefits to clients

ANNABELLE GORDON

THE Airfreight Forwarders Association (AFA) controls ethics and keeps standards high among agents. But of the over 100 agents only a handful are members of the AFA.

An international forwarder is important to the potential exporter who often has limited knowledge of the costing and marketing areas.

A competent forwarder has the expertise to enter an overseas market at marginal cost. Freight handling, internal transport and distribution play a major part in the final pricing of the product. Transport means can be used as a marketing tool depending on price, transit time, distance and product.

"Traffic is down. Twelve months ago it was poor, this year it is 40% down on those figures and next year looks worse," says AFA chairman Brooke Bussell.

"The import surcharge has made agents' credit situation worse than ever and as margins are incredibly narrow we are coming to a time when multinationals will get the market with just a few small specialists on the side.

The big companies can afford to carry their clients.

"Credit control is becoming a terrible hassle in this field."

ALTHOUGH chemical exports increased over the past year on the back of the low rand, there has as yet been no major volume increases in foreign sales in an industry that also feels the pinch of a shrinking economy.

SA exports and re-exports of chemicals last year totalled R987,7m — 33% up on the R742,7m earned in 1984. A spokesman for the Department of Trade and Industries says these exports grew at a compound rate of 14,5% a year since 1960 — when they stood at R33,4 m.

And first quarter exports in 1986 was also 29% up on 1985, says a spokesman for Customs and Excise — R262,9m in 1986 against R201,9m in 1985.

But this comforting — if unrealistic — picture fades into relative obscurity when compared with the *import* of chemically-related products. These stood at almost R1,8bn in 1984 and jumped to nearly R2,4bn in 1985. And import statistics for the first quarter this year and last show the same picture — R516,4m in 1985 and R645,1m this year.

"What we really need is a properly managed, long-term industrial development strategy with an export focus, jointly devised by government and the manufacturing sector. We must look at the strong points of our economy — cheap coal and electricity, multitudes of minerals — and then devise a 20-year, labour-intensive growth plan for the economy," says AECI group MD Mike Sander.

He says, by way of example, that the products of a coal-based chemical industry and the added value of a ferro-alloy industry, if developed further, could go a long way towards achieving the export potential of the economy.

Existing idle industry capacity of up to 50% could be utilised in an export drive, but this cannot be achieved overnight and would require a sustained long-term effort on the part of industry to secure a reliable position in an already overtraded export market.

"But we need to follow the example of the Japanese, the South Koreans and the Taiwanese, who created powerful industrial bases — in accordance with well thought out, long-term development policies — from where they launched their export thrusts into foreign markets. The Japanese Ministry of International Trade and Industry (MITI) is an example of the secure, long-term 'partnership' between government and industry that we need here," says Sander.

ARNOLD VAN HUYSSTEEN



SANDER ... 20-year plan needed

The proposal requires long-term government support for local investment, in order to provide the confidence in the local base, from which marginal export trading can be launched. "I do not believe in state subsidised exports, but in tax relief. Protection against dumping and distressed international prices would also give industry the encouragement that they will not be left in the lurch when the tide turns," adds Sander.

Chairman of the Committee of Enquiry into Export Incentives Basie Kleu says his committee is still investigating the whole issue, but invites interested parties to submit their views for consideration. "Government will be selective in applying any stimulatory measures to promote exports — the game must be worth the candle," he says.

Meanwhile, AECI is leading the export pack with chemical exports valued at R233m in 1985, followed by Sasolchem with R139m and Sentrachem with about R106m. AECI has been steadily exporting 40 000 tons of PVC a year at an average $500/t to 39 countries and is a major exporter in this field.

Sander says he expects low oil prices to continue for some years into the future. This could create a situation "where demand catches up with supply in the world markets and commodity prices recover to more realistic levels."

The medium-term outlook for commodities like plastics, chemicals, ammonia, ethylene and methanol are therefore not as bleak as they have been.

Sasolchem GM Andre Bedeker foresees lower export prices for some products, due to the oil price crash, although roughly half of Sasolchem's export products are not sensitive to oil prices.

"We expect a slight fall in gross export receipts in 1986/87. Apart from this, our product spread over various markets gives us a secure base against market fluctuations, while the general outlook remains fairly favourable. We aim to increase production in some areas to meet demand," he says.

Bedeker says exports provide roughly one-third of Sasolchem's gross income from chemical sales, while surplus capacity on the local market is increasingly utilised for additional exports. This contrasts with AECI, where exports provide only about 10% of total turnover at this stage.

Triomf Fertiliser is also active in the export field, although its 400 000 tons a year Richards Bay phosphoric acid plant is not breaking even.

"The export market is scraping the bottom due to overcapacity, while we also suffer from Foskor's high phosphate rock prices, SA Transport Services' high freight charges from Phalabora and the exorbitant costs of imported sulphur, which now costs $135/t FOB Vancouver," says Triomf GM of purchasing Bill Sampson.

Export trade good but imports suffering

BUSDAY 30/5/86

THERE ARE basically three types of ships agency involvement. "Firstly, the liner trade is the cellularisation trade, containerisation. Regular cargo on a regular service between two countries," explains Graham Wood, development executive at Ace Haniel.

"Our major trading partner is the UK. The north-western Continent is looked after by the SA European container service, of which Safmarine is our national flag carrier, in conjunction with several European national flag lines.

"We are led to believe they are enjoying a good export market because of the rand/dollar parity, but imports are suffering and will continue to do so."

Import cargo is usually of a capital nature: heavy plant, machines and goods of a consumer nature. The freight rate is high. Shipowners' revenue when trading with SA is generated on import cargo, whereas our exports — raw material or agricultural cargo — is low in revenue.

Shipowners trading with SA rely on our import trade to cover costs and the exports are the cream on the top.

"Once imports suffer, as is presently happening, it has an adverse effect on revenue. Even though exports are running higher, that does not generate the usual total revenue as it would if imports were higher. They have a problem now."

"The bulk and tramp trade is what it says: they tramp the world — there is no regular service. They are only interested in bulk service, unpacked large tonnages where cargo is poured into the ship — like coal, iron ore, grain and maize."

From a ship's agency point of view they work on a charter party, whereby the ship is hired for a particular trip to whoever has the cargo. That contract outlines all the conditions involved in loading, travelling, etc.

"Despite political considerations, our raw materials are in great demand, which is helped further by the low rand.

"SA has become a good market, our price is right, commodities are good — promoted by the fact that freight rates negotiated are reasonable thanks to the low bunker fuel price.

"Finally, there is the service requirement trade, vessels coming in purely for the BSW&R — bunker, stores, water and repair — trade."

Cruise liners fit in there; they simply come in as part of their cruise. BSW&R was lucrative, but it has fallen off drastically.

Until recently Ace Haniel was in the freight forwarding industry. Now a policy decision has been taken to broaden the service industry base to include anything else that pertains to it — like ship's agency. The company tries to provide clients — importer or exporter — a total door-to-door service.

SA's TOP 10 MARKETS

Exports (Rm)

	1985	%	1984	%
USA	2 421,0	8,2	1 733,8	8,4
Japan	2 255,7	7,6	1 583,4	7,7
Britain	1 729,9	5,8	919,0	4,4
Switzerland	1 126,0	3,8	1 521,7	7,4
Netherlands	1 082,0	3,6	485,3	2,3
W. Germany	1 006,4	3,4	790,4	3,8
Italy	823,2	2,8	516,6	2,5
Hong Kong	514,6	1,8	373,6	1,8
France	503,1	1,8	456,8	2,2
Belgium	487,3	1,7	338,1	1,6
Total	**29 675,3**		**20 695,9**	

☐ THE biggest national market for SA exports is the US, as the above chart shows. But the US accounted for a declining percentage of the total in 1985. By far the biggest decline among the top 10 markets was Switzerland (down 24%), while the biggest gain was in the Netherlands (up 123%). There was also a big increase in exports to Italy (up 59%).

Cape Times 2/6/86 (Left) 332

SATS disputes permits

Staff Reporter

THE South African Transport Services (SATS) has applied to the Supreme Court for an order setting aside a Local Road Transportation Board decision to issue temporary permits to a competing private bus company.

The board issued the six disputed permits to Interkaap Ferreira Busdiens (Pty) Ltd on May 19 and 20, allowing its buses to leave Cape Town for Port Elizabeth at 7am instead of 6am.

SATS buses also leave at 7am, the court heard on Friday.

Mr H M Scholtz, for SATS, said Interkaap's original permission to operate on the route was conditional upon its abiding by the given timetables.

Mr Alan Nelson, for Interkaap, said the road had since been improved to such an extent that the route took an hour less to travel.

Mr Justice C T Howie said that from May 7 temporary permits had been issued, according to which the departure time was 7am.

SATS claimed the temporary permits should not have been issued at all for a regular service and said it should have been granted a hearing as an interested party when the decision was made.

Mr Nelson asked for more time, and Mr Scholtz requested a temporary interdict in his favour in the meantime.

Mr Justice Howie said it was difficult to decide on whose side the "balance of convenience" fell, but he was compelled to decide. SATS had been unable to quantify their possible loss, he said.

About 20 percent of Interkaap's passengers did not book in advance, but merely turned up and waited for the bus. These would be inconvenienced, argued Mr Nelson.

Mr Justice Howie rejected the appeal for an interim interdict and postponed the matter to June 24.

Mr Alan Nelson, instructed by Marais Müller and Partners, appeared for Interkaap. Mr H M Scholtz, instructed by Jan S de Villiers and Sons, appeared for SATS.

'Turn-in' cost up from R70 to R100

Outcry greets move to raise container tariff

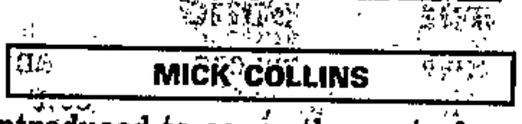
A PROPOSED 43% tariff rise on containers being shipped from Johannesburg's City Deep to the coast has drawn strong reaction from the freight industry.

The proposal by the SA Europe Conference Services shipping line would see the "turn-in" cost on a container go from R70 to R100, an increase of 43%.

A spokesman for the SA Association of Freight Forwarders' (Saaff) conference in East London said yesterday the rise was unjustified because increased exports, which were up by 66% in the PWV, meant containers were no longer being returned empty.

He said when imports outstripped exports, City Deep traditionally experienced a huge build-up of empty containers.

"Turn-in charges were originally



MICK COLLINS

introduced to cover the cost of positioning empty containers prior to their being returned to the coast.

"Now, when the cost of moving full containers will be borne by exporters and not by shipping lines, it is hard to justify the turn-in charge, let alone the increase."

Chairman of Conference Lines Neil Sempill disputed Saaff figures and said Johannesburg remained a surplus area for import containers.

"Some 32 000 containers were dropped off at City Deep in 1985. Of these, only 17 000 left the depot with full loads. That left 15 000 empty containers to be returned to various points of entry.

"Sats won't move these free of charge — in fact Sats' prices have risen steadily over the past three years."

Think about new deal — plea by AA Mutual

The Argus Correspondent

JOHANNESBURG. — The Automobile Association and the registrar of financial institutions were locked in negotiations today in an attempt to give policy-holders and creditors an opportunity to consider the merits of the compromise proposed yesterday.

Although the judge yesterday ruled that AA Mutual be placed in provisional liquidation, an appeal was granted and the results of today's meeting will be heard this afternoon.

AA Mutual's Mr Peter Eliott said he believed the compromise offer of creditors receiving equity in a new company which he wished to form had sound commercial merit.

REINSURANCE

On Friday he said he intended to provide the man in the street with cheaper insurance than is presently available, at roughly the same prices as AA Mutual's old premiums, and at the same time make a profit.

He claimed that last year a profit was made on the South African part of the business and the loss arose from the reinsurance of foreign policies.

Policy-holders could "invest" in a company that lost a lot of money and had a depleted premium income with most of its business having moved elsewhere. But there was also the prospect of lower-than-average premiums once again from the same company, without a track record but in a trimmed state, with the rotten part of the business removed.

COMPETITORS

A few days after AA Mutual's troubles became known and it ceased trading, many competitors raised their premiums, some by as much as 50 percent.

However, industry sources say that at least 75percent of creditors would need to vote in favour of the plan for it to be instituted - a majority which they feel would not be forthcoming.

They add that the uncertainty and nervousness in the current economic climate will weigh heavily in favour of creditors wanting to take their money and run.

Court order on AA Mutual

The Argus Correspondent

JOHANNESBURG. AA Mutual, one of South Africa's largest short-term insurance companies, has been placed under provisional liquidation by the Supreme Court, Pretoria.

The court yesterday appointed an attorney and an accountant as provisional liquidators. In terms of the order issued by Mr Justice Daniels, they will take immediate control of the short-term insurance business of AA Mutual and all its assets.

The liquidation application was brought by the registrar of insurance.

It is the first time in 20 years that an insurance company in South Africa has been placed under liquidation.

R52-M SHORT

According to an auditor's report AA Mutual had a shortfall of R52-million. Mr Justice Daniels said he was satisfied that the company was unable to meet contingent claims against it.

Mr W J du Plessis, an attorney with the firm Rooth and Wessels, and Mr M G Loubser, an accountant, were appointed provisional liquidators.

They are to compile a statement on the overall financial position of the AA Mutual and present it to the court on June 24. On the same day they will be required to advise the court on how many final liquidators should be appointed and what the scope and ambit of their work would be.

Buses are burnt out

THE Putco bus company lost R258 000 when two buses were burnt out and another 26 damaged in Diepkloof, Soweto, on Monday, the company's PRO, Mr Pat Rogers, said yesterday.

Four of the company's drivers were robbed of their takings. The remaining buses in Diepkloof were then pulled out that afternoon, said Mr Rogers.

He said the buses resumed operation yesterday when the situation seemed to be back to normal. But the *Sowetan* saw no Putco buses in Diepkloof yesterday.



patrol NY5 as KTC begins to burn.
Picture: Alan Taylor



Armed vigilantes mass outside the Zolani Centre yesterday.
Picture: Anne

CAN6 Trials 10/6/86 307 375

battles rage

CAN6 10/6/86 Trials 307 375



KTC refugees loaded with possessions pour from their burning camp into Terminus Road.
Cape Times Newscolour: Anne Laing

FIN MAIL 6/6/86

BLACK TAXIS 332

Moving ahead

As more black-owned combi taxis daily join the ranks of the 125 000-strong fleet, the SA Bus and Taxi Association (Sabta) is flexing its financial muscle.

According to Sabta, licensed combi taxi operators spend at least R800m a year on vehicles, fuel and spares, and pirate operators push up this total considerably. But they reckon that their buying power has been severely underrated for years. Now they are fighting back.

Sabta's plans to develop 60 service stations in and around black areas are already nearing fruition.

Although officials remain tight-lipped on sites for development, they do say the first station will be built in July, and another nine are scheduled for later this year. Negotiations with two oil companies to supply the service stations are almost complete.

The stations, to be known as Sabta service stations, will be open to all-comers. Sabta, which represents 45 000 licensed combi taxi operators, says they will offer discounts of up to 50% on spare parts and cut-price tyres.

With the average black taxi travelling 20 000 km a month, combi owners buy 800 M*l* of petrol annually and spend R1m a year on tyres. By implementing the new move, Sabta aims to change the cash flow — from black to white to black to black, says Sabta national adviser James Chapman.



Taxi operators ... feeling their muscle

The self-help move does not seem to have upset established suppliers. "As long as the stations are set up on the same rationalisation basis as other garages, we don't see it as a problem," says Motor Industries Federation executive director Jannie van Huyssteen. "We can't deny private enterprise."

Another innovation by Sabta is the introduction of a fast lubrication system — 32 mobile garages will service the combis at the ranks. Valvoline bought the specially equipped vehicles from Nissan and donated them to Sabta. "The agreement is that the taxis will use Valvoline oil, which already has yearly sales of 3,6 M*l*" says Chapman.

Only one of the R80 000 vehicles is currently in service, but the others will be on the road soon. "The main advantage is that it takes only 10 minutes to carry out an oil change on two vehicles," says Chapman.

SA's motor manufacturers have long recognised the value of combi sales to black taxi fleets and owner/drivers. "Sabta is expanding at a phenomenal rate, and we want to develop within this market," says Nissan GM Peter Merzbacher.

This month, for instance, Nissan will hand over combis worth R1m for use by Sabta's 32 commercial representatives around the country. "Blacks buy more than 100 combis a month from Nissan," says Merzbacher, "and we see the donation as a goodwill gesture."

Bus fares to rise 17,5% in Durban

Mercury Reporter

PUTCO and Durban Corporation bus fares are to go up by 17,5% before November.

Mr Marshall Cuthbert, general manager of the Durban Transport Management Board, said fares on blue-line and green-line buses in the city would be increased by an average of 17,5% alongside increases by Putco.

The increase is one of the biggest. The last one was a 15% rise in February.

Putco has applied for the bus fare rise of 17,5% by November 1 to cover general cost increases.

The company said it did not include any subsidy that might be paid by the Department of Transport for passengers.

'As Putco operates bus services under the jurisdiction of the Local Transportation Boards in Durban, Johannesburg, Pretoria, KwaNdebele and Bophuthatswana, separate applications have been submitted to each of the respective boards,' a Putco spokesman said.

Mr Cuthbert said the high cost on maintenance, increased costs of spare parts because of the rand-dollar exchange rate, and other expenses had to be passed on to the commuters.

Fares on most Indian-owned buses in the city were expected to go up as well, a spokesman for the Durban Bus Owners' Association said yesterday.

He said no decision had been taken on the percentage increase, but it would be done soon.

Trains

THE timetable for commuter trains between Durban and Pinetown has been amended.

Seven SAAF men die in car smash

PRETORIA—Seven South African Air Force servicemen were killed on the N1 near Hammanskraal yesterday when their car smashed into a bridge.

The accident occurred in the early hours of the morning and the wreck containing the bodies was only discovered next to the road 6 km south of Hammanskraal after day-break.

A serviceman who had miraculously survived the accident attracted the attention of passing motorists.

It is not known if the men were killed on impact or whether they died during the night in the freezing cold.

The car, a Volkswagen Passat into which the eight men had crammed, left the road and ran on the island in the middle of the highway for some distance before it smashed into the bridge at high speed.

Firemen had to prise the bodies from the wreck.

The injured serviceman is in a satisfactory condition at 1 Military Hospital at Voortrekkerhoogte.

An SAAF spokesman said the men's names could not be released until their next of kin had been informed. — (Sapa)

Buses destroyed and damaged in Diepkloof, but . . .

PUTCO WON'T PULL OUT

THE Putco bus company yesterday said it will not pull out of Diepkloof where it suffered a R258 000 loss last Monday when two of its buses were totally burnt out and 26 others damaged.

By MANDLA NDLAU

The company's PRO, Mr Pat Rogers said the buses were operating normally in the area yesterday. "We would think of pulling out if the situation endangered the lives of our drivers and passengers," he said.

He said Monday's incidents in Diepkloof were the worst to hit the company's buses in one day and in one area. Four of the company's drivers were on that day robbed of their takings.

The situation however seemed to be back to normal, he said and that is why the buses were again running in the township yesterday.

Mr Rogers said Putco suffered more than this in the past in the Johannesburg, Durban and Pretoria areas where it operates. He said from August 24, 1984 up to January 31, 1986 the company had in these areas:

- 120 buses completely destroyed,
- 83 buses partially burnt,
- 9 650 buses stoned,
- 25 042 windows broken,
- 232 drivers injured, and
- 4 drivers killed.

Losses

Mr Rogers said the company suffered during this period losses estimated at over R5 million. "If we look at the losses of revenue when not operating it is over R20 million," he said.

(332)

Councillor quits after boycott

A FORMER member of the Tumahole Community Council in Parys resigned after his taxi business was boycotted by the community in the area, the Delmas treason trial heard yesterday.

Mr Richard Letshwenyo told the court that before his resignation, he had received threats through his daughter that his house and car (taxi) would be set alight if he continued serving in the council.

He said after riots broke out in the township on July 15, 1984, residents started boycotting his taxi business. "The boycott continued until I resigned from the council in November the same year," he said.

He also told the court that members of the Tumahole Students Organisation (TSO) had called on councillors to resign from the council because they were not doing their work properly. "They also threatened to boycott the business premises belonging to all councillors who refused to resign," he added.

Under cross examination by Mr George Bizos, SC, for the defence, Mr Letshwenyo denied that youths in the townships had discovered that members of the council lacked any knowledge of what was happening within the council.

Another witness, Ms Salminah Letshwenyo (the councillor's daughter) said she was approached by two members of the United Democratic Front, a Mr Skosana and a Mr Molokoane who told her that she should inform her father that his property including the house and the taxi would be set alight if he did not resign from the council.

Ms Letshwenyo said she passed the message to her father.

(Proceeding)

...ecision to raise the price of petrol. The rioting continues.

...of the recession," he added.

Capital's kombi taxis cut fares to beat buses

Pietermaritzburg Bureau

TAXI operators in Pietermaritzburg's northern suburbs yeterday cut their tariffs in an attempt to operate at the same price as the Pietermaritzburg muncipal bus service to Indian and Coloured areas.

At the weekend, operators displayed signs advertising the cut of 10c a journey — making tariffs on the rival services the same — to be effective as of yesterday.

This means that both kombi taxis and municipal buses charge 40c a trip for adults between the suburbs and the city centre. Fares on municipal services were cut last week in an attempt to win back commuters from the highly popular kombi service.

Mr P G Mingard, Pietermaritzburg's deputy director of transport, said it was too early to ascertain the effect both decreases would have on the number of commuters carried by the municipal buses.

However, the decrease in municipal tariffs, which took effect last Thursday, had definitely resulted in a 'marked increase in the number of passengers carried' by the city's buses on these routes.

Mr N Khan, secretary of the Northern Suburbs Taxi Association, the body representing the taxi operators running a service to the Indian suburbs, said fares had been reduced as the association depended a great deal on black domestic workers commuting to and from Northdale daily, and that a saving of 20c a day for these people was 'a lot of money'.

He said the taxis provided commuters with a valuable service, especially after 6 p m when the municipal buses stopped running.

Mr Khan questioned how the municipal service could expect to 'make it' at 40c a trip when it had been unable to do so at the higher rate of 58c a journey.

He said the citizens of Pietermaritzburg would have to make up the loss incurred by the municipal bus service 'somewhere', either in the form of increased electricity tariffs, increased rents or some other means.

He felt confident people would continue using the kombis, which he felt provided a 'better service'.

Bakery van driver is robbed

Pietermaritzburg Bureau

A PINETOWN bakery van driver was held up at gunpoint by a group of youths after stopping in Mpumulanga at the weekend and was robbed of bread and R720 in cash.

Police have arrested four youths.

Police said Mr Anthony Mbongwe had stopped in the township when a large group of youths got off a bus and ran towards his van. A number of them had guns.

They threatened Mr Mbongwe and robbed him

Young lovelies entertained in Durban

Hijackers smash bus into house

A hijacked Putco bus was smashed into the home of two political activists in Dlamini, Soweto, last night and shots were fired wildly by the hijackers as they leapt from it.

The attack was on the home of Mr Kenny Fihla and his sister Bessie. No one was injured.

Mr Fihla is a member of the Soweto Students' Congress and Miss Fihla is in the Soweto Youth Congress.

She said: "We were in the kitchen when we heard a loud bang. The bus came into the dining room and moved towards the kitchen.

"Shots were fired wildly by people jumping from the bus as it was still moving."

Mr John Motshabi, of Putco's Dobsonville depot said the bus driver was forced to a stop by six men with guns.



Mr R Basson

Langa panga gang slash bus tyres: Drivers flee

Argus 12/4/86

332

Staff Reporter

THE tyres of five buses were slashed with pangas as passengers were boarding them at Langa bus stop in Vanguard Drive early today.

A driver was robbed.

The damaged buses reached the Vanguard Drive railway bridge about a kilometre away before they were forced to stop, causing a traffic jam.

Mr Richard Basson, a City Tramways driver, said he did not notice anything unusual when he drew up at the bus stop about 6.10am.

"The passengers were boarding and one said: 'Hey, driver — *hulle steek die wiele pap*' (They're slashing the tyres).

"Then my door was wrenched open and a man was standing there with a panga in his hand. He was going to stab me but I slammed the bus into gear and pulled away."

Mr Basson said he felt a tyre losing pressure. By the time he reached the bridge his bus — and several in front of him — were swaying all over the road. Both front tyres and two rear tyres had been slashed.

The buses pulled to the side.

"We didn't know if they were going to attack us — we were really tense," said Mr Basson.

Buses behind them stopped and picked up the passengers.

Mr Francois Potgieter of City Tramways said between 10 and 14 tyres were slashed. Each tyre costs several hundred rands.

"It was pure thuggery," he said.

● Picture, Page 3.

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Putco wants fares increase

STAR

Transport Reporter

332

June 1986

Putco has applied for a fare increase of 17,5 percent on November 1 to recover "general cost increases", the company announced yesterday

These increased costs included inflation, wage and salary rises and increases in spares, rentals, licensing and insurance.

A general fare increase of 17,5 percent was last introduced in November last year in the Transvaal and in February in Durban.

Fares were also adjusted according to fluctuating fuel price increases and decreases. Last month weekly and season tickets were reduced by up to seven percent in the Transvaal.

SOWETAN, Thurs

19/6/86

R3,7-m offer to Germiston Council

PUTCO IN REEF BUS TAKEOVER

332

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GERMISTON'S black bus service will soon be taken over by Putco, a spokesman for the giant bus corporation said in a statement yesterday.

Mr Pat Rogers, public relations executive of Putco, said the Germiston Town Council recently accepted the bus company's R3,7-million offer to take over the town's 120 buses, maintenance, spares and the council's permits.

Takeover

It is expected that the takeover will come into effect from the beginning of next month, but the town council's decision is still to be ratified by Mr Denis Cruywagen, Administrator of the Transvaal, and the Local Road Transportation Board.

The service, which is operated on routes between Germiston and townships of Katlehong, Vosloorus, Thokoza, Eden Park, Reiger Park and Palm Ridge, currently ferries about 10 million passengers a year. Its revenue is about R6,8-million per annum.

Commenting on the takeover, Mr Albino Carleo, managing director of Putco, said: "In spite of recent losses attributable to the country's economic and political problems, we have the infrastructure, the expertise and the will to return to a position of growth and profitability."

It is expected that most black staff presently employed by the council will join Putco.

SOWETAN Reporter

Putco takes on Germiston bus service

19/6/80 STAR 332

Putco is to take over the Germiston black bus service from next month.

A spokesman for Putco said yesterday an offer had been accepted by the town council, subject to approval by the Administrator and the Local Road Transportation Board.

Putco will pay R3,7 million for 120 buses, maintenance spares and permits for routes between Germiston and Katlehong, Vosloorus, and Tokoza, Eden Park, Reiger Park and Palm Ridge.

The service carries about 10 million passengers a year with an annual revenue of about R6,8 million.

Most of the 150 black staff are expected to join Putco.

Fares will not change and timetables will be altered only slightly. — Transport Reporter.

PUTCO BID FOR INCREASE

PUTCO has applied for a 17,5 percent fare increase to come into effect from the beginning of November.

According to a statement by Mr Pat Rogers, the company's PRO, Putco has made applications to the Transportation Boards in Johannesburg, Pretoria, Durban, KwaNdebele and Bophuthatswana where it operates its buses.

"Once these have been published in the Government Gazette, anyone wishing to lodge an objection may do so within a period of 21 days, following which a hearing of the application will be held," said Mr Rogers.

He said the increase "does not take account

By MANDLA NDLAZI

of any subsidy which might be paid by the Department of Transport on behalf of passengers. Essentially, should the increase be approved, any matching subsidy in excess of the figure mentioned would result in a lesser amount payable by the passenger; a lesser subsidy or none at all would increase the passenger contribution."

Putco effected a 17,5 percent increase in the Transvaal in November last year, and in Durban in February this year. Mr Rogers said "these were to cover cost increases."

He said the present application "is to recover increased costs resulting from inflation experienced or anticipated for the period 1st July 1985 to 30th June 1986."

rd said the rand ... al sanctions on the economy. ... in the world at large.

Hauliers hit back at Sats over subsidies

By Frank Jeans

The war of words between Minister of Transport Hendrik Schoeman and private road hauliers continues, with Mr Schoeman coming in for another barrage following his denial that South African Transport Services (Sats) recieves subsidies.

The Minister, in a letter to *The Star* of May 21, hit back at comments by Mr Jack Webster, chief executive of the Public Carriers Association (PCA), which suggested that Sats "devours enormous subsidies in order to survive" and said this allegation was "completely incorrect".

Pointing out, too, that Sats was required to remain economically viable in a "virtually already free market", Mr Schoeman also rejected the PCA claim that it enjoyed "sheltered competition".

Now the private road men, said to be "rapidly losing confidence in the Minister of Transport" come back into the fray with some hard facts and figures.

To support his view that there was "bias towards Sats", Mr Webster draws on a statement by Mr Schoeman in Parliament in February 19 when he said Sats' rail passenger services "will be operating at a loss of R1,1 billion during the financial year 1986-87 and that Government reimbursement will amount to about R608 million".

Mr Webster also says that Parliament has been told that total income amounting to R1,6 billion paid out by the Treasury to Sats and "representing a subsidy to cover various losses" is now deemed to be permanent capital and will not be repayable.

"When the Minister replied recently to the PCA's accusations of bias and unfair treatment of the private sector hauliers, he was well aware of these facts," says Mr Webster.

"Yet the tone of his letter was one of injured innocence."

"While he takes this attitude, the Minister must not be surprised if the industry finds it difficult to have confidence in the conduct of his portfolio.

"Whether the sums mentioned are a replenishment, a reimbursement, a subsidy, a supplementary payment, or whatever, they represent a great deal of unearned income being poured down a bottomless hole."



Mr Schoeman.



Mr Webster.

The PCA chief also hits out at "another kind of smokescreen" used by the Minister in discussing the method of calculating road infrastructure costs and road user payments.

These issues, he maintains, are "still under consideration" which avoids the fact that the private sector has no say in how much is spent on road infrastructures, whereas Sats is allowed to decide its own infrastructure costs.

He believes that Mr Schoeman's reaction to PCA complaints "at least shows some concern for a situation which is getting out of hand, while at the same time, there is still no sign of action to put things right".

"On the contrary," he says, "the minister seems to be playing for time because status quo favours Sats.

Mr Webster also makes the point that published statistics show that Sats is increasing its market share "at the expense of the private sector by quoting sub-economic rates".

It can only do this, he claims, because it receives generous subsidies from its harbour operations and from the pipeline, "both monopolies and the profits of which should be paid into the general fiscus".

"Sats has a further advantage because its operations are largely unrestricted by legislation, whereas private sector hauliers are subject to the stringently applied road carrier permit system," he says, "the Minister has asked us to be specific and nothing could be more specific than this.

Traffic chief reports on 'pirate taxi' battle

CM4 Traffic 21/11/80 332

Municipal Reporter

RESPONDING to complaints about pirate taxis "makes more enemies than friends", traffic manager Mr Harry Attwood said in a memorandum to the City Administrator yesterday.

Mr Attwood said his branch was "caught up in a socio-political enforcement problem", and a major part of this was enforcement of taxi regulations.

"Many members of the public and some persons in authority frown on the enforcement of these regulations, as it is felt enforcement is aimed mainly at the black race group who predominate in the 'pirate taxi' operation.

"They are in many cases providing a much-needed service."

Pirate operators and their passengers had "of late" become aggressive towards law-enforcement officers, Mr Attwood said in the memorandum placed before the Athlone Management Committee.

Officers' lives had been threatened and at least two had been forced off the road while trying to stop illegal operators.

There were more than 100 pirate operators in the municipal area, Mr Attwood said. The Local Road Transportation Board had recently issued 300 extra permits for taxis working between the black areas.

Mr Attwood said the number of taxi licences would be increased.

There was no doubt that operating a pirate taxi was a lucrative business. "Those prosecuted pay their R50 to R300 fines in cash and are back in business soon after leaving court," he said.

BUS. DAY 23/6/82

Thin inquiry sees rates stay low

332

FREIGHT shipping rates remained low in most areas last week, reports Afromar.



Inquiry in the Atlantic was thin, with tonnage in plentiful supply. Panamax grain cargoes from the US Gulf to the European continent remained around $6.

The Pacific has been over-tonnaged for Panamax and Cape sizes, but could steady for later positions. Handy sizes, however, have seen a reasonable amount of inquiry.

The SA market was quieter in the last week or two, with a fairly ready supply of tonnage available. Owners have preferred business to the Far East, where they can find better follow-up business.

Spanish charterers were busy in the coal trades last week, taking a vessel of about 30 000 tons from Richards Bay to southern Spain at a rate of about $8 for early July loading, and a 60 000-tonner to load later this month from Richards Bay to the Spanish Mediterranean at $5,25.

A 65 000-ton cargo from Richards Bay to Hong Kong was re-let by local interests at $4,40 for July.

A major grain house came on to the market for the mid-July movement of 28 000 tons of maize from East London or Durban to Japan. Asking rate of $12,75 compared to a previous $13 for this size of vessel, paid for an earlier July position.

Taiwanese charterers showed interest in lifting four cargoes of 30 000 tons each from Durban or East London to one or two ports in Taiwan for July and August shipment.

Sugar charterers fixed a vessel of about 15 000 tons to load a cargo from Mauritius to the UK at £13,75 for June loading.

Italian charterers came into the market for a cargo of up to 220 000 tons of iron ore from Saldanha Bay to Taranto for early August shipment.

European charterers were looking to lift about 11 500 tons of steel products on a prompt position from Maputo to China, and were quoting a rate of about $18,50/$19. Turkish interests quoted a 23 000-ton cargo of steel from Port Elizabeth to Eregli for mid-July loading.

A cargo of 11 350 tons of refractory clay was arranged from Richards Bay to Grangemouth in the UK at £13,75.

DD 25/6/86

Bus turns down black pupils

332

Dispatch Reporter

EAST LONDON — Four pupils from the prestigious new school in Bisho, the All Saints Senior College, were refused passage to Grahamstown by a local bus service last Saturday because they are black.

The director of Bisho Private College Trust, Mr Richard Todd, said the school had booked the pupils on the Copper Rose Mini Bus, which operates a daily service between here and Port Elizabeth, to attend a science exposition in Grahamstown.

He said the booking had been made by telephone and the pupils were due to leave on Saturday. When it was discovered that the students were blacks, he was told that the Transportation Board licence for the bus service did not permit intergrated passengers.

The owner of Copper Rose Mini Bus Sevice, Mr C. R. Hanner, said the service was started two years ago when he found that the transport facilities for whites between here and Port Elizabeth were inadequate while on the other hand blacks were adequately catered for.

He said the permit granted to him only allowed him to ferry members of his race group. He added that because he saw some need to improve the transport facilities for the Coloured and Asian race groups, he submitted another application to include those groups. The application was granted.

Mr Hanner said it was unfair for him to be labelled a racist because as a Christian he had applied for the other two racial groups because he cared.

He added that it was strange for Mr Todd to be "making dance and song" when the four students could not get passege to Grahmstown on the mini-bus.

"For a long time the transport facilities for whites in the Eastern Cape have been neglected by the transport authorities and Mr Todd never said a word.

"I hope the racial barriers will soon be broken down so that I can accommodate everyone who wishes to use my service, but at the moment, I am obliged to obey the laws of the country," Mr Hanner said.

The secretary of the transportation board here, Mr J. A. Engelbrecht, said the licence issued to the Copper Rose Mini Bus for the scheduled trips restricted the service to segregated passengers.

BUS DAY

Car-maker's taxi promotion

25/10/96

SIPHO NGCOBO

NISSAN SA yesterday handed over 32 10-seater mini-buses worth R600 000 to the South African Black Taxi Association (Sabta).

The vehicles will be used by Sabta representatives in their various regions to promote Nissan products to taxi owners.

Nissan SA's MD John Newbury said the 32 vehicles were his company's contribution to the advancement of black business which was aimed at "injecting a new flair of entrepreneurship into the black market".

Referring to Sabta as an official organ and a major directing force in the taxi business, Newbury said all the buses were given to Sabta free "as a gesture of more than five years of relationship between us".

Each vehicle was painted in Sabta's blue with a distinctive stripe of black and white checks.

of the listing is to fund a management buy-out, offer senior executives and the public an equity stake, and increase the capital base to provide scope for growth. Laser, a privately-owned SA company, has six major removal firms which are active in the domestic and international market — Stuttafords International, Frasers International, Pickfords Removals (SA), Jack Wellsted, Palm Movers, Nel's Transport and 11 smaller subsidiaries.

Kaye (35) claims Laser is the world's largest international removal company. Last year, it shipped 2 000 containers from SA, putting the group 40% ahead of its closest competitor, an Australian company, in terms of tonnages. Laser (an acronym derived from land, air and sea removals) is presently controlled by Kaye, who sold 80% of the company to Unisec in 1981. Last month, he repurchased this stake for about R5m. Rumour has it that Kaye now has his sights set on offshore expansion in Australia. He is said to be investigating either starting his own company, or acquiring an existing one before end-1986. However, he apparently does not intend moving.

Repaying debt

Of the 10m shares in issue, 3m will probably be offered to the public at around 170c to 175c a share. The remainder will be retained by Kaye and the staff. He intends raising about R5,2m on the JSE to repay debt to Standard Bank, but will use existing funds to finance further expansion. "We already have R3,5m cash in the bank," Kaye says, "and our entire fleet of 750 vehicles is paid for."

Emigration is big business for Kaye, who says that volumes over the past year have increased by 150% to Australia alone. He puts turnover in the 12 months to end-June 1986 at R62m, and pre-tax profit at R3,7m (R1,7m). Kaye forecasts pre-tax profit in the six months to end-December 1986 at R2m. Estimated EPS in the year to end-June 1987 is 24,4c. An interim dividend in the six months to end-December 1986 of 4,1c is forecast, and for the year to end-June 1987 of 9,7c. Net worth at end-June 1985 was R6,2m, and at end-June 1986 it is likely to be R6,6m.

Apart from a 40% share of SA's removals to and from abroad, Laser also holds about 20% of the local removals market. The company has a long history dating back to the turn of the century, when Jack Wellsted started a cartage business from disused Cape stables. Kaye's father, Reuben, bought Jack Wellsted's operation in 1952. When Kaye finished school, he joined his father, and in 1973, the family bought Pickfords Removals.

A period of rapid expansion ensued. The group bought Palm Transport and Morkels Transport, based in Johannesburg and Durban. Morkels' trading name was changed to Pickfords Removals, and this heralded the start of the national operation. In 1982, Pickfords Holdings bought Stuttafords, the large international removal company. Stuttafords' removal arm was started in the late 1800s to deliver furniture in horse-drawn carts from the Cape Town department store. At the start of 1985, the group bought Frasers International. In July, the name was changed from Pickfords to Laser.

It is understood that stockbrokers Davis Borkum Hare and Martin and Co, along with merchant bank Investec, will sponsor the issue. *Carolyn Raphaely*

NEW BERNICA

Hi-tech rating

New Bernica's (NB) acquisition of a 50% stake in Mercedes Datakor Group (MDG) is probably one of the main reasons behind the impressive gains in the company's share price. At 530c, NB shares have tripled in value since the announcement that it had bought into MDG. There appears to be strong justification for the upward rating.

NB assets have undergone sweeping changes. Gone are its investments in Widerange Bearings and Investec Bank. Of the remaining investments, MDG is expected to contribute some 80% of group earnings in the year to end-March 1987. Its earnings forecast of at least R4,5m translates into 32c a NB share, out of a group total of at least 40c a share. The balance of 8c is likely to come mainly from NB's 9% interest in Joshua Doore (JD), created out of a merger with Sustein (trading as Price 'n Pride) and listed via cash shell Consure. The remaining interests in chemical products manufacturer Aerocell Insulation and software author New Bernica Software will not have a material effect on group earnings.

MD Arnie Witkin confirms that it is NB's intention to list MDG at the appropriate time. Not that MDG needs the capital injection: since end-March MDG has redeemed R2,2m of its redeemable debentures, reducing the total cost of NB's investment from R9 to R6,8m. (The book value of NB's 50% stake in MDG's ordinary share capital is only R500 000, which relates to a 100% interest in the issued 500 000 "A" ordinary shares. NB's remaining investment in MDG consisted of 1m redeemable prefs, 1 140 000 class "A" debentures and 6 360 000 class "B" debentures.)

A listing is more likely to generate funds for other MDG acquisitions. Should MDG be listed, what would its worth be? If C-Matic and Punch Line are accorded prospective p:e's of 16,3 and 19,7 respectively, then a p:e of 15 for MDG would not be unrealistic. If such a p:e does apply — and it would obviously be influenced by the timing of the listing and climate on the market at the time — MDG would be capitalised at R67,5m, which would lift the value of NB's ordinary shares in MDG to R33,75m — an excess of R33,25m over the book value of the MDG ords. It seems likely, however, that the MDG listing lies some months ahead.

More quantifiable is NB's 9% stake in JD. Consure currently trades at 95c, which would reduce to 61,5c after a capital repayment to shareholders of 31,5c a share. This places a market value of R3,8m on NB's 6,2m Consure shares — an excess of R2,8m over book value of R945 000. But considering the combined historical earnings of only 2,6c achieved by JD and Price 'n Pride last year, is Consure not overvalued at 61,5c? The market has had more than two months to digest the merger and obviously believes it is not. Clearly Witkin regards newly appointed JD CE David Sussman very highly, and believes the merged group has "terrific potential."

No-loss situation

Over and above its existing 9% interest in JD, NB has the option to acquire a further 6,2m shares in JD at the higher of net worth or 43c a share (the approximate net worth last year). This would give the Sustein consortium a controlling interest in JD. As the option expires at end-March 1989, NB is in a no-loss situation. It can wait to assess whether JD is a success before deciding on whether to follow its option or simply not follow its rights. At 95c a Consure share, NB's options are currently worth R1,1m assuming Consure's net worth has not changed materially since last year.

According to NB's circular sent to shareholders this month, net worth at February 1 was 175,5c a share. A capitalisation of NB's major investments would increase net worth to just over 700c a share. All this suggests that NB is undervalued and may show further gains in the months ahead. *Patric Ho*



New Bernica's Witkin . . . looking at more acquisitions

LASER

On the move

Political unrest and the recession are leading increasing numbers of South Africans to take the "chicken run." So business is booming for international removal specialists such as Cape-based Laser Transport Holdings.

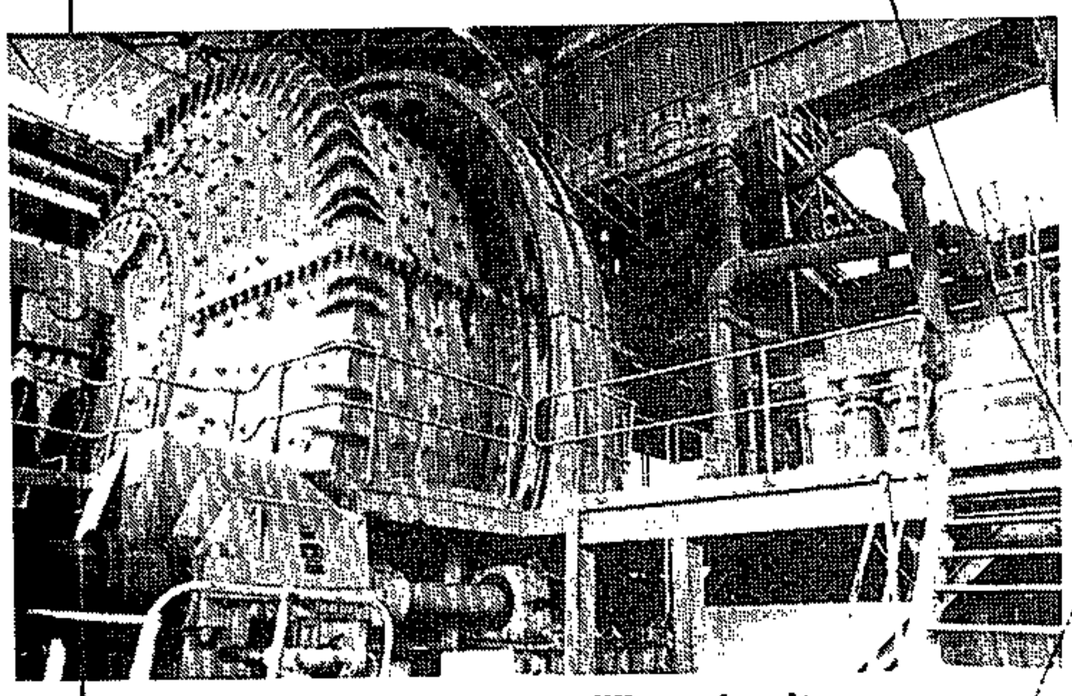
Now MD Denis Kaye intends listing the group on the JSE on August 27. The purpose

PALABORA MINING

Profit shine

Palamin remains one of the world's more efficient copper producers and has achieved large savings by cost cutting measures. The share is seen as a sound rand hedge stock.

Take a high-risk commodity like copper and what do you get? Palabora Mining (Palamin), one of SA's most successful mining ventures. International copper prices are under pressure, owing to global over-capacity, but Palabora has carved out an assured market for its supply of high-grade copper. Its success stems from tight cost control and solid technology, which enables Palamin to turn low-grade copper ore deposits into some of the highest quality cathode on the world market. With the rand sharply weaker in the last financial year to end-December, earnings rose by 51%, and the dividend by 64%.



Autogenous milling circuits

How did it begin? The Palabora mine was made possible by a geological process which began 2 000m years ago. A series of massive volcanic upheavals tore the earth's crust, forcing millions of tons of magma up from great depths. On cooling, a "treasure house" of minerals was left, now known as the Palabora Igneous Complex. Copper apart, phosphates, vermiculite, magnetite, uranium oxide, zirconium, nickel, gold, silver and platinum group metals (PGM) are extracted. Vermiculite is mined separately. By-products contribute 20% of Palamin's sales revenue.

Since 1966, the complex has been mined by Palamin, controlled by both Rio Tinto and Newmont Mining. Foskor has the rights to the phosphates, which Palamin mines in the same open cast pit as the copper. At a mining rate of 100 Mt/year, Palamin is the second largest open cast operation in the world. The pit is centred on a vertical ore body: 1,9 km by 1,54 km in size. Rock is loaded onto haulage trucks and driven to the surface for crushing and milling, which is done in conventional and autogenous circuits.

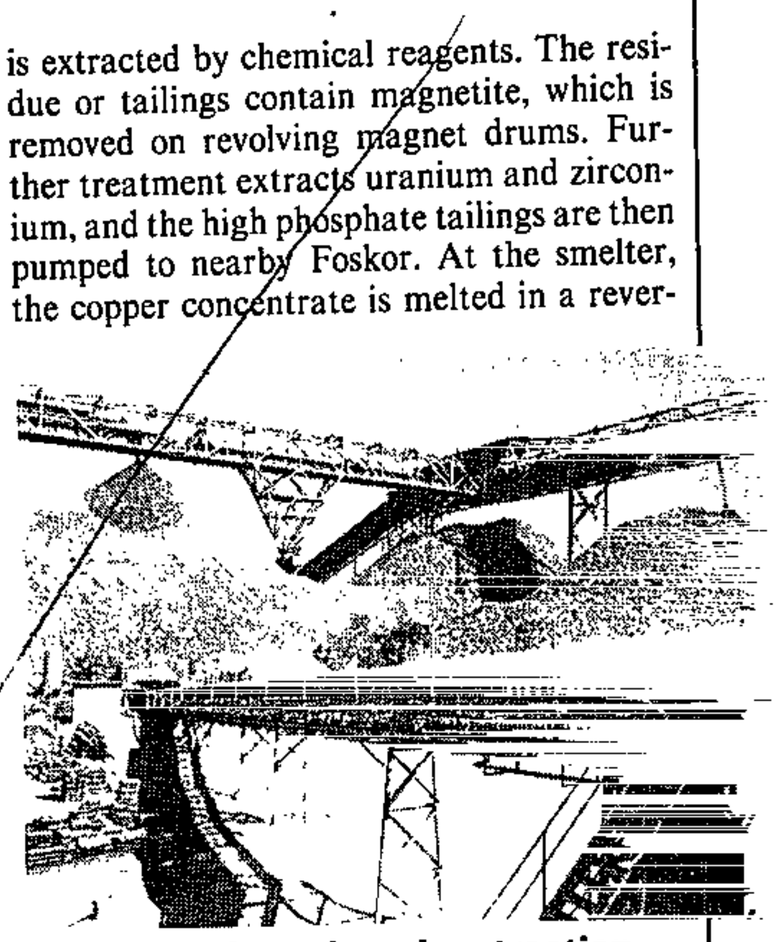
At this point, we see the operation of cost savings. The trolley assist haulage is probably the most impressive measure. Trucks hauling ore/waste out of the pit are connected to overhead lines, which feed electricity directly to the motors. This allows the diesel engine to tick over and dramatically cuts fuel demand. Palamin MD Al Leroy says the net energy saving in 1985 was R14,2m, or R30,5m since 1983.

Other cost measures include last year's phasing-in of a computer despatch system to improve fleet usage, manufacturing truck main frames locally, improved truck maintenance, and the use of cost-efficient emulsion explosives for primary basting. The possible switching of primary crushing from surface to the pit is under consideration, which would slash the size of the truck fleet.

One problem is that Palabora has no control over its largest cost inputs, and is a victim of such factors as high inflation and the exchange rate. Leroy notes that the average cost of cathode produced in 1985 rose by 27% to R2 012/ t. Energy prices (electrical power and diesel fuel) are the largest cost contributor, as the mine relies almost entirely on Escom for power. For its part, the falling exchange rate pushes up the cost of spares. The matter is of concern, as cost control is vital to any future decision to expand the mine underground.

Vermiculite is Palamin's main by-product. It occurs in thin, flat flakes, and is recovered by feeding the crushed ore through an air stream which winnows off the flakes. When heated, vermiculite expands into a product of excellent thermal and sound insulating properties. Palamin accounts for some 33% of the Free World's production. Demand is strong, particularly for finer ranges, and an enlarged plant will be commissioned in the second half of 1986.

However, back to copper. The crushed ore undergoes a process of flotation, and copper is extracted by chemical reagents. The residue or tailings contain magnetite, which is removed on revolving magnet drums. Further treatment extracts uranium and zirconium, and the high phosphate tailings are then pumped to nearby Foskor. At the smelter, the copper concentrate is melted in a reverbatory furnace, and separates into two distinct layers: copper matte and slag. The copper matte is blown with air through three converter furnaces, in a process which oxidises the iron and sulphur.



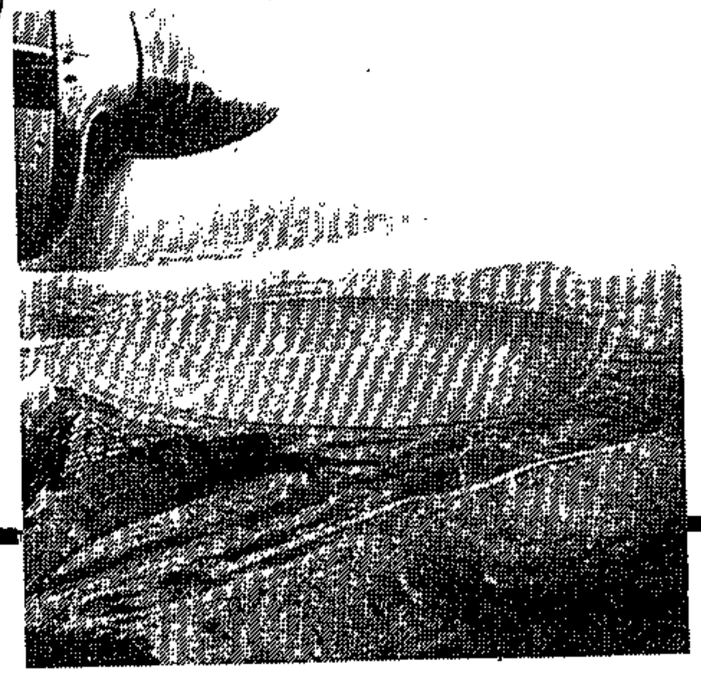
Ready for mineral extraction

Molten copper is then cast into an anode of 99,5% purity. By intensive electrolytic refining, copper ions are then transferred from the anode onto a cathode of 99,997% purity. The smelter process also yields sulphur dioxide, which is converted into sulphuric acid for sale to Sentrachem's Fedmis. A R35m sulphuric acid plant is due for completion this year to increase the capture of the smelter's sulphur emissions. Anode slimes from the refining stage are treated abroad to extract precious metals such as gold, silver and PGM. Leaving costs aside, present business conditions are favourable. Borrowings slid in 1985, and the debt:equity ratio fell from 0,44 to 0,31. This has allowed for a more liberal dividend policy, and earnings this year may be held. Palamin sells its copper at the London Metal Exchange (LME) sterling prices. LME copper prices in the first five months of 1986 have dropped some 12% compared with the 1985 average, and could fall further. But the rand is weaker, production should increase in 1986, and costs are budgeted not to rise by more than 7%.

This year's dividend should be maintained, placing the share at R22 on a favourable 8,2% dividend yield and a p:e ratio of 7,4. The income yield is attractive, but an investment in rand hedge stocks involves taking a view on the volatile exchange rate. If you believe the rand is headed inexorably lower, Palamin must have investment appeal. If the rand firms, the share could still offer short-term gains. Whatever the case, Palamin has plenty of go left.

Christopher Marchand

The open cast mine



Company agrees to demands

GREYHOUND Bus Lines has agreed to most demands made by communities on the West Rand which caused a bus boycott that has gone on for six months.

In a statement to the *Sowetan* yesterday, Mr Robert Nesbitt, the company's general manager, said they were pleased to announce that passengers may start using buses again. He said Greyhound will operate a normal bus service with effect from today.

Demands that Greyhound Bus Lines have agreed to are:

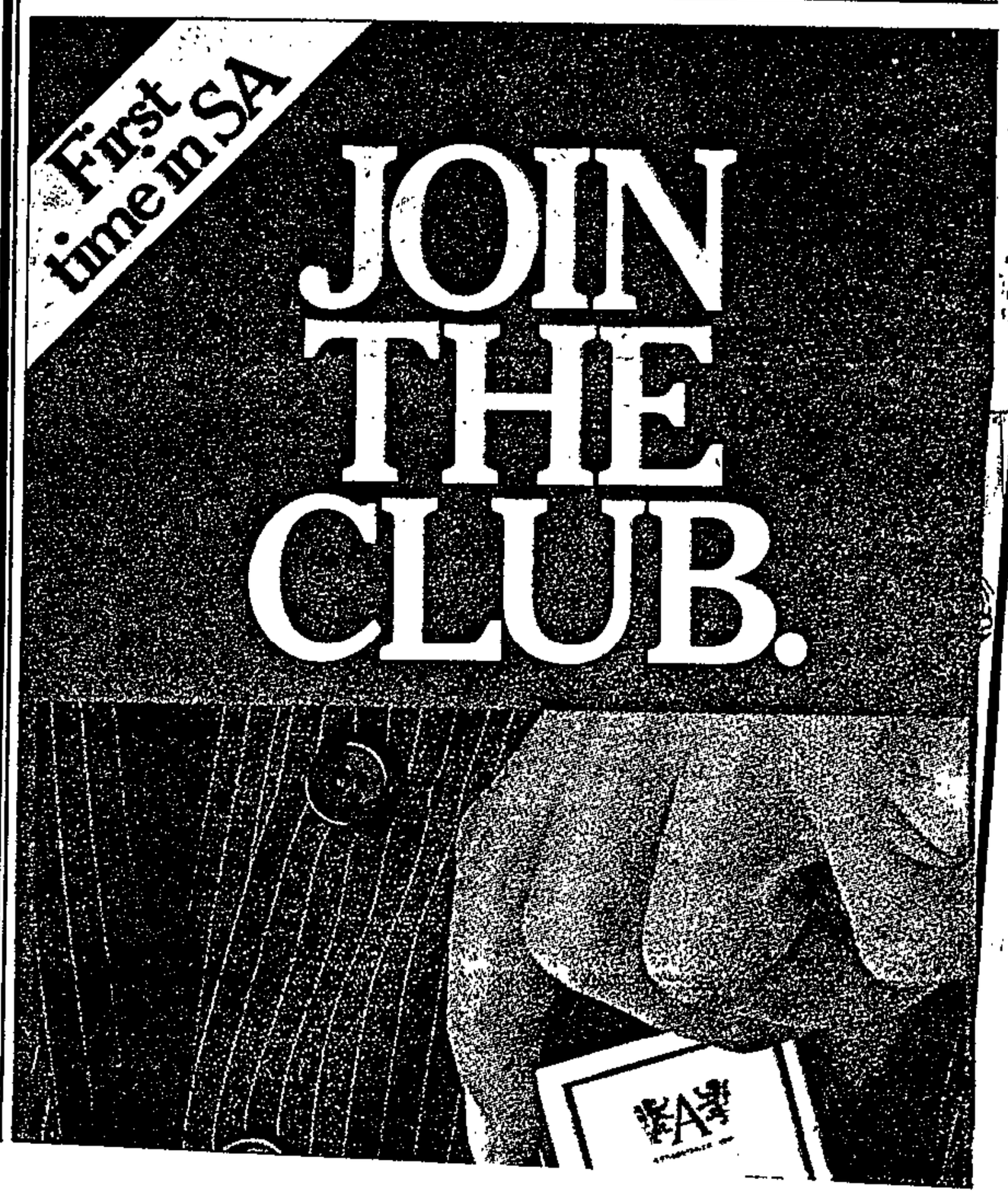
- Pensioners may now travel at half fare on local routes from Mondays to Thursdays. Free travel is still available for pensioners on pay-out days.

Scholars

- In addition to special scholars' weekly tickets, scholars in uniform will be allowed to travel at half fare on local routes.
- Greyhound charges for funeral buses will be reviewed and in special cases a free bus will be provided for funerals on Saturdays and Sundays.
- Greyhound will not object to any taxi applications by residents. The company wishes to work with legal taxis and not against them.
- Greyhound will work with and encourage the authorities to provide residents with bus shelters and improved roads.

Mr Nesbitt also said his company wants to be more actively involved in community education projects. He said they called on the community leaders to help Greyhound to achieve this aim. He added that the company had many ideas for this.

He invited the public to telephone Greyhound's public relations department to help it to improve its bus service.



Bus firm agrees to demands

A West Rand bus company has agreed to meet the demands of residents of three townships in an effort to stop the bus boycott which has been going on since the beginning of the year.

The general manager of Greyhound Bus Lines, Mr Robert Nesbitt, said today that the boycott affected the townships of Kagiso, Mohlakeng and Bekkersdal.

The demands which the company has set out to meet included the request that pensioners may travel at half fare on local routes from Mondays to Thursdays. Free travel is still available for pensioners on pay-out days.

In addition to special scholars' tickets, scholars in uniform would be allowed to travel at half fare on local routes.

Greyhound charges for funeral buses would be reviewed and in special cases a free bus would be provided for funerals on Saturdays and Sundays.

Greyhound meets demands, but . . .

Buses still empty

3/3/86 SOWETAN

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By MANDLA NDLAZI

GREYHOUND buses on the West Rand townships of Kagiso, Mohlakeng, Munsieville and Bekkersdal are still running empty, despite the announcement that the company has agreed to residents' demands to end the boycott.

A survey by the *Sowetan* yesterday showed that hundreds of workers are still walking to and from their places of employment. Others used taxis or got lifts from passing motorists while buses were running empty.

There were long queues of people waiting in the cold for taxis in Luipaardsvlei on Tuesday.

But Mr Robert Nesbitt, the company's general manager, said some buses had carried about six passengers per journey since Tuesday's announcement that the company had agreed to most of the residents' demands.

When told that most of the buses were seen running empty; Mr Nesbitt said: "Of course it will take some time to get the people back on the buses."

Mr Nesbitt said the six months bus boycott was resolved when the company's officials and the committee members of the Krugersdorp Residents' Orgainsation (KRO) had agreed that it should be ended.

KRO committee members were to arrange a meeting for June 14 to get the residents' opinion, but the meeting was not held, he said.

Mr Nesbitt said his company distributed pamphlets to inform the residents that the company and KRO leaders had agreed that the boycott should end because most demands had been met.

Some of the residents spoken to intimated that they would not use the buses until their leaders had been released.

Passengers to help Tramways celebrate

Cape Times 3/7/86

532

Staff Reporter

COMMUTERS travelling on City Tramways buses on July 9 in the Cape Town metropolitan area will be charged only 20 cents per unbroken ride.

The reduced fare is one of three events aimed at involving the public in City Tramways celebrations to mark 125 years of operations by the company in the Greater Cape Town area.

City Tramways was established as the "Cape Town and Green Point Tramway Company" by an act of the Cape Parliament on July 9, 1861.

Besides the reduced fares on July 9, the company is also giving away three free bus passes for periods of up to 5½ years in a competition to find an 1861 penny.

In addition, passengers can win a cash prize in a contest to find the company's driver of the year.

Extensive radio and newspaper advertisements as well as handouts to passengers give the details of these events.

One of the highlights of the celebrations, according to a press release, will be the unveiling of a small bronze sculpture of a horse-drawn tram near the Golden Acre bus terminal. The statue is the work of Cape Town sculptor John Skotnes.

Several buses, including an experimental 100-seater double-decker, will appear in special anniversary "livery" and every bus in the fleet will feature a special anniversary logo.

● City Tramways has a total fleet of nearly 800 diesel-powered buses. A total of 98 million passenger journeys were undertaken and 44,25 million kilometres covered during the financial year ended June 30, 1985.



An 1861 penny, like the one held by Janine Randall, can prove lucky for the owner in a competition being run by City Tramways.

BUSINESS DAY, Monday, July 7 1986

3327

Hauliers irked by lack of uniformity in regulations

A LACK of uniformity in the provisions and enforcement of transport regulations is causing problems for hauliers, says the chief executive of the Public Carriers Association (PCA).

Jack Webster said last week what was legal in one province was illegal in another.

He cited two examples which have been causing confusion among hauliers:

☐ The method of calculating the legal load of a heavy vehicle varied from province to province.

☐ The interpretation and enforcement of the bridge formula for the measurement of mass axle loads on heavy vehicles.

"Hauliers find there are four different views of the bridge formula in the four provinces and, despite repeated requests for clarification, the authorities still cannot seem to agree."

Own Correspondent

Vehicles were frequently delayed for hours while a law enforcement officer sought a ruling from his superiors.

"These delays cost our members money and disrupt their schedules. We feel entitled to demand that the authorities get their house in order," he said.

The *Cape Times* was told by A S D Erasmus, one of the commissioners of the Sats board, that the provinces, and not a central body, controlled the regulations.

His advice was to contact the provincial traffic departments for further information.

Webster said: "In our view the problem can be solved if government introduces a Road Traffic Act providing for all such matters to be handled by one central authority."

Massive transport subsidy

By Jaap Boekkooi

The State spends an average of R200 a year for each black bus commuter on the Rand, R500 in Pretoria and more than R1 200 in kwaNdebele, says an interim report by the Council for Scientific and Industrial Research.

Black commuter subsidies in the country as a whole now cost the Government R500 million a year, or one-quarter of the R2 000 million spent yearly on all black commuter transport in South Africa and neighbouring areas, adds the report.

The cost equals almost a quarter of the annual subsistence income in Soweto.

Some 170 000 black commuters now make use of taxis and because of greater time savings, less crime and overcrowding than on buses this form of transport produces countrywide savings of R18 million a year over bus transport.

Permits for Alex taxis

SOWETAN
Reporter

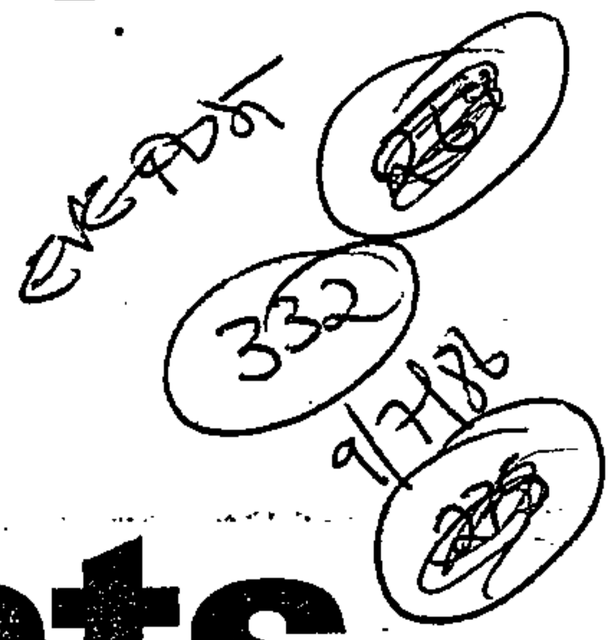
THE Alexandra Taxi Association was yesterday granted permits to operate 34 taxis between the township and the fledgling town of Midrand. The successful application was the fourth in a year.

The chairman of the taxi association, Mr Peter Manamela, said they were granted the permits after the Alexandra Town Council had submitted a letter backing them. He said Putco, which had objected to previous applications, had withdrawn its objection before the permits were granted.

Midrand is about 15 km north-east of Alexandra. Commuters to the town increased when a shopping complex was opened there last year. Pirate taxis have been operating on the route.

Mr Manamela said that negotiations with the Randburg Town Council were at an advanced stage for 28 taxi permits for the Randburg-Alexandra route. "We are working towards getting all unlicensed routes from Alexandra licensed so that we can serve our passengers fully," said Mr Manamela.

Bus shock for PE residents



By KIN BENTLEY

ALL buses into Ibhayi (New Brighton, Kwazakhele and Zwide) in Port Elizabeth have been withdrawn following a spate of arson attacks over the past three days.

This represents one-third of the 5 000 trips a day made by PE Tramways.

Buses would now run to the township perimeters. The services into Motherwell, Walmer Township and Uitenhage would continue, the general manager of PE Tramways, Mr Carl Coetzer, said today.

Many township residents turned up late for work in the city this morning when they were forced to find alternative transport.

It would take until tomorrow to schedule new services to the outskirts of the affected townships, he said.

Mr Coetzer said the attacks this week had been the first disruption of the bus service to the townships since early December.

Since the weekend four buses, a light delivery vehicle and a ticket van had been destroyed in arson attacks.

There had been "numerous" other attacks in which about half a dozen vehicles had been "slightly damaged".

Asked when the service to the township would be resumed, Mr Coetzer said: "I can't predict what will happen. As soon as I can make contact again with people in authority, I'll talk to them.

Mr Coetzer said since January last year, 85 PE Tramways vehicles had been totally destroyed. These included 68 buses (20 of which were double-deckers) and 17 support vehicles.

● Fare increases on most routes came into effect from July 1.

Cape Times 10/7/86

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'Bananas' on buses' birthday

Staff Reporter

YESTERDAY was City Tramways' 125th birthday — and Western Cape commuters went bananas over the special fare of 20c offered on any unbroken ride on any trip anywhere in the area.

Entire families spent the day travelling around the Peninsula, thousands of shoppers poured into the City from outlying areas to stock up on goods and Tramways had to lay on an extra 219 buses to cope with the flood.

The 20c-a-ride offer ended at midnight last night and applied even to single trips from places like Atlantis and Malmesbury to Cape Town.

An exhausted Tramways managing director, Mr Nic Cronje, said at the end of the day: "This was our birthday present to the people of Cape Town, and I doubt we have ever had a busier day in our history.

"The response was far greater than we expected, we never believed it could be like this.

"We have had kids who have never been able to afford to travel around whose parents have taken them all over the place showing them the sights."

It was also believed that a large number of jobless people, who cannot usually afford repeated trips to the City to apply for work, had taken advantage of the offer to travel from interview to interview.

"Of course we made losses, that was inevitable," Mr Cronje said. "But it's worth it."

Cape Times 10/7/86

Tramways bus petrol-bombed

332

Staff Reporter

A CITY Tramways mini-bus was gutted yesterday and a man threatened to petrol-bomb a second bus in two separate incidents in Khayelitsha.

The managing director of City Tramways, Mr Nic Cronje, confirmed that both mini-buses were part of a pilot project being run by Tramways in Khayelitsha, Nyanga and Crossroads.

Township sources yesterday indicated there was considerable unhappiness among owners of mini-bus taxi fleets at the competition.

Mr Cronje said yesterday that if the service proved viable "we will expand".

He said that in J-Block, Khayelitsha, yesterday morning a man climbed into one of the mini-buses, paid his fare and then told passengers to climb out of the bus.

"He then produced a petrol bomb, broke the bottle on one of the seats and set the petrol alight."

In a separate incident, he said, a man had threatened to petrol-bomb another bus but had not carried out his threat.

Bus arson: Coetzer talks with 'leaders'

By KIN BENTLEY

THE managing director of PE Tramways, Mr Carl Coetzer, today held talks with Port Elizabeth "black community leaders and people who are close to the leadership" on the bus issue.

He is also to seek a meeting with the authorities.

Tramways decided on Tuesday not to run buses into the PE townships of New Brighton, Zwide and Kwazakele, after the destruction in arson attacks of several buses and support vehicles in the townships since the weekend.

In his statement, Mr Coetzer said that in view of the damage to the buses and the disruption of the services, the need to communicate with the black community leaders had become "very essential".

He added that "regrettably" due to the present circumstances, "certain leaders were not available and therefore, although the discussions were very useful, they are far from complete because some leaders who may be essential to the bringing about of normality to the bus service, were not present".

He said the discussions indicated that as a result of the current situation, "black leadership is not able to follow the normal accepted procedure of having meetings with the community and because of this, the ordinary issues which could and eventually would have been resolved are firstly, not being resolved and, secondly, are escalating into much larger issues".

Mr Coetzer declined to say which black leaders he met, but said "a number of matters were identified — among them the bus service — as being matters which will most likely become more troublesome" than if conditions were normal.

He added that the causes of the disruption of the service were not clear, but that the establishment and possible elimination of such cuases could only be established if "leaders can meet with the community".

He undertook to "investigate ways of getting to see the authorities in regards to the bus service disruption and the other matters raised".

CAPE TIMES 1/7/86 332

Tramways apply for fare rise

Chief Reporter

CITY TRAMWAYS announced yesterday it had made a new application for an increase in bus fares, which would not exceed 15 percent "at this stage".

The company, which reduced its fares following the average 9,4 cents-a-litre cut in the petrol price in April, said it was seeking an increase in revenue of below 10 percent, to cover spiralling operating costs.

A company spokesman said the proposed new fare schedule was aimed at eliminating present anomalies, on a long-term basis. While there would be no fare reductions, there would be "a great many" fares that would not be increased under the new proposals.

Details of how the proposed increases would be applied on specific routes would not be available till just before the public hearing of City Tramways' application. The company had not yet been notified when the hearing would take place.

In a statement, City Tramways said its application provided for a change in the basis for calculating fares, where previously the fare for each route was calculated on an individual basis, "resulting in a number of anomalies".

It was proposed that fares be calculated in future on the following formula:

- 0 to 5km — 50 cents
- 5,01 to 10km — 65 cents
- 10,01 to 50km — 6,4c per km
- 50,01 to 75km — 5,6c per km

It was not possible to give any indication of how clipcard fares would be affected, as these were set by the Department of Transport only after the new fares had been approved, the statement added.

"As it has done in the past, the company will request the department to give as much assistance as possible in reducing the impact of the increase.

"The department has treated these requests sympathetically."

The company spokesman said City Tramways had not increased its fares, "other than making fuel-price adjustments", since November 1984.

who have gone out of their way to do something to help the needy.

Pretoria-Jo'burg bus fares go up

Pretoria Correspondent

Bus fares on the multiracial Pretoria-Johannesburg route will be increased by between 5,2 and 9,9 percent from July 21.

A new pupil coupon of R1,25 a trip (any distance) will be introduced at the same time, with buses on a new timetable taking school children as far as Roper Street.

Mr L K Fitzroy, traffic manager of Putco Operating (Pty) Ltd yesterday said this would particularly be of convenience to pupils of many schools.

Cash fares between Pretoria and Johannesburg will be raised by 5,2 percent from R3,80 to R4 a ticket, with five-day season tickets going up by 7,4 percent from R27 to R29.

Passengers travelling from Valhalla and Clubview will be hardest hit, being charged the Pretoria-Johannesburg tariff if going to Johannesburg and the Randjesfontein-Pretoria tariff if going to Pretoria in future.

The new cash tariffs (with five-day season tickets in brackets) are: Pretoria to Valhalla, Clubview, Rooihuiskraal and Randjesfontein — R2,10 (R19,00); Pretoria to Halfway House — R2,40 (R22,00); Pretoria to Wynberg — R3,50 (R24,50); Pretoria to Johannesburg — R4,00 (R29,00); Randjesfontein to Johannesburg — R2,80 (R24,50); Halfway House to Johannesburg — R2,40 (R22,00); and Wynberg to Johannesburg — R2,10 (R19,00).

Mr Fitzroy said buses would, from July 21, only run from Mondays to Fridays and there would be no service on public holidays.

The new timetable for buses departing from Johannesburg will be as follows: 5.50 am (to Roper Street in Pretoria), 2 pm (via Hillbrow), 2.15 pm (via Wits to Randjesfontein only), and 5 pm (via Hillbrow).

Buses from Pretoria will depart as follows: 6.20 am, 2 pm (from Roper Street, leaving the Pretorius Street terminus at about 2.15 pm), and 5 pm.

In addition a bus will leave Randjesfontein at 6.35 am, travelling to Johannesburg via Wits.

ower Main Reef Rd. 618-2187.
nce George Ave. 55-6248

EVE Post 16/2/86

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Bus service resumed

Post Reporter

BUS services into some Port Elizabeth black townships were resumed early today — after being suspended a week ago.

Today Mr Mkhuseli Jack, a community spokesman, spoke on the phone to Mr Carl Coetzer, managing director of PE Tramways.

The conversation had been arranged to discuss resumption of services.

Mr Jack told the Evening Post he had asked for the bus services to be resumed because their suspension was leading to hardship in the townships.

He said: "They (the buses) won't be stoned by anyone."

And now, the city's busiest road show

W/E Argus 19/7/86

33.2

By DEREK TOMMEY

CITY Tramways, which runs Cape Town's buses and is one of the oldest companies in the country, can boast of having one of the country's youngest executive teams and probably the youngest top executive.

While City Tramways has been celebrating its 125th anniversary, its managing director, Mr Nic Cronje, was celebrating his 36th birthday.

This mixture of the old and young seems to suit City Tramways well. The Cape Town public certainly thought the company's birthday present — a ticket to anywhere for only 20c — a wonderful idea.

"The response was unbelievable," said Mr Cronje. "We expected to carry a lot more passengers. But the final figures showed almost a doubling of the normal Wednesday passengers," he said.

"Many saw it as a once in a lifetime chance to see parts of Cape Town they have not seen before. People from the southern suburbs travelled to Atlantis, while others in Mitchell's Plain told us they were visiting central Cape Town for the first time in six or seven years.

"We did not make any money from it, but it was tremendously satisfying to see buses fully laden at 3 pm when normally they would be carrying only about 18 to 20 passengers."

Young though Mr Cronje is, he is also probably one of the best qualified persons to run City Tramways.

He joined the National Institute for Transport and Roads Research as their accountant in 1976, he recalls.



Nic Cronje . . . life in the bus lane.

"But after 18 months when I obtained my MBA from the University of Pretoria the institute felt I was over-qualified for the post and it appointed me as chief research officer of the transport branch.

"I was given the task of developing a management information system for the mass passenger transport industry.

"Through that project I came into contact with basically all the bus operators in the country, including City Tramways.

"They liked me, I liked them and I joined them in March 1979."

He became became chief executive in 1983 and managing director in 1984.

Mr Cronje believes that much can be done to improve the lot of bus users in Cape Town. One aspect he feels strongly about is the absence of passenger facilities.

"Apart from at the Golden Acre and at Mitchell's Plain town centre we really don't have any in Cape Town."

He believes this is one of the most crucial factors in stopping people making use of public transport.

"At a place like Nyanga you operate from a muddy ground. If it rains passengers get wet. And when the buses go by the chance are that they will be drenched in mud.

He blames the local authorities for this and similar situations.

"They have accepted responsibility for providing the infrastructure. The Metropolitan Transport Advisory Board has in the decade in which it has been established made certain positive changes, but I feel they are far too slow in getting the real benefits to the public."

Another sore point is the lack of special facilities for bus traffic.

"I believe that Cape Town is the only city in South Africa where we don't have any priority lanes for buses, which is a major factor if you want to promote public transport.

"Because of traffic congestion the travelling time between Mitchell's Plain and Cape Town is almost 70 minutes, although the distance is only 27 to 30 km.

"If buses were given priority and the travelling time cut to 30 minutes the public would have a real incentive to use public transport."

Mr Cronje believes that with the ending of influx control, the authorities will have to provide more facilities for buses.

In the next 10 years the population growth could require the doubling of the road infrastructure in Cape Town, unless there was a marked increase in public transport.

Mr Cronje said City Tramways had a great deal to be proud of. It had achieved a large degree of standardisation with beenficial results in maintenance and interchangability.

But what it found particularly pleasing was the degree of unified control achieved over the entire metropolitan transport system.

Put back bus stop — plea

Weekend Post Reporter

THE head of PE Tramways, Mr Carl Coetzer, has complained to the Administrator of the Cape and to the Minister of Law and Order over the removal of a bus stop just outside Kirkwood.

In a telex sent yesterday, he said the Winterhoek Divisional Council, without consultation, had removed a "most essential" bus stop which had served the people of Bontrug for 20 years — virtually depriving them of an acceptable form of public transport.

His telex said the council apparently acted on one complaint, from a white farmer whose land borders the road where the stop was situated.

"The South African Police, at this stage, are letting us continue to stop on the road where seven No Stopping signs have been erected in the last two days.

"We appeal to you to act with utmost urgency to remove this restriction," the message said.

A copy of the telex was sent to the council and to Kirkwood's Town Clerk.

Neither could be reached for comment.

Buses withdrawn from townships

BUSES were again withdrawn by PE Tramways from three Port Elizabeth townships after a bus was firebombed and destroyed at 2pm yesterday.

The managing director of the firm, Mr Carl Coetzer, said in a statement that he could only make a clear decision on resuming the service to Kwazakele, New Brighton and Zwide after consultations with the "identified leaders" of the black community.

He said the service, which had been withdrawn for about a week, was re-introduced into the townships on Wednesday morning.

"I find that the restrictions under which we seem to be working make it impossible for me to have proper consultations with the identified black leaders and I am finding it extremely difficult to be able to make rational decisions which depend on proper consultations.

"I am appealing to the identified black leaders somehow to make arrangements for us to consult with them. I am prepared to go anywhere, at any time, to talk to anyone," he said.

Mr Coetzer said the bus was the 86th PE Tramways vehicle destroyed since January last year.

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Dismal picture for world freight markets

WORLD freight shipping markets are facing a progressively dismal picture. Even the Pacific region, which has been more resilient than most, is showing signs of pressure.

Afromar reports that liner vessels are also struggling and while there has been some activity in the Far East, this appears to be dying down.

There has been little change in the South African market, with plenty of tonnage available and limited inquiry.

Emphasis has moved upwards, from the 28 000Dw vessel, to the 35 000-ton size as the most popular vessel for time-charter trips to Europe and other areas.

A major grain house arranged a cargo of 26 500 tons of maize from Durban to Japan for loading in the first half of August. The rate of $13,25 is slightly higher than charterers had expected.

Another grain house obtained cover for a 30 000-ton wheat cargo to be loaded out of the US Gulf to SA on an early August position at $8,50 — half the rate paid for the same business a year ago.

Fifteen thousand tons of chrome ore was quoted by Japanese charterers from Tamatave, in the Malagasay Republic, to one or two ports in Japan for shipment in September or October. The same charterers had a similar cargo to load out of Richards Bay.

The low rate of $14,50 was paid by UK charterers for the shipment of 10 000 tons of soda ash from Antwerp to Cape Town and/or Durban for July loading, with $1 extra being paid if there were two discharge ports.

Turkish charterers were looking for a vessel of 14 000/16 000Dw for a trip from Durban to a Turkish Mediterranean port, carrying mainly steel.

German charterers were negotiating a vessel of about 8 000Dw for a trip to the eastern Mediterranean at a rate of about $2 300 a day.

SHIPPING

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...y Gold Mines Limited Group
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...capital: 7 500 000 shares of 10 cents each, fully paid

	Quarter ended	Quarter ended	Year ended
Capital expenditure		2 336 333	3 373 153
Development results			
West Reef		540,2	177,7
Advance – m		317,0	150,0
Sampled – m		125,0	157,0
Channel width – cm		3,6	2,4
Channel value – g/t		445,0	371,0
– cm g/t			
Leader Reef		697,7	87,8
Advance – m		394,0	72,0
Sampled – m		121,0	126,0
Channel width – cm		3,6	4,1
Channel value – g/t		431,0	517,0
– cm g/t			
New Reef		863,2	175,6
Advance – m		465,0	123,0
Sampled – m		132,0	155,0
Channel width – cm			3,7

Hauliers will protest after tonnage drop

GERALD REILLY

PRIVATE road hauliers' anger is mounting at what they see as unfair competition from SA Transport Services (Sats) after publication the latest tonnage figures.

According to Central Statistical Services, in the three months to the end of April tonnage carried by private road transport services dropped by 31,1% — from 68,9-million tons to 47,5-million — compared with the same period last year.

Tonnage carried by Sats increased by 1,2% to 39,7-million tons. The total carried by Sats road services dropped by 2,3% to 1,07-million tons.

Deputy chief executive of the Public Carriers' Association, Ian Moss, said the figures reflected the steep downturn in traffic brought about by the recession.

They also reflected the severe impact of State competition in a vital sector of the economy — and the private sector was suffering badly.

The PCA was evaluating government policy against a background of the National Transport Policy document, particularly where it dealt with the competition clash between government and the private sector.

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WEEKEND Argus

City-based transport giant heads for JSE

w/f REGRETS 26/7/86 332

By DEREK TOMMEY
Financial Editor

INVESTORS are to be offered a stake in Stuttaford Van Lines, Pickfords Removals, Frasers International and Jack Wellsted, among other transport companies.

Their holding company, the Cape Town-based Laser Transport Holdings, is seeking a listing on Johannesburg Stock Exchange.

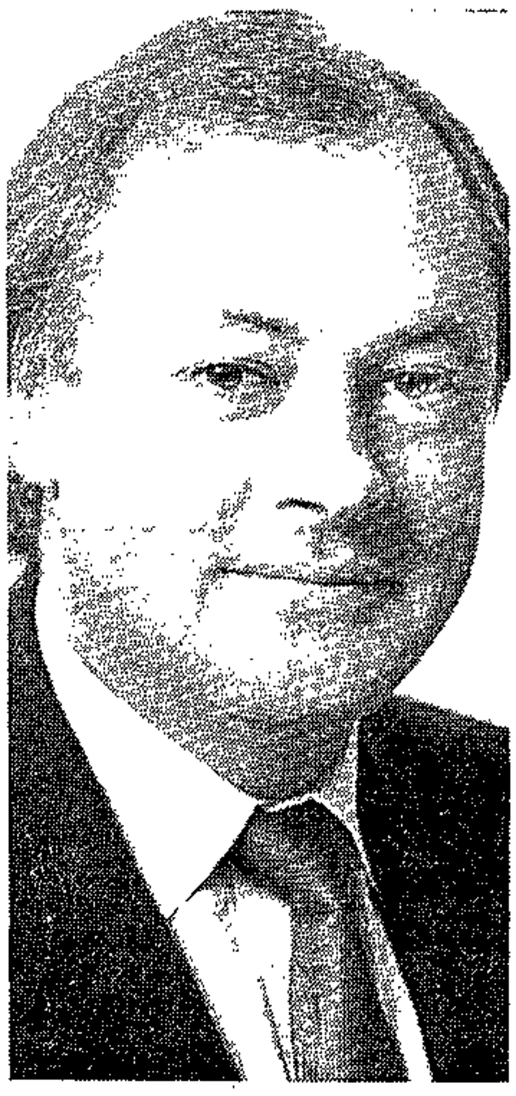
Laser's 35-year old managing director, Mr Denis Kaye, said in an interview that the listing was expected to take place in mid-September and would be preceeded by a public offer of 2,5 million shares and a preferential allocation of 500 000 shares to staff and business associates.

Full details of the company's affairs would be published in a prospectus on August 7.

But Mr Kaye was able to report that the company's turnover had grown from R10,2 million in 1981 to R46 million in 1985 and it was expected to reach R55 million in the 12 months ending December 1986.

"Profits after tax grew at a compound rate averaging 29,4 percent a year from R529 000 in 1981 to R1,48 million in 1985. This year we are looking for really big growth, thanks to recent acquisitions now paying their way and the surge in our international business."

Laser — the name is an acronym for Land, Air and Sea Removals — ("and we hope an indication of our speed of operation, said Mr Kaye") — is the largest removals group in southern Africa, handling furniture and household effects, office and factory relocations.



Laser MD Denis Kaye.

Its subsidiaries handle all classes of removals (local, long distance and international) and provide ancilliary services such as storage and arranging insurance.

"The combination of internal and international removals provides a good balance for growth," said Mr Kaye, who joined Laser in 1969 and has been managing director since 1978.

Laser has about 20 percent of the domestic removals market and about 40 percent of the international removals market.

He attributes much of the company's rapid growth to its policy of making each company operate autonomously with its own board of directors, competitive marketing strategy and national advertising campaign.

Each company must secure its own business and efficiently service its own markets.

Head office confines itself to providing strategic management, administration and finance and operating systems aimed at streamling operations, improving management informtion and minimising expenses.

The Kaye family, which had been associated with Jack Wellstead since 1952, sold their shares in Laser to Unisec in 1980, but Mr Kaye remained as managing director.

However, in January this year, the Standard Bank took over Unisec and this led to a change in Unisec's aims, and a management buy-out was negotiated, which took effect earlier this month.

"One of the reasons for seeking a JSE listing is to increase the capital base of Laser and enable the company to continue to grow," he said.

Laser still growing as it heads for JSE

By Don Robertson

LASER Transport Holdings, which dominates the removal industry in South Africa, will be listed on the Johannesburg Stock Exchange in the second week of September.

The prospectus — to be issued on August 7 — will give details of the 3-million shares to be allocated — 2,5-million by public offer and 500 000 in a preferential deal for staff and business associates.

Surge

Managing director Denis Kaye says turnover grew from R10,2-million in the year to December 1981 to R46-million last year and is expected to top R55-million in the current financial year.

Taxed profits grew by a compound 29,4% each year from R529 000 in 1981 to R1,48-million last year.

Mr Kaye says: "This year we are looking for big growth after recent acquisitions which are now paying their way and the surge in our international business."

Acquisitions

Laser wishes to raise its capital base after Mr Kaye's management buy-out earlier this year. He increased his 20% interest to full control by acquiring the 80% held by Stanbic through Unisec.

Mr Kaye says: "Opportunities will continue to be explored for the acquisition of companies in removals and related fields, for the opening of new branches by companies in the group, and for the establishment of a presence in international markets."

The 500 000 preferential shares will give long-serving staff a chance to participate in the company.

Brain drain

Recent profit and turnover growth has come from increased market share and the acquisitions and does not necessarily reflect business gained as a result of the brain drain.

"During economic prosperity in South Africa, internal business and inward international business increase, but in recession the volume and value of outward business increase.

"Laser does not, therefore, experience large fluctuations in profitability as a result of changes in the economic cycle."

Independent

Laser operates Stuttafords Van Lines, Pickfords Removals, Frasers International and Jack Wellstead. It claims to be the largest international removal company.

It has a 20% share of the SA removal market and 40% of the international market, shipping 2 000 containers of household goods from SA a year and importing 600.

Each company in the group operates independently, having its own board, marketing and advertising divisions.

Mr Kaye says: "The corporate office provides strategic management, administration and finance. We use our computerised systems to streamline operations, improve management information and minimise expenses."

NATIONAL Argus 28/7/86

AA membership fees to rise by 40 percent

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The Argus Correspondent

PRETORIA. — The Automobile Association (AA) is to raise its membership fees by 40 percent, following heavy losses caused by the liquidation of the AA Mutual Insurance Company.

The increase was approved by the AA board of directors last week and is likely to be implemented from September 1. More than 700 000 members will be affected by the increase.

According to the AA's director-general, Mr Peter Elliott, the increases are unavoidable.

"The loss of funds from AAMI affects us in three ways. We've lost the income from AAMI's advertising in our publications, they no longer contribute to our premises' costs and we've lost the commissions paid by AAMI for insurance contracts."

Altogether the loss of AAMI has cost the AA revenue to the tune of R30-million.

Cost-cutting

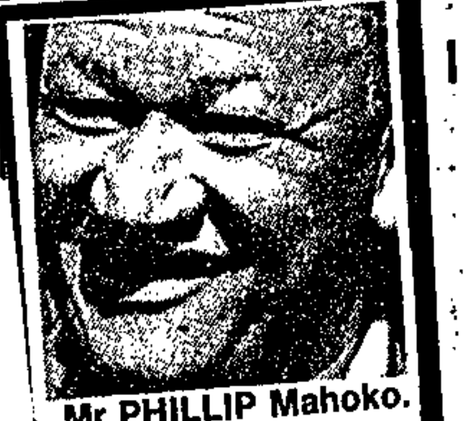
Mr Elliott was quick to point out that the AA's fees in South Africa were the cheapest in the world at R20 a year. "An increase of 40 percent only raises the fee to R28 a year, which compares more than favourably with the $40 (about R100) charged in the US and £30 (about R120)in the UK."

Mr Elliott said the AA had embarked on a number of cost-cutting programmes which would save about R70-million a year.

It is also closing several of its offices and is in the process of arranging for certain agencies to take over some of its country business.

"Although we will have to put up the rates, the quality of our service will not be affected. We are planning to introduce a range of new membership packages and products to upgrade our service," Mr Elliott said.

Sowetan 7/8 (232) Sowetan 28/7/8



Mr PHILLIP Mahoko.

Taxi fares go down

THE Nancefield/Dube Taxi Owners' Association is to reduce fares on its Soweto routes by 10 cents from August 1.

But fares on routes between Soweto and the city will remain the same, Mr Phillip Mahoko, the association's chairman, said yesterday.

"We believe that this gesture will be welcomed by our passengers who are reeling from price rises of many commodities. We are aware that many people are unemployed and we thought we should meet them half way by decreasing our fares," he said.

According to Mr Mahoko, the city-Soweto fares remain unchanged because there are other associations which also operate between the two places. Consultations will have to take place with those associations if any decision is to be made, he said.

Mr Mahoko said his association has been allocated a taxi rank at the corner of Commissioner and Troye streets in the city. The rank has been operating for about three weeks now.

SATS drives off amid court battle

SPMC 332 29/7/86

By Zenaide Vendeiro, Transport Reporter

A luxury coach service between Pretoria and Durban — a route which is the subject of a major court battle — was launched by the SA Transport Services in Pretoria last night.

The route is one of many inter-city bus routes awarded to SATS and private bus operators earlier this year.

Greyhound Bus Lines, a private company which pioneered the Johannesburg-Durban route two years ago, recently applied in the Pretoria Supreme Court for an urgent interdict against the National Transport Commission to have the route permit granted to SATS revoked.

The case will continue today.



Inspecting the new intercity Translux bus, which will be used on the Pretoria-Durban route, are (top to bottom): Margie Weller and Jane Stubbs, of a Boksburg travel agency, and Amanda Ripley, a Translux hostess.

Despite the uncertainty surrounding the route, SATS last night invited travel agents on the Witwatersrand to acquaint themselves with the service.

Called "Translux", it will begin on August 1, offering daily trips in either direction.

The 10-hour journey costs R49 single and R96 return between Pretoria and Durban, and R45 single and R88 return between Johannesburg and Durban.

The service heralds the start of a nationwide network of long-distance coaches run by SATS.

COMPETITION

Initially, it will provide services between Cape Town and Durban via Port Elizabeth and East London and between Pretoria and Bloemfontein via Johannesburg. The network will later include Kimberley, De Aar and Upington.

On a number of routes, SATS will be in competition with private firms.

Further information about the services is available at railway stations and SAR Travel.

The long-distance bus services could mean the beginning of the end for inter-city rail services.

They have recorded losses of millions of rands each year.

Judge throws out Equity ban

Mercury 30/07/86

London Bureau

THE ban on British actors working in South Africa was ended by a judge in London yesterday.

The action was a spectacular victory for veteran British actor Marius Goring against the Left-wing dominated actors' union, Equity.

Mr Goring said it was a victory for freedom and commonsense 'against something worse than McCarthyism'.

The distinguished actor is a leading figure among British artists who believe that cultural contact will hasten peaceful change in South Africa.

The verdict has broken a log-jam after years of bitter power-struggles between Equity Left-wingers and moderates over South Africa.

It could lead to further legal challenges against musicians and television technicians unions which employ part boycotts of South Africa.

In his historic decision the Judge, Sir Nicolas Browne-Wilkinson, ruled that British actors are free to work in South Africa — or wherever they wish — without threat or hindrance from Equity.

He ruled that the Equity ban, introduced in April this year, broke the union's own rules and was unlawful.

The ban was introduced after a postal referendum of Equity's 33 000 members in which barely 10% voted by 1 946 to 1 374 for a total boycott of South Africa.

Equity then ruled that any British actor who defied the ban would face severe disciplinary action including the threat of expulsion from the union.

Without an Equity card actors are unemployable in Britain and many other countries.

The Judge, who last week ruled in favour of Cape Town swimmer Annette Cowling's disqualification from the Commonwealth Games, said: 'In the absence of any evidence to the contrary, the only purpose of the (Equity) instruction which has been demonstrated is to promote a general cultural boycott of South Africa, not for promoting the professional interests of the members.'

Possible appeal

'Accordingly, in my judgment, such instruction was not authorised by the rules and was void.'

Mr Goring was elated by the verdict.

He said he hoped the case was an incentive to members of other unions such as the Musicians Union or television technicians union which ban such music rights or the sale of television film to South Africa.

Mr Peter Pluviez, the Equity general secretary, said the Council would now meet next Tuesday to consider the implications of the judgment and a possible appeal against it.

Actor Derek Bond, who resigned as Equity president in protest against the boycott decision and strongly backed Marius Goring's fight, said the acting profession and the millions of South Africans seeking a peaceful end to apartheid would be the benefactors of the judgment.

The Judge ordered Equity to pay the costs of the application.

Mercury
30/07/86

UDF man challenges (327) emergency regulations

Mercury Reporter

THE state of emergency is to be challenged again when a UDF official makes an urgent application to the Supreme Court, Durban, tomorrow to have the emergency regulations declared invalid and *ultra vires*.

The application is being made by Mr Solomon Lechesa Tsenoli, publicity secretary of the UDF, who is being detained in the Westville Prison under the emergency regulations.

Miss Di Pillay, of Yunus Mahomed and Associates, said Mr Tsenoli would argue that his arrest and continued detention was unlawful because at the time of his arrest on June 12 the state of emergency had not been declared nor had the regulations been promulgated.

The State President, Mr P W Botha, is the first respondent, with the Minister of Law and Order, Mr Louis le Grange, and the Minister of Justice, Mr Kobie Coetzee, the second and third respondents.

Greyhound lose bus plea

The Argus Correspondent

PRETORIA. — The battle between the Government-run South African Transport Services (Sats) and Greyhound Bus Lines (Pty) Ltd over the lucrative bus route between Johannesburg and Durban has ended in the Supreme Court, Pretoria in favour of Sats.

The application was launched by Greyhound, which alleged that it would suffer "immediate, substantial and irreparable harm" if Sats was allowed to run a service between the Reef and the coast.

In Mr Justice Spoelstra's finding yesterday Greyhound was also refused leave to appeal against the decision.

SATS wins route battle

The battle between the South African Transport Services and Greyhound Bus Lines over the bus route between Johannesburg and Durban ended in the Pretoria Supreme Court yesterday in favour of SATS.

Greyhound had alleged it would suffer if SATS were allowed to commence its service between the Reef and the coast. — Pretoria Correspondent.

Sats and Interkaap agree to share bus route

W/C-Argus 2/8/86.

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Weekend Argus Reporter

THE battle over the lucrative Cape Town-to-Port Elizabeth bus route has ended in an out-of-court settlement allowing both South African Transport Services and the independent line, Interkaap, to ply the route.

Originally Sats took Interkaap Ferreira Busdiens and the chairman of the Local Road Transportation Board to the Cape Supreme Court to challenge the validity of Interkaap's bus permits.

Interkaap hit back with its own court action aimed at keeping Sats off the road.

In the end Interkaap and Sats agreed they could operate together — on one condition.

Diversion through Oudtshoorn

From September 5 Sats will be restricted to a "semi-luxury" bus service on the Cape Town-Garden Route-Port Elizabeth run.

Only Interkaap will be allowed to run a "luxury" bus service on this route.

There is another twist: Sats *can* run a "luxury" bus to Port Elizabeth — but it has to make a diversion through Oudtshoorn.

This could add up to 90 minutes to the travelling time.

A luxury bus, according to the settlement papers, is equivalent to the service presently being run by Interkaap or the Sats "Translux" service. It must have air-conditioning plus at least one of the following:

- An attendant;
- Bar service;
- Toilet; and
- Seating arrangement of two pairs of seats a row.

The semi-luxury bus is the equivalent of the Sats "TransCity" service. This has at least 62 seats with two sets of three seats in each row. It has no air-conditioning, attendant, bar service or toilet.

- In a report from Pretoria The Argus said on Thursday that Interkaap had been forced to close its bus service because of competition from Sats. This was incorrect.

Wesbank, Sabta in loan breakthrough

A major breakthrough in the financing of black taxi purchases by Wesbank was announced yesterday by Godfrey Ntlatleng, vice-president of the Southern Africa Black Taxi Association (Sabta).

From yesterday, the new deal with Wesbank will enable the bank to approve loans using special related criteria devised by Wesbank and Sabta.

Sabta's marketing arm, Taxi SA, has for three months been negotiating with Wesbank to bring a better understanding of the black taximan's financial needs closer to Wesbank officials.

Said Mr Ntlatleng: "Sabta members constitute the biggest united group of free enterprise blacks in SA.

"Operating in a white-dominated environment, we put our own house in order and then started looking outside to improve the taximan's life.

"Although we have been making use of Wesbank's facilities for some time, we have been uncomfortable with the current arrangements.

"The biggest stumbling block has been the fact that Wesbank has been applying what we call 'first world criteria' in evaluating the credit-worthiness of Sabta members.

"Most of our members do not understand these criteria and are uncomfortable with the current procedure.

"The new deal we have entered into with Wesbank will enable Sabta to play a direct part in the decision to approve an application for finance."

In terms of this arrangement Sabta will provide Wesbank with adequate security to facilitate a relaxation by Wesbank of their normal credit requirements.

The arrangement hinges around the concept of collective responsibility.

Mr Ntlatleng added: "We believe this decision by Wesbank will have a tremendous impact on the market.

"It would enable Sabta members currently unable to meet the financial criteria being applied, to obtain immediate finance.

"The problem that was experienced was that not everyone had a previous credit record.

"The other problem is that banks have been calling for proof of ability to pay. How can a man earn before he has a taxi?

"In terms of the new deal members will be subjected to requirements that are far less stringent than those currently being employed.

A motor vehicle manufacturer that is committed to supplying taxi vehicles to the industry, commented: "This is the shot in the arm we have been waiting for and could lead to possible re-employment of hundreds of retrenched motor and allied workers." — Sapa.

Transport plan could save millions

A new freight transport policy, which will lead to a largely deregulated market in South Africa, has been recommended by a study commissioned by the Government.

If the policy is implemented, it will result in indirect cost savings of more than R1 000-million to users, who will have a wider choice of services, better services, less travel time and less loss and damage of goods.

It will also save the Government about R30 million in administrative costs. It could also save the country more than R60-million a year in road costs.

These estimates and details of the National Transport Policy Study (NTPS) recommendations for the freight transport market were given in a paper presented at the Annual Transportation Convention today by Mr P Mainwaring, of the Department of Transport, and Dr V Prins, a consulting engineer.

The most important proposal of the NTPS is the abolition of the controversial road transport permit system, which costs at least R60-million a year to administer.

The NTPS says before this can be done, certain financial inequities in the market will have to be eliminated.

The inequities include the cross-subsidization in the SA Transport Services, the exemption of licence fees for SATS road vehicles, the obligation by SATS to provide uneconomic services and the fact that private road hauliers do not pay enough towards road costs.

The NTPS also proposes the introduction of a Road Freight Quality System, which contains a wide variety of measures aimed at protecting public safety and enhancing the quality of operators to ensure safe, reliable and economical transport.

"Implementation of the policy will, on the one hand, lead to a more independent SATS, operating on business principles.

"On the other hand, private sector operators will have full access to the long-distance transport market, with financial inequities which currently exist having been removed," said the paper.

Study paves way for open market

The stage has been set for a new and dynamic era in transport in South Africa which will feature deregulation and free enterprise, senior officials of the Department of Transport told the Annual Transportation Convention (ATC) today.

Mr Malcolm Mitchell and Mr Ray Smith said the Government had prepared a White Paper on the recommendations of the National Transport Policy Study, which would be tabled in Parliament soon.

A Bill establishing a Transport Advisory Council, one of the NTPS proposals, was published in Cape Town this week. Further legislation arising from the study would be dealt with by Parliament next year.

The NTPS was commissioned in 1980 with the aim of rationalising transport policy in South Africa.

Its objectives included promoting effective and fair competition, greater private initiative and greater user choice. It sought to reduce unnecessary Government intervention, simplify regulations and transfer decision-making to the lowest possible level of government.

The officials said the NTPS, which was completed in March this year, differed from other commissions and committees of inquiry in that the community had an opportunity to make an input into its recommendations before they were finalised.

Meetings were held between parties representing often violently opposed interests. From an initial scene of confrontation, the scene had changed to one of mutual goodwill, a much greater understanding of the issues and a desire to recommend policy changes which would benefit all the communities of the sub-continent.

The study also did away with the formulation of transport policy on the ad hoc basis of the past.

It not only recommended changes on a broad front but provided for the continuous review of Government policy.

The four main policy areas were identified as freight and public passenger transport, organising transport administration and co-ordinating transport in the sub-continent.

The Annual Transportation Convention, being held at the CSIR conference centre in Pretoria this week, is focussing on proposed changes to national transport policy, including deregulation. Reports by ZENAIDE VENDEIRO, Transport Reporter.

Pedestrians in danger — mayor

Walking in South Africa can be hazardous to your health, the major of Daveyton, Mr Tom Boya, said today.

Addressing the Annual Transport Convention on pedestrian safety in a black town, Mr Boya claimed social problems contributed to the high pedestrian accident rate.

These were:

- Lack of children's playgrounds.
- Lack of road signs and tarred roads, which meant there was no clear demarcation between streets and pavements.
- Discrimination against black traffic officers in pay and promotion opportunities. They also had to wait longer to be allocated patrol vehicles.

Mr Boya called for more Government funds to be spent on road safety education and construction of roads.

Eksteen tells of White Paper

Key sections of transport study for Parliament

BUDDAP 2.5.88 332

HAMISH McINDOE

KEY proposals contained in the wide-ranging National Transport Policy Study (NTPS) will be tabled as a White Paper in the August parliamentary session, said Transport Ministry director-general and NTPS chairman Adrian Eksteen.

The White Paper will frame government's response to the NTPS recommendations handed to the ministry in March.

At the opening of the Annual Transport Convention in Pretoria yesterday, Eksteen said he hoped to have all new legislation finalised during the 1987 session of Parliament.

He told delegates that draft legislation on certain policy recommendations would also be submitted at the next session of Parliament.

But precisely what is to be steered through the August session is not clear.

And whether government's broad support for the NTPS means the *ad verbatim* acceptance of all proposals also remains a matter for speculation.

Proposals put forward by the NTPS include:

☐ Eliminating cross-subsidisation within the SA Transport Services (Sats);

☐ Devolving a passenger-transport policy to the lowest possible level of government;

☐ Allowing vehicles designed to carry up to 15 passengers to operate as taxis;

☐ Scrapping the permit system on freight transport; and

☐ Transferring control of public transport to the Regional Services Councils.

Eksteen said adoption of the NTPS would lead to an independent Sats operating on a cost-related basis.

But he stressed: "The transport services must be given time to align its tariff structure closer to cost and to eliminate cross-subsidisation of services."

On the new freight transport policy, Eksteen said private operators would have full access to the long-distance market once the "financial inequities which currently exist" were removed.

In April, Transport Minister Hendrik Schoeman told the House of Assembly that essential legislation could be piloted-through in 1987, with implementation over a period of three years from 1988.

"I envisage that by 1991 all recommendations of the study acceptable to government will have been instituted," he said.

5/8/86. BUSDAY 332

Putco on high-tech tickets

PUTCO's drive towards a completely electronic ticketing system was accelerated yesterday with the acquisition of R2m worth of DEC hardware from Olivetti Africa.

A spokesman for Putco said the company would spend about R8m on computer hardware over the next two years.

"If it is taken into account that we carry 1-million passengers a day, and that we have 3 500 buses, the need for a sophisticated computing system is vital."

To date the company has installed 800 electronic ticketing machines on buses and plans to introduce a further 3 000 over the next three years, all of them able to interface into the DEC network.

MICK COLLINS

Paddy Murfin, who heads the company's systems division, said because of strides made Putco would also become the first transport company in SA to use intelligent card technology.

"Early next year we will introduce a pilot project of 100 machines using small card technology for seasonal ticket facilities. These tickets will be prepaid and the card will be rechargeable."

Murfin said the equipment for the cards existed already and it was only through the success of the DEC installation that it could be introduced into Putco at this stage.

Let Alte take you for a walk

Staff Reporter

If you are taking a walk around Johannesburg, Alte Perrin is the the best person to have along.

Mrs Perrin, who has painstakingly researched the city's history, is sharing her knowledge by giving guided tours on foot.

She has always been interested in things old, and three years ago started researching Johannesburg, delving through scores of books to uncover the truth — she has encountered many inaccuracies and boils with anger at books which have not been thoroughly researched.

She also feels strongly about the apathy of Johannesburgers towards their city's history, and this spurred her to hold the series of walks that will take place throughout 1986.

On foot, you can reach places and see things you never knew existed.



ALTE PERRIN: "I want to spread the word about Johannesburg's past."

In Doornfontein alone you'll find a rare Edward VII-postbox set into the wall of Doornfontein post office, and charming turn-of-the-century cottages with wooden balustraded verandas — all under threat from building developments.

Another highlight is the home of a one-time Turkish consulate, with onion-shaped domes poking out among the rooftops.

Did you know there is a commemorative plaque to Olive Schreiner in Pullinger Kop gardens, near where she lived for a year in the late 1890s?

Alte will walk you down Diagonal Street along the border of Randjeslaagte, the original Johannesburg, past neat cottages reflecting the old city and themselves reflected in the blue glass facade of 11 Diagonal Street.

SPREADING THE WORD

Mrs Perrin feels her contribution towards saving Johannesburg's past is to spread the word to as many people as possible.

She takes walks on Mondays, Wednesdays and Fridays.

If you would like to participate in these historical walks, please telphone the Johannesburg Council for Adult Education on (011) 642-5111, mornings only.

● Mrs Perrin's next series of walks start on August 20.

Assembly a joint effort to mobilise for development



PROFESSOR FATIMA MEER: Opening speaker.



SEBOLELO MOHAJANE: Wc education.



's role in

DR MAMPHELA RAMPHELE: Women velopment.

Women unite on chang

1/8/86 STAR

This is an important weekend for South African women as organisations and individuals from all over the country gather to mobilise and combine their efforts.

The National Assembly for Women in South Africa, which opens in Johannesburg today will focus on the role women can play in social change and development.

More than 300 women from urban and rural areas are expected to attend the conference which will not rely on overseas speakers, preferring to draw on the skills and vision of South African women.

Natal University sociology lecturer Professor Fatima Meer opens the conference tonight and the main speaker tomorrow is Mrs Caroline Goodie Tshabalala Mogadime, a South African special education expert now living in Canada.

Other speakers are:

● Dr Mamphela Ramphele, a medical doctor and now University of Cape Town social anthropology lecturer, who will speak on women and development.

● Mrs Sebolelo Mohajane, director of the Soweto Careers Centre and prominent member of the National Education Crisis Committee, who will discuss the role of women in education.

Women from all over the country and overseas will be arriving in Johannesburg today for what could be a landmark conference. The focus of the National Assembly of Women will be the role of South African women in social change. KATE McKINNELL reports.

● Mrs Shirley Moulder, Cape Town Black Sash member involved in rural development.

● Mrs Masha Lubelsky, secretary general of NAAMAT, the biggest trade union in Israel and one of the biggest in the world. Mrs Moulder and Mrs Lubelsky will speak on women and equality.

Small group workshops will later discuss issues that emerge from the speakers' papers. The workshops will be led by, among others, Mrs Sheena Duncan former president of the Black Sash and educationist Ms Qe Buthelezi.

On the final day conclusions and resolutions will be made.

Ms Suzette Mafuna, an organiser of the conference, says one of its most important ideals is to bring women and organisations together.

"So many women's organisations in Africa have similar goals but have alongside, rather than with, each o...

"Imagine the strength that could ... erated if the considerable skills ... sources of these women could be bined."

Organising the conference has ... formed the basis for co-operation women's groups have worked ... project.

They are the Women's Informal T... Institute, YWCA, National Council ... can Women, Black Housewives' L... the Ecumenical Christian Women's ...

Women in Business and Women Apartheid have also been involved.

The initiative for the National ... stemmed from last year's UN End ... Decade for Women conference in ... when South Africans were impressed ... resourcefulness and energy of dele...

"We saw what can be achieved women pool their resources and we back filled with enthusiasm to ... process in South Africa.

"We hope the momentum started this conference will carry on into the community," says Ms Mafuna.

Little curb on parental kidnapping

South African law fails to deal adequately with parental kidnapping and this shortcoming can no longer be ignored.

Professor B Ranchod says this in the July issue of *De Rebus*, the South African attorneys' journal.

Referring to a recent case where a divorced mother snatched her son and took him overseas, Professor Ranchod says similar cases have been reported and are likely to increase.

If a child is abducted and taken overseas, the parent is in a "no-man's land" of the law. Court orders to ensure access or custody of the child cannot be enforced overseas.

The South African Minister of Home Affairs may revoke passports in an attempt to ensure the return of the abducted child, he ... child and initiate court proceedings in that country — ... prohibitive cost.

"The law has a role to play in helping the hopeless ... prived of custody or access," says Professor Ranchod, "A ... would be for South Africa to ratify the 1980 Hague C... the civil aspects of child abduction."

He says the convention's primary purpose is to sec... prompt return of children wrongfully removed to or ... any contracting state (a country that has ratified the ...

In terms of the convention, the courts must order the ... the child, save in exceptional circumstances.

Legal aid must also be made available to the parent.

"According to a well-known private international law ... South Africa contracted the convention it would result in

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Laser's offer opens

Financial Staff

Laser Transport Holdings public offer of 2,5 million shares at 145 cents each opens today with earnings forecast at 23 cents a share for the year ending December 1986.

Based on a 2,3 times covered dividend, the shares are being offered at a prospective dividend yield of 6,9 percent.

The group, which owns the three largest removals companies in the country, Stuttafords Van Lines, Pickfords Removals and Frasers International, is the first removals group to be listed.

The company's subsidiaries hold 20 percent of the local removals market, valued at about R200 million. International business accounts for 30 percent of Laser's revenue and is expected to increase, despite the threat of sanctions.

Turnover for the company grew at an average of 45,4 percent in the five years to 1985 and a 30 percent advance to R60 million is forecast for the 12 months ending December, while profit after tax is expected to increase by 55 percent to R2,3 million.

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SE 1035M Micro disc	R4 999	R3 332
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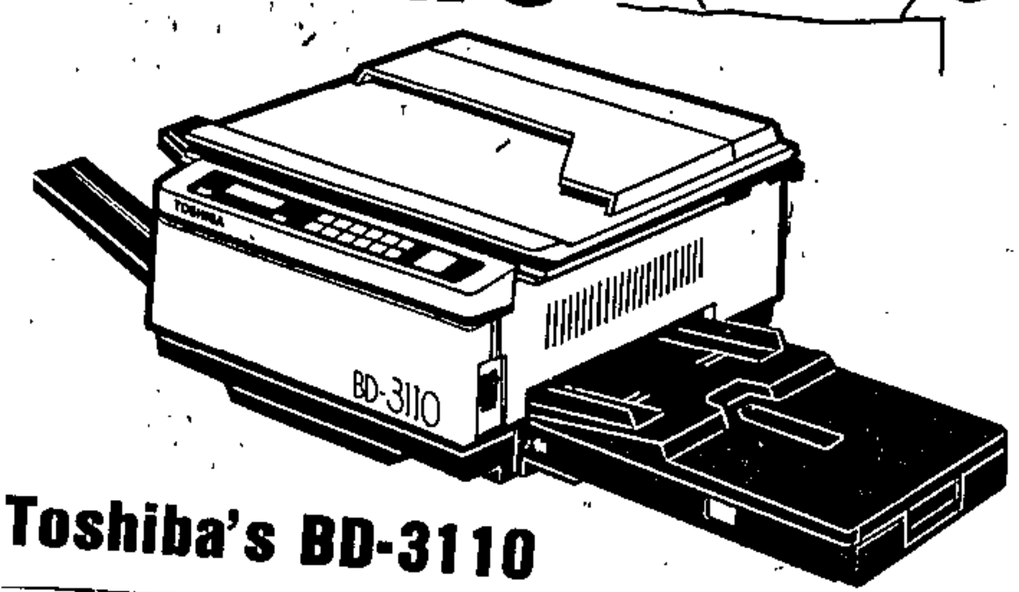

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COMPANIES

Laser beaming as public offer nears

STEPHEN ROGERS

LASER Transport Holdings, a removal group, will be listed in the transportation sector of the JSE on September 10 through a public offer of 2,5-million shares at 145c each.

A further 500 000 shares are being placed privately with staff and business associates. There will be a total of 10-million shares in issue, with the directors holding 63% of the equity.

Based on forecast earnings and dividends — and dividend cover of 2,2 — for the year to December of 23c and 10c a share, the share stands on a prospective dividend yield of 6,9% and a PE of 6,3.

Dividends are forecast to increase 25% to 12,5c in the 1987 financial year.

The offer price seems to be conservatively pitched.

MD Denis Kaye said: "We probably have erred on the side of caution, but hopefully it will contribute to the success of the listing.

"Although we will be listed in the transportation sector, we are not directly comparable with the other companies in that sector. Also, being a service-oriented company, it has been difficult to value the share."

Laser has an impressive growth record. Turnover soared to R45,9m in 1985 from R26,9m in 1983 and, with profitability increasing, taxed profits rose to R1,5m from R658 000 in the same period.

Turnover is forecast to increase to R60m in the year to December and taxed profits to R2,3m.

However, the group recorded a loss in the 1982 financial year through the acquisition of loss-making Stuttafords.

But this acquisition reverted to profitability within 18 months and Kaye confirmed that all subsidiaries were operating profitably.

Growth over the past five years has been mainly through acquisition and this policy will continue.

Kaye said it was group policy to acquire 100% of a company's equity.

Then — as in the case of Stuttafords — the full benefit of an improved performance from the acquisition was retained within the group.

Laser's business is split between the domestic and international markets, with the former accounting for 70% of group revenue.

Local business tends to fluctuate with the fortunes of the economy and Kaye estimated that domestic demand had probably dropped 35% in the past year.

However, this had been compensated for by an increase in international business — more profitable because of the lack of price competition — which had enabled the group to maintain its growth.

With the majority of Laser's business coming from corporate and government bodies, this tends to stabilise demand.

On the local front, competition is more intense, with contracts decided by tender.

However, Laser was not overly price-sensitive and would not pursue market share at the expense of price. Kaye said the company relied more on its reputation for quality service.

The share appears attractive at the offer price of 145c.

Ex-AA holders face steep premium rises

Cape Times 7/8/86 332

By CHRIS STEYN

AT LEAST 60 000 ex-AA Mutual policy holders have been hit with steep premium increases and dramatic changes in policy conditions after Standard Bank Insurance Brokers had the policies underwritten by Mutual and Federal.

Holders of these policies have been informed of monthly premium increases of at least 25 percent.

The increase came after policy holders received a letter from SBIB in June saying that Standard Bank "has ensured that all Stansure policy holders have been protected with the same insurance cover that they previously enjoyed with AA Mutual at no additional cost".

AA Mutual was liquidated in the Supreme Court, Pretoria, in June this year after suffering losses totalling millions of rand in the financial year ending April 20, 1986.

Cancel

Angry policy holders told the Cape Times yesterday that although they had expected monthly premiums to be reviewed this month after a one-year premium freeze, they regarded the steep jump in premiums as unacceptable and would cancel their policies.

Apart from the increase in monthly premiums, the policy holders' liability (excess) in car accident claims has been increased from R150 to R250; a limit of R500 on the claims settlement of car radios has been introduced; the minimum limit on household insurance has been increased to R20 000, and the monthly service fee has been increased from R1 to R2.

Commenting on complaints received by the Cape Times, the marketing director of SBIB, Mr Gavin Almanza, said the policy premium increases were due to an increase in individual claims, an increase in replacement cost of vehicle parts and the high inflation rate.

He conceded that policy holders were "paying more and getting less", but said premium rises were inevitable.

Govt curbs Sats inter-city bus service

The Argus Correspondent

JOHANNESBURG. — The Government has halted the development of a national inter-city bus network by South African Transport Services and is considering privatising existing services.

This was announced yesterday in a joint statement by the Minister of Transport Affairs, Mr Hendrik Schoeman, and the Minister for Administration and Economic Advisory Services, Mr Eli Louw.

The decision has been hailed by the private sector as an encouraging sign that transport policy is likely to fall in line with the general Government policy of privatisation, Mr Paul Browning, a transport consultant, said today.

"Competition curbed"

"The industry will be extremely pleased by the possibility that the inequitable competition of the public sector is going to be curbed," he added.

Mr Peter Davies, manager of Greyhound Bus Lines, said the Government had shown faith on privatisation.

"It is commendable and wonderful news."

The Government statement was issued "in response to comments and inquiries received regarding the new inter-city buses services introduced by Sats, which could appear to be contrary to the Government's privatisation policy".

It said Sats decided a few years ago to enter the market of inter-city bus services to reduce inter-city rail services. Consequently, rail services had been reduced and would be further reduced in November.

Buses valued at R4,8-million were acquired and services were introduced on the Cape Town-Port Elizabeth-Durban and the Pretoria-Bloemfontein routes.

Received permits

Recently Sats had received permits to operate services between Bloemfontein and Cape Town, Port Elizabeth, East London, Durban, Upington; between De Aar and Cape Town, Kimberley, East London, Port Elizabeth and between Kimberley and Windhoek.

It had been decided, the statement said, not to introduce services on those routes in accordance with the Government's policy "to deregulate as far as possible and to allow self-regulation through market forces where feasible".

The service between Pretoria/Johannesburg and Durban — the subject of a recent court battle between Sats and route pioneer, Greyhound Bus Lines — would begin shortly as planned.

However, attention could be given to the privatisation of this and other existing services, the statement said.

Taxi owner shot dead in Soweto

A 47-year-old taxi owner was shot dead on Saturday in Zola, Soweto, while waiting for his driver.

He was the second taximan to be killed in Soweto within a week. He has not been named.

The chairman of the Witwatersrand Taxi Association, Mr Naphtalie Motsutla Sekwati, was shot dead on August 1.

The taxi owner's death brought to eight the number of people killed in Soweto over the weekend, according to a police spokesman.

The taxi owner, from Zone 10, Meadowlands, went to Zola 3 to fetch one of his drivers, Mr Christopher Moyo. While he was waiting, shots were fired.

Mr Moyo saw a man running away. He found his employer dead with two bullet wounds in the head and one in the back.

On Saturday at 11 pm a 19-year-old youth was walking with three friends from a shebeen in Zone 4, Meadowlands, when he was shot dead.

There were five attempted murders and 12 robberies, three armed robberies and 11 cases of rape in weekend crime incidents.

Profit margins being eroded

Freight charges hurt timbermen

RAIL tariff increases continue to plague the timber industry, eroding minimum profits, says Timber Growers' Association (SATGA) director Bruce Ferguson.

In his annual report he says the tariff hikes have given cause for concern, with the January 1 increase pushing freight costs up by 15%.

"A short three months later saw another increase, varying in the case of rough timber from 3% over short distances to in excess of 10% for longer hauls.

"The industry is not in a position to absorb these increases at a rate in excess of the overall inflation rate and some alternative will have to be found if forestry is to remain a viable proposition."

Conditions have been exacerbated by adverse socio-political factors.

"Of particular concern has been the high level of inflation, which increased during the year to unacceptable levels.

"Indications in the first quarter were, however, more positive and prospects for economic growth during the remainder of the year appear to be favourable."

MICK COLLINS

Markets for certain commodities, notably structural timber, have been adversely affected, with a resultant decline in demand for roundwood.

Demand for hardwoods, mining timber and pulpwoods, remains buoyant. The reduced value of the rand has assisted exports.

"Growers, however, were unable to obtain adequate compensation in all instances by way of enhanced roundwood prices for their increased production costs."

This was particularly noticeable in the case of pine pulpwood. Average increases in production costs were R4 a ton for 1985.

"Attempts were made to negotiate price increases at mid-year to recover increased rail tariffs. These attempts were unsuccessful, with the result that many growers were receiving less for their timber at the end of 1985 than in 1984."

Negotiations for price increases from January 1 this year were more successful.

332 13/8/86 DD

Taxi bosses in drive for minibus subsidy

Dispatch Correspondent

DURBAN — The South African Black Taxi Association (Sabta) will meet the State President, Mr P. W. Botha, later this month to ask him to extend the transport subsidy — now given to municipal buses — to "kombi taxis" as well.

Sabta president, Mr James Ngcoya, said it was time the government appreciated the contribution by the taxi industry to the economy.

He said taxis were transporting employees to work quickly, cutting down on late arrivals.

"We will tell Mr Botha kombi taximen need subsidies and other privileges. I am talking about those presently enjoyed by other forms of transport, like bus services."

Subsidy vouchers should be given to commuters so they could have a choice of transport rather than to board buses even if they did not want to.

Mr Ngcoya said Sabta's legal team had drawn up a plan to be submitted to Mr Botha regarding the legalisation of pirate taxis.

He said many "illegal taxi operators" were forced to operate outside the law because of problems in obtaining taxi licences.

The smart way to go

The humble bus passenger is likely to take the lead in SA with regular access to the latest in funds transfer technology — a "smart card" coded to record a prepaid season fare and the routes for which it is valid.

The giant Putco bus company plans to launch a pilot project of 100 machines using smart card technology for season ticket facilities early next year. One advantage of the cards — which are like automatic teller cards with built-in microchips — is that neither passengers nor drivers have to handle cash.

Because the coding system is computerised, it is easy for the bus company to calculate revenue and monitor route usage, allowing rapid rationalisation of the company's operations and cost savings.

The electronic printing of paper season tickets at pre-sale points already saves the company about R700 000 a year.

These computer-linked printers are part of a sophisticated system which helps Putco deal with the complexities of running a fleet of 3 500 buses which carry more than 1m passengers a day — 400m a year.

The company has opted for a complete Digital Equipment Corporation (DEC) Vax system from Olivetti to complete its countrywide computerisation. In two years, it has spent some R8m on computer hardware, installing Farespeed electronic ticketing machines on its buses and nine Vax supermini computers, two at head office and seven at depots, all linked by DECNET. There are plans to develop seven more host computer sites next year.

The electronic ticketers, which are in fact microcomputers, print and issue tickets automatically, keep all transaction and route information in the memory and leave only the cash handling to the bus driver. Linked to a cancelling device, they also monitor season ticket usage. Paddy Murfin, Putco group systems manager, estimates that takings have increased by R50 for every half-shift on each bus equipped with Farespeed — a revenue increase of several million rands a year.

The on-board micros have solved one of the company's major problems, the issuing by outsiders of fraudulent tickets, but they also provide Putco with a valuable management system. They can be removed from buses and "milked" by Vax host computers to allow immediate updates of the general ledger and provide statistics on routes and schedules.

The Vax machines also handle an assets register, inventory control and a wages system, and Murfin says that where the company used to run 90 days behind on some data aspects, it now compiles monthly reports by the middle of the next month.

DENIS KAYE

A mover and a shaker

At 35, Denis Kaye is MD and sole owner of Laser Transport, the largest removal company in the world. Now he intends listing Laser — the holding company of Stuttafords Van Lines, Frasers International, Pickfords and about 12 other smaller subsidiaries — on the JSE in September.

True, Kaye had the advantage of going into his father's business. But since his father retired six years ago, selling 80% of the company to Unisec for R4m, and leaving his son with a 20% stake, Laser has grown exponentially. In 1980, group turnover was about R8m, this year it's closer to R60m.

Kaye joined what was a small local transport company with five trucks and an office staff of four straight after school. He immediately acquired his heavy-duty truck driver's licence and proceeded to "do everything" — loading, unloading, packing and driving, as well as negotiating with clients and depositing their cheques.



Raymond Preston

Kaye ... denies Laser is a monopoly

As the business grew, so did his ambition. "My father wasn't keen on developing the business further, and I was keen to expand," he recalls. "He was more interested in consolidating his own financial position. So we decided the best way to satisfy both our needs was to acquire an outside partner."

Subsequently, growth has been mainly by acquisition. In 1982, Kaye bought Stuttafords Van Lines for R2m from Graham Beck and last year acquired competitor Frasers International. Along the way, he purchased a host of smaller local removal companies like Nel's Transport, Palm's Transport and Morkel's.

Recently he repurchased Unisec's 80% stake for R5m. Kaye intends to raise about R4,35m on the JSE to repay the debt incurred in his management buy-out and to fund future expansion.

However, in the recent slew of listings, Laser is one of the few companies coming to the market with a reasonable asset base, says Kaye. "Laser has no overdraft and before the management buy-out, we were sitting with R3,5m in the bank. We've had 34% earnings growth each year over the last five years, and this year, to end-December, we expect 55% growth — not bad in today's market. The listing will put us back into a flush position, which will facilitate further expansion."

Kaye is rumoured to be looking at acquiring an Australian transport company before year's end. This would make sense since 60% of Laser's volumes at the moment are being shipped Down Under and there's almost no traffic in the opposite direction.

Laser commands about 40% of the international removals market originating in SA and about 20% of the local market. "We have to register our shipments with world trade associations who publish monthly tonnage figures," Kaye says. "At end-June, Frasers was the largest international removal firm, according to *Eurovan*, while Stuttafords was the largest according to international removal organisation, Ceti. Taking their combined volumes, Laser is about 40% ahead of its closest competitor."

The reason isn't primarily the funk run, however: "There are few national removal companies in the US because of its size," Kaye explains. "US companies tend to operate through agency agreements in the various states, since it's almost impossible to get a licence to operate coast to coast."

Laser has no major competitor in SA and dominates the international removals industry, which accounts for about 30% of its revenues. But Kaye denies this is a monopoly. "The domestic market is very price sensitive and more competitive than the international market," he says. "In Johannesburg alone, there are about 70 local removal companies, whereas there are only three other international removal companies outside of the Laser fold.

"The international market is more sophisticated than the local market, you have to understand freight rates, exchange rates and have a well-established agency infrastructure abroad. You pay in Johannesburg — the average price of moving a household to Sydney, for example, is between R8 000-R12 000 — your furniture is unpacked there and the debris removed. We have the expertise to move to any city in the world and set up similar operations. There aren't many companies who can perform this service."

How will Laser be affected if Australian transport unions once again refuse to handle goods from SA as they did earlier this year? Kaye denies that any Laser containers were affected, or will be at risk in the future. "Firstly, the country of origin has to be determined and there are ways of getting round this. We have contingency plans."

Should the South African situation improve and emigration slack off, will Laser's growth be arrested? "The core of our international business is corporate and diplomatic and that will continue. A lot of South African companies are moving offshore at present and if things start improving, foreign companies will invest here. The domestic market is depressed now and that'll improve if things look up."

Kaye is something of a "speed-freak" so the name Laser — an acronym for land-air-sea-removals — is not entirely inappropriate. A SAAF pilot who last year obtained his commercial pilot's licence, Kaye spends much of his spare time flying — often as a volunteer pilot for the Red Cross. And last week he took his own brand new 12-seater Kingair into the clouds for the first time.

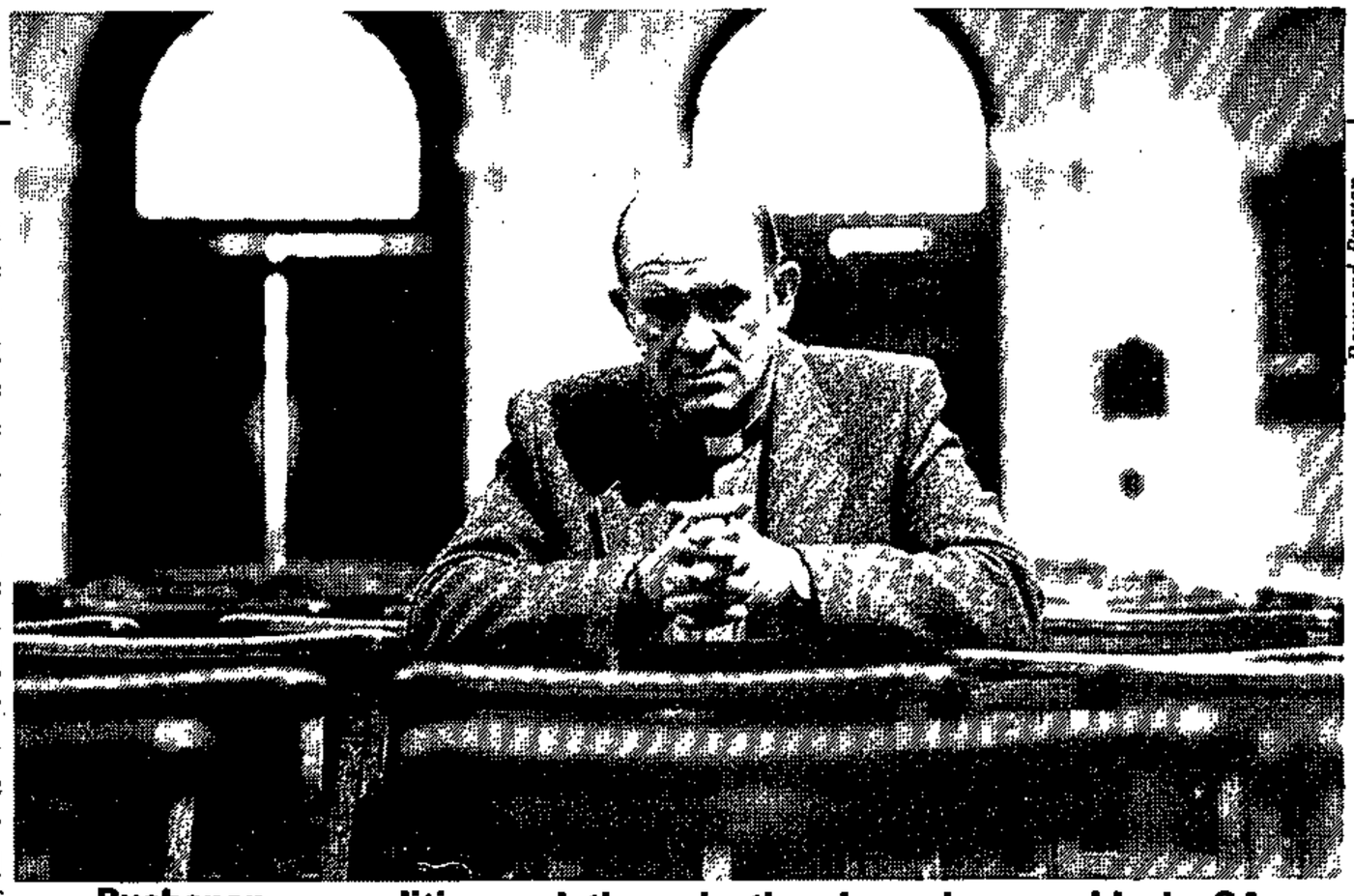
Four years ago, Kaye bought the old Clanwilliam hospital and converted it into a holiday home so that he could spend his weekends relaxing on the local dam with his wife, three daughters and two motor boats. ■

DUNCAN BUCHANAN

A new shepherd

Duncan Buchanan, the new Bishop of Johannesburg and part-time inter-provincial hockey umpire, probably holds the Church of the Province's record for the shortest deanship ever. Last week, after living in the Saxonwold Deanery for only two months, Buchanan was unanimously elected to succeed Archbishop-designate Desmond Tutu by a black majority in the Anglican Elective Assembly.

Just how it feels to follow in the controversial Tutu's footsteps is a question Buchanan (51) has already been asked more times than he can remember. His reply: "I'm not Tutu. I've known him for 20 years and I love him. He's one of the best people I've ever worked with, but I'm asking for the space to be myself.



Raymond Preston

Buchanan ... politics and the priesthood are inseparable in SA

"Fundamentally, Desmond and I think very similarly but we probably have different ways of realising the same goals. He has his style and I've got mine. We look at things differently; not the big issues though. Rather things like how to deal with clergy and their problems — which is basically what most of a bishop's life is about. One thing people never knew about Desmond was the number of people he counselled each day."

So what is Buchanan's stance on sanctions? Unlike his predecessor, Buchanan remains non-committal: "For me, sanctions aren't the issue. I'm more worried about what apartheid does to the fibre of human lives," he says. "Instead of investing energy into ducking sanctions, it would be more productive to invest energy into changing this society."

He's adamant that politics and the priesthood are inseparable in SA. "A political role can't be avoided here," he says, "since a political outlook must spring from a Christian perspective. The Anglican Church of the Province has always spelt out its unequivocal opposition to apartheid but the gap between official statements and the way some of our members and clergy live is profound.

"My real concern is to express the Christian faith in terms of a particularly horrendous situation; to 'get' to people and move from there. I've got to do a lot of listening in the process."

A former principal of St Paul's Theological Seminary, Grahamstown, Buchanan came to Johannesburg earlier this year, hardly anticipating a change of status: "I knew it was likely that I might be nominated as bishop, but I assumed I would be discarded at the final election since I'd been in

JANE RAPHAELY, FRANCA SEVERIN AND RIEKIE VAN DEN RAAD

Next week the Executive Women's Club will award the title of Businesswoman of the Year to one of the three finalists it has nominated for the honour — Jane Raphaely, Franca Severin and Riekie van den Raad. And none of them was born with a silver spoon in her mouth.

Jane Raphaely, as she's quick to point out, was a "very late starter" in business. She's MD of Jane Raphaely and Associates, formed only three years ago, which publishes and manages *Cosmopolitan.* With her husband, who is MD of a Cape textile manufacturing concern, and another partner, she holds 50%. The balance belongs to Nasionale Pers, but she has a contract which guarantees her management control.

Raphaely's watershed decision was to break away from *Fair Lady* to "form my own company and become my own boss." At the time, she was SA's longest-serving editor. However, she had no stake in the magazine she had started for Nasionale 19 years earlier when she became the first female editor of a South African women's magazine.

Having made the break, that was when her business education started, she says. "I went to the real experts and *listened.* You learn fast if you're desperate. I had to conquer a good many fears. I know I'm not Sol Kerzner or Raymond Ackerman but I tried to learn from them. And if I can, so can any woman," she says.

All you need, she adds, is a bank with faith in you, and good partners. After that, it's a matter of good housekeeping — and luck.

Cosmopolitan broke even in a phenomenal 18 months and recently paid its first modest dividend. That it remains in the black, even in today's climate of slashed advertising budgets, vindicates Raphaely's belief that a publication printing fewer copies and selling at a higher price could set advertising rates commensurate



with its target market.

But she had faith from the beginning: the day *Cosmopolitan* first hit the streets in March 1984, *Style* editor Marilyn Hattingh, whose magazine had referred to the new publication as "Raphaely's folly," was ceremoniously delivered a large chocolate cake. On it was written: "Raphaely's folly — so that you can eat your words in Style."

Daughter of a north of England working-class welder, Raphaely earned her first wages at 12, though scholarships enabled her to get a B Sc in sociology from LSE. She had to support her family, which was why, when she came to SA, she initially went into the lucrative field of advertising and PR. At the beginning of her career she was told that she might be able to write, but would never be a journalist. But as she's proved, she's as tough as she needs to be.

Franca Severin is owner and director, with full financial control, of Severin Mining and Development Company. It's the management company for Rand Leases (RL) gold mine, of which she owns 25%.

In partnership with her husband Steen, a Danish-born engineer, Severin (44) acquired the rights from Anglovaal to treat sand on RL's gold dumps with a process, heap-leaching, which she and her husband introduced to SA. This proved profitable, and the Severins looked further: earlier this year a rights issue enabled them to reopen the abandoned mine.

"Most of my activities are financial," she says, "but very often they can't be separated from the technical aspects" — the area of her husband's expertise. Mild and poised, Severin projects assurance.

Born in the Italian Tyrol, she had only three years of schooling as a result of the

Timber reports unfair, says Sats

REPORTS that increased rail tariffs are driving timber industry profits below acceptable levels have been queried by Sats.

Marketing director Andre Heydenrych feels the reports are unfair in that negotiations with the Timber Growers' Association (Satga) are continuing and nothing has been finalised.

"We had a meeting with Satga as recently as last Monday. Our proposals were turned down, but the way was left open for negotiation."

He says historically revenue from timber — R100m a year — does not cover costs fully.

MICK COLLINS

"Before deregulation, timber was heavily subsidised by more lucrative commodities — steel, sugar, fuel and cement.

"Now that deregulation is with us, and we subscribe fully to the concept, tariffs must fall in line with the going economic rate."

Heydenrych says a third tariff package will be presented to Sagta towards the end of October.

"And until this package has been presented, I don't foresee any increase in tariffs."

COMPANIES

Trencor rolls smoothly along the rocky road

THE Cape-based Trencor transport and engineering group keeps rolling along smoothly, no matter how rocky the economy becomes.

Trencor has achieved a 45% rise in earnings to 1 100c a share in the year to June from 1985's 759c a share. The final dividend has been raised to 160c (125c), increasing total distribution by 20% to 210c (175c).

Pyramid Mobile Industries, which holds 48% of Trencor and a 75% interest in the successful Mobile Acceptances, also increased earnings by 45% to 67,5c a share (54,8c a share).

Mobile's final dividend is up at 46c (38,5c), bringing the total to 50c (50c).

Directors say this is an outstanding achievement by management in a difficult trading climate, especially when the improvement is off

LIZ ROUSE

a high base, earnings having increased in each of the preceding two years.

Results are better than expected by chairman Neil Jowell, who is traditionally cautious about prospects. All divisions performed well and, in most cases, exceeded budgets. The trailer market remained depressed.

Trencor's earnings benefited by 35c a share as a result of deferring unrealised gains attributable to exchange rate fluctuations. Suitable provision was made for non-recovery of foreign receivables.

Trencor's turnover rose by 21% to R277m (R228,7m) and attributable income increased to R15,6m (R10,7m).

Mobile's attributable profit increased to R7,9m (R5,5m). Although the increase is partially attributable to the change in the basis of accounting overseas trading, domestic operating results were well above budget.

Mobile Acceptances benefited from the sharp drop in interest rates.

Both shares have proved to be excellent holds. Trencor has a strongly anti-product mix. Although still heavily orientated towards transport, the group owns a retail motor and tyre division and an engineering division, which includes the trailer manufacturer Henred-Fruehauf.

However, the issued share capitals are small and the stocks are tightly held, mostly by institutions. Dividend cover has always been higher than average — Trencor's dividend cover is 5,2 times and Mobile's 4,7 times.

At R53 bid yesterday, Trencor shares are on a historic yield of almost 4% and Mobile at R16,50 bid has a yield of 3,6%.

Trencor earnings soars by 45%

Cape Times 22/8/86

By GORDON KLING
Financial Editor

TRENCOR, the Cape-based transport and manufacturing group, has achieved a 45% leap in earnings per share and raised its final dividend by 25c to 150c in the year ended June 30.

The results perpetuate a two-year run that has exceeded management expectations, and left the recession in the dust.

Attributable income before extraordinary items is R15,6m (R10,7m). Turnover advanced 21% to R277m (R228m) after a 29% rise the previous year.

The improved final dividend on top of the 60c (50c) interim takes the payout for the year to 210c (175c).

Dividend yield is 4%, and earnings are covered a highly conservative 5,2 (4,3) times .

All divisions performed well, in most cases exceeding their budgets. The trailer market, however, continues to be very depressed with no improvement in sight.

Offshore contracts

It should be noted that accounting for certain offshore contracts has been changed.

Instead of reporting foreign income on receipt of cash, the group is now taking into income the present value of these receivables after making the usual suitable provision for non-recovery and after providing for the forex factor.

This has resulted in a net gain of 35c in attributable earnings of 1 100c (759c).

Chairman Neil Jowell makes no forecast, but the large dividend increase can be taken as an indication that payout is not expected to decline, particularly since the higher cover offers considerable lattitude on that front.

Jowell commented last year that depressed conditions had "finally occurred and we are feeling their effect".

Considering that this worry eventually translated into the 45% eps hike, it becomes extremely difficult to take a dull view on the current year.

Mobile Industries, which holds 47,9% of Tencor, recorded a jump in eps to 67,5c (54,8c) on attributable income of R7,94m (R5,6m). The final dividend is 46,c (38,5c) covered 4,7 (3,9) times.

'Stop the buses – and stoporders!'

THE Transport and Allied Workers' Union has declared a dispute with Putco over "irregular" stoporder facilities.

Tawu – a Council of Unions of SA affiliate – claims Putco has given a "sweetheart" union, Zakheni Transport Union, stoporder facilities.

Cusa said Tawu has seen its attorneys and is preparing papers for a conciliation board.

A complaint has also been made to the Manpower Department.

Cusa says Tawu also intends filing an interdict against Putco for stopping the lawful deductions of Tawu members who had signed stoporders.

A Putco spokesman declined to comment, saying: "The dispute is under discussion and we would not like to comment while we are negotiating with the union." – Sapa.

31/8/86 · SUN TIMES

Sanctions threaten shipping companies

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By Edward Russell-Walling

LONDON. — A ban on imports of South African fruit could threaten the existence of the SA-Europe Conference Line, says a London shipping consultancy.

Any boycott of SA chrome and ferro-chrome would hurt world shipping, says Drewry Shipping Consultants in a review of sanctions and their implications for shipping.

Drewry's David Price says much of SA's bulk trade would be replaced by shipments from other nations.

Of 44,5-million tons of coal exported by SA last year, 23-million tons went to the European Economic Community.

HIGH VOLUME SOUTH AFRICAN COMMODITY EXPORTS 1985
(Million tons)

Commodity	Annual volume	Principal SA markets (vol)	Alternative suppliers	World seaborne trade
Coal	44,5	EEC (23) Japan (9)	Colombia, Australia, US Canada, China	269
Iron Ore	11,2	Japan (7) EEC (3)	Brazil, Australia, US West Africa	317
Timber	4,0(e)	EEC (n/a) Japan (0,5)	S E Asia	150(e)
Manganese Ore	2,9	Japan (1) EEC (1)	Australia, Brazil Gabon, USSR	9
Iron & Steel	2,9	US (0,5) EEC (0,5)	Worldwide, Albania, USSR	85(e)
Chrome Ore	1,4	EEC (0,4e) Japan (0,2) US (0,1)	Philippines, Norway, US France	3
Ferroalloy (b)	1,2(e)	EEC (0,4) Japan (0,3) US (0,2)	Brazil, Zimbabwe, US Argentina	n/a
Maize (c)	1,0	Far East (0,9e)	Brazil	85(d)
TOTAL	**71,2**			**995(e)**

(b) 1984 figures; (c) IWC forecast 1985/86; (d) Not all seaborne; (e) Estimate.

SOURCE: DREWRY SHIPPING CONSULTANTS.

Beneficiaries

Mr Price says that if SA coal deliveries were stopped, the major beneficiary would be Colombia, which could probably provide up to 10-million tons. The rest would come from the US and Australia.

If Japan joined the embargoes, another 9-million tons of SA coal would be replaced. Hong Kong and South Korea take 2-million tons of SA coal. The main competitors to fill this gap would be Australia and China, which is keen to expand its output.

A ban on SA iron ore is unlikely to cause any great hardship to consumers who have maintained purchases after gaining greater price cuts than those suffered by other exporters.

The loss of SA iron-ore shipments should not be that painful to the shipping industry either because replacement cargoes would come from Australia or Brazil. Average shipping distances from each to the EEC and Japan would balance each other out as far as revenue was concerned.

Declining

Sanctions on manganese would have a major impact on shipping, but the trade has been declining for some time and is expected to continue to do so. Other manganese sources are Australia, Gabon and Brazil.

The chrome story is different. SA exports last year were 1,4-million tons of the total world seaborne trade of 3-million to 4-million tons.

Mr Price says: "Although any trade shortfall could be made up in the near term from stockpiles or increased sales from Albania, the USSR and the Philippines, SA holds 80% of chromite reserves and could not be excluded from world trade without causing a major upheaval."

The price of chrome would rise "precipitously" with ramifications mainly for the stainless-steel industry, the major user of chrome.

Any ban on fruit imports could upset the liner trades. SA is a major supplier of fruit to the EEC — mainly the UK — in a trade served primarily by SAEC container ships.

"Although the SAEC service might be threatened by a ban on fruits, it should be pointed out that SA is one of the few southern hemisphere suppliers of such commodities."

It would be difficult to find other supplies and this would hurt the reefer market.

The SAEC partners — CMB, CGM, Chargeurs Reunis, DAL, Ellermans, Lloyd Triestino, Nedlloyd, OCL and Safmarine — can expect reduced returns, he says.

TRANSPORT — PRIVATE

GENERAL

1986

~~Sept~~ — ~~Dec~~

Sept — Dec ✓

undercutting of lumber prices and by government's strong focus on the industry.

The TMA was one of only four industry cartels temporarily excluded from the new Competition Board (CB) rulings which came into effect on May 2.

CB Deputy Director Wouter Meyer tells the *FM* the CB's three-year investigation into the dangers of excessive concentration in the sawmilling industry should be completed shortly. This will be followed by an investigation into horizontal price collusion.

Salma members account for roughly 90% of the sawn timber market, while the State pitches in with 6%-8% of sales. The effects of the shrinking market on sawmillers is clear from Salma statistics.

Swart says that in the last two years falling sales and changing demand forced some 20 smaller sawmills to close. The rest of the industry is running at 75%-78% of capacity, and Salma is fighting to save other sawmills.

The industry's annual cash turnover gradually increased from R259m in 1983 to R284m in 1984 and R294,5m in 1985, but sawn timber volumes fell from 1,537m m^3 in 1983 to 1,504m m^3 in 1984 and 1,333m m^3 in 1985.

The changing structure of the market also hit turnover and profitability.

"The sawn timber market used to be divided between lucrative structural timber sales and less profitable industrial timber," says Swart. "But first-quarter sales this year show a mere 36% share for structural timber and 64% for industrial timber in Salma sales. This reflects the slump in the building industry."

Structural timber sales have been falling dramatically since 1984, while industrial timber sales have remained "normal."

Says Swart: "Structural timber sales in the first half of 1986 were the worst of the past decade. First-quarter sales of 80 000 m^3 were 5 000 m^3 below sales in the same period last year. First quarter industrial timber sales of 140 000 m^3 were well above 1985's 112 000 m^3."

Booming industrial sales reflect growing exports, including export palletisation, and a significant revival of the furniture market, says Swart. ■

PICK 'N PAY

Bagging Boardmans

In a minor skirmish of the retail war, market leader Pick 'n Pay (P 'n P) has taken full control of the home improvement store Boardmans. The retail giant took 50% of the six-branch upmarket home improvement shop two years ago. It remained a passive partner until four months ago, when it acquired the balance of the shares.

The buy-out was accompanied by the move of P 'n P management into Boardmans. Billy Rendall, previously a Johannesburg regional manager, has relocated to Cape Town as boss. Boardmans has three stores in Cape Town and one each in Stellenbosch, Johannesburg (Eastgate) and Verwoerdburg, near Pretoria.

P 'n P joint MD Hugh Herman describes the move as a minor diversification, not a takeover.

Boardmans sells more sophisticated lines than P 'n P stores, but is also a cash business. The buy-out is in line with the group's general belief in diversification, Herman adds.

But Boardmans' shift into the P 'n P stable does not signal the formation of a conglomerate, which would be counter to another vital group belief. A far more important development in the store war is P 'n P's move into cash 'n carry wholesaling (*Business* August 22). Full details are expected later this month. ■

EXPORT PROMOTION

Trade winds blowing

Sanctions threats by old friends give added point to Unicorn Shipping Line's link with a Colombian line, which is designed to provide a regular freight service between SA and South American ports every five weeks. There is still great scope for trade with Latin America; it could become even more important as industrialised nations flex their trade muscles.

Against the trend, total exports to Latin America fell from R179m in 1984 to R164m in 1985, and the annual trade deficit with the continent runs to nearly R300m.

Some 84,3% of SA exports falls into four categories: iron, steel and other metals (41%), paper products (23%), artificial resins and plastics (12%) and minerals (8,3%).

Richard Kern-Martin, editor of the newly-launched *Latin American Trade Courier*, says SA's export base to Latin America can be diversified: "It's time our medium and small companies looked at Latin America. Social and economic circumstances are similar to ours, enabling us to understand market needs better than exporters from highly industrialised countries."

He says this is particularly true of engineering, where SA has adapted Western technology to Third World conditions. As yet machinery and parts account for only 6,5% of SA's exports to Latin America.

Brazil actually exports medium technology items to SA, many of them small orders of less than $30 000 a year, and local exporters should follow their example.

Kern-Martin is optimistic that Latin American countries will not impose sanctions on SA: only Costa Rica and Mexico have imposed boycotts in the past — and this has not prevented Mexico from running up a R2,5m trade deficit with SA.

The best export market in the region remains Chile, which buys South African goods worth more than R48m. But even that's barely R4 a person and represents less than 1% of Chile's total imports.

The growth potential in the two most important countries is even greater: Brazil, a country of over 130m people, imports SA goods worth just R35m a year; Argentina, with a population and per capita GDP almost identical to SA's, imports goods worth less than R21m.

But, if political obstacles to trade with the region are minimal, economic hurdles are considerable. Two-way trade opportunities are hampered by import restrictions by South American countries such as Ecuador. These are designed to limit foreign exchange outflow. There is also restricted direct shipping from parts of Latin America to SA.

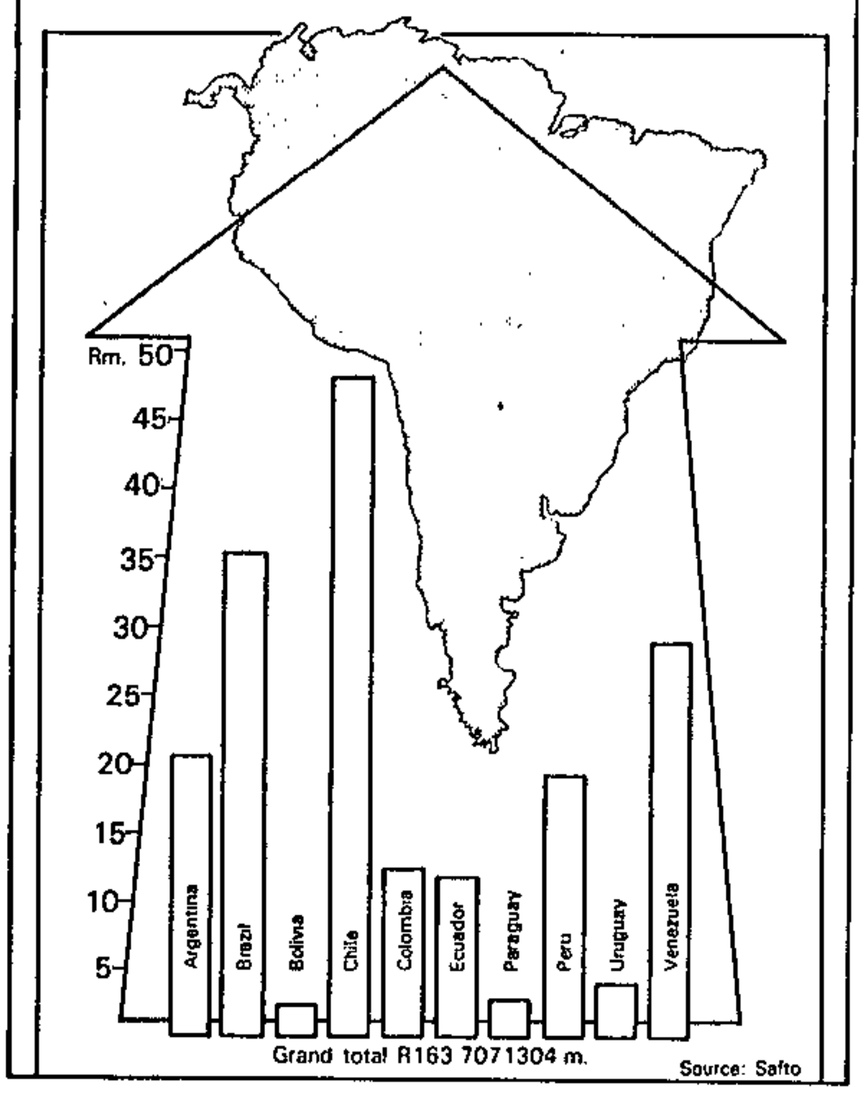
Gone are the 1976-1980 days when, as Kern-Martin puts it, "we used to receive inquiries for a great variety of merchandise from rooibos tea to clothing" during the high point of monetarism in Latin America.

Increasingly, SA's exporters will have to rely on reciprocity. Deficits with SA were run up by Bolivia, Colombia, Ecuador, Peru, Venezuela and Mexico. Some of them say that trade with SA is hard to justify with an unfavourable balance of trade, and so delay or refuse import licences.

Exports to Latin America will therefore have to be closely linked with imports; when they feel they are benefiting from South African goods, they could become among SA's most reliable customers. ■

Selling South

S.A.'s 1985 Exports to South America



Sabta warns Natto: Get off our taxis

CITYPRESS 14/9/86

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By SOL MOKATHI

SOUTHERN African Black Taxi Association has lashed out at the National Association of Taxi and Transport Association for trying to discredit them.

Sabta chief advisor James Chapman accused Natto chairman Walter "Tsa" Maseko of making scathing public reports against their association and of being inquisitive.

Maseko last week told *City Press* that Sabta was a white-backed association, and has white executive members in its fold.

"That is a lie," said Chapman. "Sabta is an exclusively black organisation, and has no links with any other white party. All they have, has been accumulated through their own sweat.

"When the association was formed, it had problems like most others, because no one wanted to back it. Not even the government wanted to. But the founders strived through thick and thin to see the association reaching the pinnacle of perfection.

Chapman said he believed Maseko's accusations were levelled against him because he thought "I am an executive member".

"I am Sabta's advisor, and nothing beyond that. And for that matter, I am the only white advisor."

● In a statement, Sabta said it would like to clarify certain allegations made by the "so-called" Natto.

"We are not white-backed as Maseko suggests. Sabta has established a marketing arm which initiates better deals for our members. Some highly experienced whites were employed to assist us in this regard," said the statement.

"Sabta does not have a single white person on the executive committee, but if a white person wanted to be elected he can only do it through the democratic process as stipulated in the constitution.

Sabta also pointed out that the figure of R3 000 earned by taxi drivers reflected in a Sunday newspaper was a gross figure. "If a taximan does not gross R3 000 per month, surely he will run out of business. Consider the facts: Instalments on a new kombi cost about R1 000 per month. His petrol costs about R1 000 per month. The taxi driver must be paid."

● At a Press conference in Johannesburg this week Sabta announced its plans for the annual meeting to be held at Sun City on September 17 and 18.

Transport Minister Hendrick Schoeman will address the meeting on the opening day, while Dr Van zyl Slabbert will make a speech on the final day.

Schoeman and Slabbert are expected to speak about transport and thefree enterprise system.

A beauty contest has been organised and a taxi driver of the year award will be presented.

Cape Times 5/9/86

Tollgate lifts profits, div

By AUDREY D'ANGELO
Assistant Financial Editor

TOLLGATE HOLDINGS lifted net profit after tax for the year to June to R5,2m (R3,9m) before an extraordinary item and R5,3m.

The final dividend has been maintained at 10c a share making a total of 20c (15c) for the year.

Net earnings rose to 28,6c (18c) a share and the net asset value to 394c (385c) a share.

Turnover rose to R126,8m (R107,7m) but this includes that of Associated Bus Holdings for the first full year.

Operating profit before depreciation and taxation rose to R18,2m (R14,3m) but the sum allowed for depreciation of buses rose to R8,6m (R7,9m) and the tax bill to R4,3m (R3,1m).

The extraordinary item was that provision for deferred tax was no longer required on transfer of assets within the group.

Discussing the rise in the total annual dividend, a spokesman for the company said: "It has been restored to the level it was in 1984 and we do not apologize for that.

"We are not a public service but a profit-making company, and if we do not give our shareholders a sufficient return we cannot expect them to continue to invest with us.

"In fact, we have a large number of coloured shareholders.

"When we increased our stake in Associated Bus Holdings from 50% to 100% the shareholders were given the option of cash or Tollgate shares.

"About 650 of them took shares instead of cash, and they have done very well out of it, because the shares have gained in value and they have received higher dividends than they would have done from Associated Bus Holdings.

"Critics who suggest that City Tramways should be run as a non-profitmaking public service forget that it would then be a burden to the ratepayers.

"Cape Town City Council has twice been given the opportunity to take over the city bus services and has refused."

Need to keep upturn going

THE private sector and the government must get together and agree on strategic goals and guidelines and the effective use of resources if the present upturn is to be sustained, says Santam Insurance assistant GM, investments, R B Justus.

He says in his quarterly review that the upturn appears to be real and not similar to the unjustified euphoria which swept the marketplace in November and December last year.

"This time we seem to have a more conservative, cautious confidence suggesting that consumers and businessmen have partially discounted present uncertainties and adjusted to them.

"Although at best, the upturn will be slow, this should result in a sound base being established for a better type of growth without too much adverse influence on the inflation rate".

Cape Times 5/9/86

21 tenders for Blue Downs

By NEILL HURFORD, Property Editor

A TOTAL of 21 developers from all over the country, ranging from national construction firms to small contractors, have submitted tenders on the first 6 000 houses in the giant Blue Downs housing development near DF Malan Airport.

Already one tender of nearly R7m from contractors Basil Starke, to build the main roads running from east to west and from north to south, has been accepted.

At a press conference yesterday, the director of the Department of Local Government, Housing and Agriculture, Carel du Preez said it had already started proceedings to acquire the land for the proposed Zandvliet sewerage works which would be on the western boundary of the Macassar district.

DD 9/9/86 (332)

Bus service withdrawal condemned

Dispatch Reporter

EAST LONDON — Duncan Village and Buffalo Flats residents and community organisations have condemned the announcement by the CTC bus company that it is withdrawing its service from the area.

The company said the service would be withdrawn at the end of next month because of financial losses. It would not oppose an application by another company to operate in the areas.

The chairman of the Duncan Village Residents' Association, Mr Chief Ndindwa, said the CTC decision was "absurd" as residents had not been consulted.

"The CTC should have consulted the Committee of Ten which would have informed the commuters about the pending withdrawal since the committee has been appointed to look into the interest of bus commuters," he said.

It was ironical buses were being withdrawn from Duncan Village — they had started operating there before they were introduced in Mdantsane.

"I wonder how pensioners and children will go about getting to hospitals, clinics and schools," Mr Ndindwa said.

A member of the Duncan Village Parents' Committee, Mr Lawrence Tutu, said "inefficiency" had led to the company operating at a loss.

The service had been unreliable, with timetables which had not met the needs of the people, he said.

"As a result, most people did not use the buses, but preferred to take taxis or walk their way to work," he said.

The CTC should have informed the Committee of Ten when it had problems meeting the needs of the people.

The chairmen of the Committee of Ten and the Transport Committee, which comprises all bodies concerned with transport matters, were not available for comment yesterday.

KENNISGEWING 623 VAN 1986

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

INTREKKING VAN REGISTRASIE VAN 'N VAKVERENIGING

Ek, Adam Johannes Jacobus Barnard, Assistent-nywerheidsregistrateur, maak hierby kragtens artikel 14 (1) van die Wet op Arbeidsverhoudinge, 1956, bekend dat aangesien ek rede het om te vermoed dat die Tramway Officials Staff Association nie as vakvereniging funksioneer nie, sy registrasie ingetrek sal word, tensy redes daarteen binne 'n tydperk van 30 dae vanaf die datum van publikasie van hierdie kennisgewing aangevoer word.

A. J. J. BARNARD,
Assistent-nywerheidsregistrateur.

(5 September 1986)

KENNISGEWING 624 VAN 1986

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

AANSOEK OM REGISTRASIE VAN 'N VAKVERENIGING

Ek, Adam Johannes Jacobus Barnard, Assistent-nywerheidsregistrateur, maak ingevolge artikel 42 (2) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om die registrasie ontvang is van die Transvaal Association of Employees of Black Local Authorities. Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde vakvereniging wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p/a die Departement van Mannekrag, Mannekraggebou 449, Schoemanstraat 215, Pretoria, (posadres: Privaatsak X117, Pretoria, 0001).

TABEL

Name van vakvereniging.—Transvaal Association of Employees of Black Local Authorities.

Datum waarop aansoek ingedien is.—26 Junie 1986.

Belange en gebied ten opsigte waarvan aansoek gedoen word.—Alle werknemers in diens van Swart plaaslike owerhede in die landdrosdistrikte Alberton, Barberton Belfast, Benoni, Boksburg, Carolina, Ermelo, Germiston, Johannesburg, Kempton Park, Klerksdorp, Krugersdorp, Middelburg (Tvl.), Nelspruit, Pelgrimsrus, Pretoria, Roodepoort, Springs, Vereeniging, Warmbad en Witbank.

"Swart Plaaslike Owerhede" beteken 'n stadsraad, dorpsraad, dorpskomitee of 'n plaaslike owerheidskomitee wat ingestel is kragtens die Wet op Swart Plaaslike Besture, Wet 102 van 1982, soos gewysig, en sal, tensy uit die samehang anders blyk, enige ander dergelike instellings of liggame insluit waarna verwys word in artikel 84 (1) (f) van die Wet op Provinsiale Bestuur, 1961 (Wet 32 van 1961).

"Plaaslike Owerheidsonderneming" beteken die onderneming waarin werkgewers en hul werknemers met mekaar geassosieer is vir die instelling, voortsetting en afhandeling van enige handeling, skema of aktiwiteit wat deur 'n plaaslike owerheid onderneem word.

Posadres van applikant.—Posbus 90, Atteridgeville, 0008.

Kantooradres van applikant.—Posbus 90, Atteridgeville.

NOTICE 623 OF 1986

DEPARTMENT OF MANPOWER

LABOUR RELATIONS ACT, 1956

CANCELLATION OF REGISTRATION OF A TRADE UNION

I, Adam Johannes Jacobus Barnard, Assistant Industrial Registrar, hereby notify, in terms of section 14 (1) of the Labour Relations Act, 1956, that as I have reason to believe that the Tramway Officials Staff Association is not functioning as trade union its registration will be cancelled unless cause to the contrary is shown within a period of 30 days from the date of publication of this notice.

A. J. J. BARNARD,
Assistant Industrial Registrar.

(5 September 1986)

NOTICE 624 OF 1986

DEPARTMENT OF MANPOWERS

LABOUR RELATIONS ACT, 1956

APPLICATION FOR REGISTRATION OF A TRADE UNION

I, Adam Johannes Jacobus Barnard, Assistant Industrial Registrar, do hereby, in terms of section 4 (2) of the Labour Relations Act, 1956, give notice that an applicaiton for registration has been received from the Transvaal Association of Employees of Black Local Authorities. Particulars of the application are reflected in the subjoined table.

Any registered trade union which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 449 Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publicaion of this notice.

TABLE

Name of trade union.—Transvaal Association of Employees of Black Local Authorities.

Date of which application was lodged.—26 June 1986.

Interests and area in respect of which application is made.—All employees engaged in the service of Black local authorites in the Magisterial Districts of Alberton, Barberton, Belfast, Benoni, Boksburg, Carolina, Ermelo, Germiston, Johannesburg, Kempton Park, Klerksdorp, Krugersdorp, Middelburg (Tvl), Nelspruit, Pilgrim's Rest, Pretoria, Roodepoort, Springs, Vereeniging, Warmbaths and Witbank.

"Black Local Authority" means a city council, a town council, a town committee or a local authority committee established in terms of the Black Local Authorities Act, No. 102 of 1982, as amended, and unless the contrary intention appears, shall include any other similar intitutions or bodies referred to in section 84 (1) (f) of the Provincial Government Act, 1961 (Act 32 of 1961).

"Local Authority Undertaking" means the undertaking in which employers and their employees are associated for the institution, continuation and completion of any action, scheme or activity undertaken by a local authority.

Postal address of applicant.—P.O. Box 90, Atteridgeville, 0008.

Office address of applicant.—P.O. Box 90, Atteridgeville.

Closing gold prices

(In $ an ounce)
LONDON:
412,50—413,00
Fixing am: 416,00
Fixing pm: 413,00
ZURICH:
Closed
— Reuter

Unless otherwise stated, all financial news in this issue was compiled by Gordon Kling and sub-edited by Godfrey Heynes.

Share earnings rise trimmed to 35%

Safren profit reaches R91,4m

From MERVYN HARRIS

JOHANNESBURG. — Safmarine & Rennies Holdings (Safren) performed better than expected in the year to June, with attributable profit before extraordinary items up 43% from R64,1m to R91,4m.

The rise in earnings a share was trimmed to 35% — from 131c to 177c — because of the increased shares in issue which rose from 48,9-million to 51,6-million.

The final dividend has been raised to 62c (50c) to boost the total pay-out for the year by 16% to 88c (76c) a share. The slower rate of growth in dividends reflects higher cover — up from 1,7 to 2 times — and a conservative stance by directors because of uncertainties facing the country.

Chairman Alistair Macmillan described the first full year of operations since the merger of Safmarine and Rennies as satisfactory. He said: "The new financial year has started off on a better note than last year and we hope the year will be equally satisfactory."

The threat of sanctions is the main imponderable facing the group. Macmillan said: "We are anxiously waiting to see what will happen as it must have some impact on us.

"However, we have had sanctions in one form or another for many years and have contingency plans which, hopefully, will enable us to continue to cope with the situation".

Best performance in the group came from wholly-owned Safmarine, which had an excellent year despite the bleak world-wide shipping scene, while 76% held Kersaf reported improved results.

Results of Renfreight, in which Safren has a 75% stake, were below expectations due to rationalization and write-offs arising from the disposal of certain international operations.

Safren Trading and Willis Faber Enthoven also had a satisfactory year.

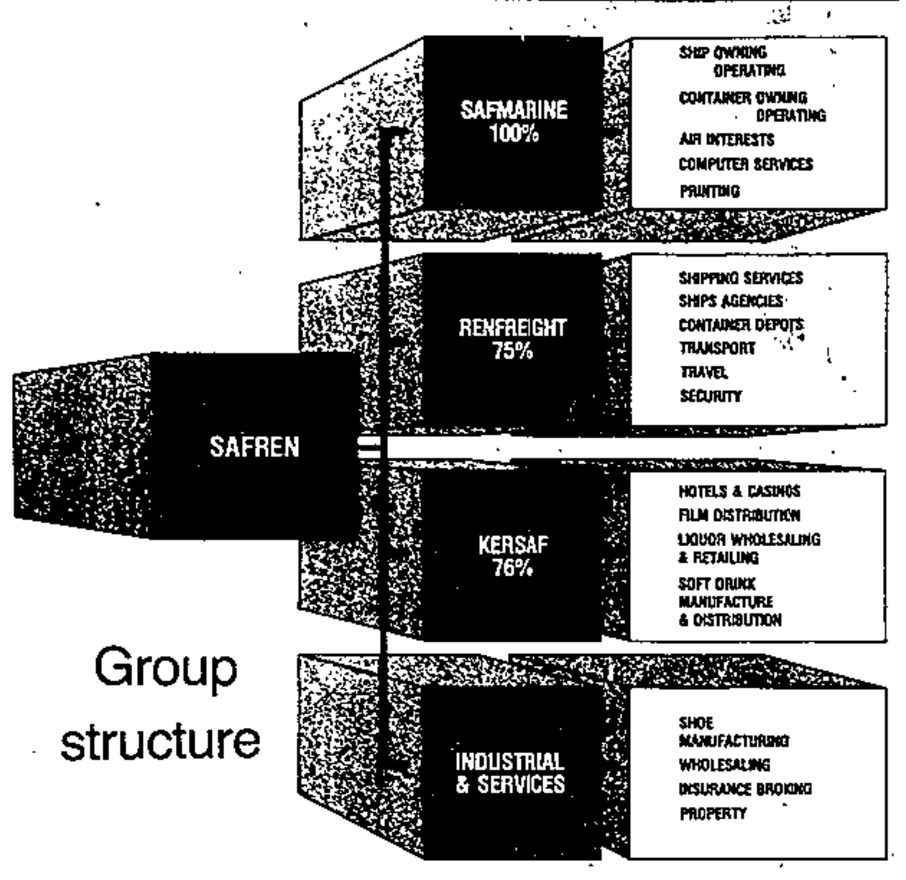
Group turnover rose to just under R2bn (R1,9bn against the previous year's R1,7bn), while operating profits increased to R322,1m (R304m).

A 24% increase in the depreciation charge (including additional depreciation of R13m) to R101,2m (R81,4m) was offset by a R26,9m saving in interest charges — down from R78,2m to R51,3m) — and a reduced tax charge.

The extraordinary item of almost R24m (previous loss of R2,8m) lifted earnings a share 78% to 223c (125c).

Net interest cover increased from 3 to 4,5 times.

Safren shares advanced 25c to R16,25 ahead of the results. This places the shares on a historic dividend yield of 5,4% against the industrial holdings sector average of 4,3%, suggesting the price could soon surpass its previous peak of R17,40 set in March.



Group structure

"This merged group (Safren) is better balanced to withstand the pressures affecting capital intensive industries than was the case for its constituent parts prior to the merger" — Alistair Macmillan, chairman and CE.

Safren steams into profitable waters

By Peter Farley

Diversified trading conglomerate Safren showed that it had overcome the traumas of its mega-merger with a sparkling performance in the year to end-June, that produced a 35 percent increase in bottom line income.

But chairman Mr Alistair MacMillan yesterday effectively asked shareholders for a commitment of faith in management's ability to maintain that pattern.



Alistair MacMillan

Because of the sensitive nature of so many of the group's key growth areas — particularly with sanctions looming — he was unable to divulge any information about either current activities or future prospects.

And with the group having such a large dependence on offshore business, through its shipping and hotel interests, it appears that management is going to become even more secretive about its affairs.

Neverthless, Mr MacMillan did say that the tremendous performance of the shipping division in the past 12 months had turned a net current liability of almost R100 million a year ago to a net current asset of R125 million 12 months later.

He added that the shipping division was currently sitting on near-term cash of some R150 million.

This was the result of the group's fundamental policy of covering forward all foreign exchange exposure which, with the weakening of the rand, had built up a massive surplus.

The strength of the shipping division is demonstrated by virtue of a 40 percent fall in traffic on the more lucrative import route into SA. Therefore the resurgence of exports from here and increasing third party business are becoming substantial aspects of that division's operations.

The second best contributor to the group was the Kersaf hotel/resort group, but Mr Kerzner was admant yesterday that he "was not putting all the cards on the table" when asked about future prospects.

He said that shareholders would be kept up to date of any offshore developments through a "globular picture" of any major moves. He stressed that specific details of any acquisitions would not be revealed.

Nevertheless, he later indicated that a couple of deals have been signed and are waiting for final approval.

The only problem area last year was the Renfreight division. It was in this area that the brunt of the merger traumas were borne, but chief executive Mr Buddy Hawton said that with the rationalisation process now complete the operation should bounce back strongly this year.

He stressed, however, that at all times it has remained in the black, despite a R6 million write-off following the closure of its five offshore subsidiaries.

Because of the potential of sanctions it has adopted a lower profile stance internationally and has tied up with another major operation which will give it wider global access.

Turning back to the group's financial report, the dividend increase has been limited to 16 percent, with cover lifted to twice earnings from 1,7. Although Mr MacMillan said the group could afford to keep cover low, it was adopting a conservative approach in the face of sanctions and other economic imponderables.

But, while management is cautious about forecasting future prospects it appears that the experience with sanctions that is already in place should ensure another good year in the current period.

The stockmarket seems to agree, with the share marked up yesterday to 1 625c. And, following the results, it seems that the all time peak of 1 740c — established earlier this year — will soon be surpassed.

Safren ups its profits by 43% to R91,4m

BUSDAY 332 16/9/86

MERVYN HARRIS

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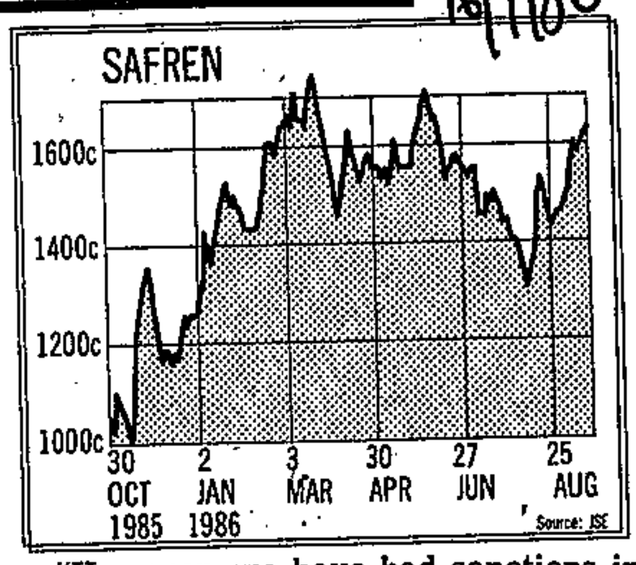

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● To Page 3

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BUSDAY 332 16/9/86

● From Page 1

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Sabta warns Natto: Get off our taxis

By SOL MORATHI

SOUTHERN African Black Taxi Association has lashed out at the National Association of Taxi and Transport Association for trying to discredit them.

Sabta chief advisor James Chapman accused Natto chairman Walter Tsa Maseko of making scathing public reports against their association and of being inquisitive.

Maseko last week told *City Press* that Sabta was a white-backed association, and has white executive members in its fold.

"That is a lie," said Chapman. "Sabta is an exclusively black organisation, and has no links with any other white party. All they have, has been accumulated through their own sweat."

When the association was formed, it had problems like most others, because no one wanted to back it. Not even the government wanted to. But the founders strived through thick and thin to see the association reaching the pinnacle of perfection.

Chapman said he believed Maseko's accusations were levelled against him because he thought "I am an executive member".

"I am Sabta's advisor, and nothing beyond that. And for that matter, I am the only white advisor."

● In a statement, Sabta said it would like to clarify certain allegations made by the "so-called" Natto.

"We are not white-backed as Maseko suggests. Sabta has established a marketing arm which initiates better deals for our members. Some highly experienced whites were employed to assist us in this regard," said the statement.

"Sabta does not have a single white person on the executive committee, but if a white person wanted to be elected he can only do it through the democratic process as stipulated in the constitution."

Sabta also pointed out that the figure of R3 000 earned by taxi drivers reflected in a Sunday newspaper was a gross figure. "If a taximan does not gross R3 000 per month, surely he will run out of business. Consider the facts: Instalments on a new kombi cost about R1 000 per month. His petrol costs about R1 000 per month. The taxi driver must be paid."

● At a Press conference in Johannesburg this week Sabta announced its plans for the annual meeting to be held at Sun City on September 17 and 18.

Transport Minister Hendrick Schoeman will address the meeting on the opening day, while Dr Van zyl Slabbert will make a speech on the final day.

Schoeman and Slabbert are expected to speak about transport and thefree enterprise system.

A beauty contest has been organised and a taxi driver of the year award will be presented.

Sunday EXPRESS

Atrocity: who did what?

CRUELTY, like any sin or any crime, is easier after the first time, and it becomes progressively easier with each repetition.

That, surely, must be the explanation for the ease — the pitiless ease — with which South Africans continue to uproot people from homes and familiar surroundings, and chuck them into the wilderness like so much trash.

The five-volume report on forced removals published this week by the bitingly named Surplus People Project comes like a blow to the solar plexus, breath-taking and numbing and painful all at the same time. No newspaper account can possibly convey, as these volumes do, the full horror of the cold-blooded policies that the Nationalists have pursued since 1960.

Find a set and read it for yourself.

As a nation we have committed atrocity on the same scale as the Russians; in terms of numbers of victims, if not of deaths, we have outdone the Turkish forced removal of the Armenians which ranks as one of the great blots on this century. We have forcibly removed 3½ million people and we propose to move another two million.

In doing so we have seized land, desecrated holy places, broken families, divided friends, and smashed the small affections of small people for a familiar locality; inflicted hardship and pain, perpetuated poverty, and wasted the scarce wealth of a half-developed country; smashed the hopes and the lives of little people, bullied the weak, broken the strong; and generally behaved with an indifferent callousness that deserves only one description. it has been a triumph of evil.

It is all recorded, in an overwhelming mass of dispassionate detail, in the five volumes under the title 'Forced Removals in South Africa'. Copies can be ordered from the Surplus People Project, PO Box 187, Cape Town. No library should be without them.

Faced with this shattering evidence we have only one, rather despairing, suggestion to make: it is that opponents of this Government and its policies should begin now to compile a register of those who have, in the name of the nation, committed these atrocities.

We need to begin now to work towards our own redemption by recording the names of the politicians who have made these policies, and their words. We need to compile a register of the names and pictures, and a record of the specific acts of the officials and the policemen who have carried out these mass removals. We need to begin now to record who did what to whom so that, one day, when South Africa is put on trial for its actions, the guilty will not be able to hide in the ranks of those who were merely indifferent.

For surely, as there is justice under heaven, there will be a day of reckoning.

Sunday Express 12/6/83

All the Fingos want to do is go back home

Five years after being forced from the Tsitsikama to the Ciskei's "place of light" — Elukhanyweni — Fingo leaders surfaced in Parliament last year to make a final plea for the return of their ancestral land.

Their hopes had been raised by a procedural error on the part of the Government which meant that the State had not yet acquired the land for resale.

But the Fingos' pleas were in vain and they watched from the gallery as Parliament put the final seal on their dispossession.

Why, after five years at Elukhanyweni, did the Fingo people want the disruption of return to the Tsitsikama area near Humansdorp?

The Surplus People Project suggests that the answers lie in a real deterioration in the quality of life because of the move and in the psychological response to being uprooted.

The Government has denied direct use of force in the Tsitsikama, but the displaced consistently refer to removal at gunpoint and imprisonment of resisters.

A young construction worker, Michael Welile Ntlanjeni, told researchers how his father had been jailed and his family taken in silence to Elukhanyweni.

He described his outrage at the first sight of the house: "It's not a house, man. It's not even a pigsty. Two rooms — for 11 people. Do they think we are animals? We need privacy too, man, even if we're black."

They had unpacked and tried to squeeze everything in. He had left the house in fury, his mother huddled over her broken crockery. "I wanted to smash things, man ... I wanted to smash every whitey in the world."

Five years later he works at the local sawmill and supports the family. His father speaks to nobody; his younger brother has died. Michael Ntlanjeni is bitterly resigned: "I will die in this place. I won't have a wife. I won't have children."

More desolate still was ancient Maria Zotwana. "We had no choice, the guns were behind us ... then they bring us to this sad place.

"Here there is not enough food. I am hungry now, as I am sitting here.

"Everybody has died. My man has gone and died, as have my daughters. They took my land away. The Lord has also gone, yes, I suppose He has also gone."

An SPP survey of Elukhanyweni residents highlights the change in real quality of life after the move:

- In Tsitsikama 93 percent of households produced crops varied enough for a balanced diet.
- Stock ownership for the area was well above that for the Amatola basin as a whole.
- The community was not self-sufficient and needed the wages of migrants. But it was so placed as to make migration over long distances unnecessary. Workers mostly returned home weekly or monthly.

At Elukhanyweni, however, life was a different story.

- There was little agricultural land. Nobody had fields and most had just one or two garden plots.
- Land was fully utilised and crops varied — but the yield was miniscule.
- Few families owned stock. For instance, 30 percent kept poultry, while sheep, goats and horses were entirely absent.
- Among the working age population, 76 percent of men and 50 percent of women worked — but only 23 percent locally.
- Migration was frequently long-distance, with 19 percent going to Port Elizabeth and 15 percent to Johannesburg.
- While about half households managed financially, a quarter were decidedly poor (average size, one male wage earner) and a further quarter were destitute (large families with one wage earner — especially if female — or living on pension).

The SPP concludes that the Elukhanyweni people basically want one thing — to go back home to the Tsitsikama.

The Star 14/6/83

Sabta setting up auto service centre chain

SOPHIE TEMA

A CHAIN of automotive service centres costing millions of rands is to be set up in black areas throughout SA.

The scheme undertaken by the Southern Africa Black Taxi Association (Sabta) will also receive the support of Shell Oil.

The centres will be operated by Sabta local associations.

Each service station will be the hub of several small units offering discount prices to taxis and black motorists on a wide range of motoring products such as accessories and services, excluding fuel.

The centres will provide a base for local black technicians, mechanics and entrepreneurs to provide goods and services to taxis — Sabta members and non-members alike — and the general motoring public.

They will also provide local Sabta members with vital business expertise by giving them an opportunity to buy shares in the service centres and to become involved in their management.

Sabta's 40 000 members constitute 90% of licensed taxis and a third of SA's black taxi industry.

They use 800-million litres of fuel and up to 1-million tyres each year.

Announcing Shell's involvement in the scheme, Sabta vice-president Godfrey Ntlatleng said: "It was a major breakthrough for Sabta and the taxi industry and this means that the oil company has demonstrated a deep commitment to the development of black small business."

Ntlatleng said the service station concept had been devised by Sabta, then discussed with a number of oil companies.

"Shell has shown foresight in spotting the commercial potential of this venture."

Another oil company had also been approached and negotiations were continuing, he said. Its identity would be disclosed once an agreement was finalised.

He also said he expected the first two service centres to be operating by the end of the year.

In addition to ongoing negotiations, Sabta was also close to finalising a number of franchise deals with suppliers of motoring accessories.

N/M/16/9/86 332

Kombi taxis should 'complement buses'

Pietermaritzburg Bureau

THE popular kombi taxi should be introduced into the transport system as a complementary mode to the bus, according to a report released yesterday by a Pietermaritzburg Metropolitan Transport Study Team.

The report, placed before the city council's transportation committee, said over the past year the activities of kombi taxis — many of which operate illegally — have mushroomed resulting in a 'significant' loss of passengers on the black, coloured and Indian bus services in the capital.

Surveys carried out by the study team showed that the number of passengers carried by kombi taxis here had increased from 35 800 in October 1985 to 49 500 in June this year.

Popular

During the same period the numbers of taxis had grown to 380, of which 268 were 'illegal'.

The report said the kombi taxi was a new form of public transport and was proving popular with a substantial section of the black, coloured and Indian communities, and was 'clearly here to stay'.

It should be introduced into the transport system as a complementary public transport mode to the bus in such a way that it was acceptable to the passenger, the bus and taxi operators and the community at large, the report said.

City Engineer, Mr Graham Atkinson, said Local Road Transportation Boards were at present considering on merit an application for 15-passenger kombis to operate as taxis.

Mr Atkinson has recommended that the Metropolitan Transport Advisory Board be asked to form a taxi committee to formulate policies and proposals to be considered by the city council.

(332)
DD 18/9/86

Schoeman warns controls on taxis will stay

PRETORIA — The Minister of Transport, Mr Hendrik Schoeman, yesterday warned black taxi operators that the recommended abolition of the current permit system should not be interpreted to mean that all control measures over taxis will be abandoned.

He was addressing 4 000 delegates at the Southern Africa Black Taxi Association's (Sabta) annual meeting at a Pilansberg casino resort.

He told the meeting that buses and trains were more suitable for conveying large numbers of passengers, as roads would become congested if taxis had to convey them.

If the permit system was abolished, control measures would remain to prevent the taxi industry from becoming disorderly, Mr Schoeman said.

He was reacting to complaints from taxi operators who had failed to obtain permits from their local Road Transportation Boards.

Mr Schoeman announced the establishment of a committee which would enable the association to discuss problems with departmental and law enforcement officials regularly.

The proposed new transport policy would be based on quality control, applicable to vehicles, drivers, and the overall performance of operators.

Mr Schoeman noted the National Transport Policy Study's recommendation that the the maximum number of taxis be determined by the Regional Services Councils.

He said the establishment of Sabta could rightfully be considered as a milestone in the development of the taxi industry in the country.

"'In the last few years this industry was fragmented and diverse, and split into many small groups. I have been informed that presently members of Sabta buy almost 800 million litres of fuel, 3,2 million filters, and almost a million tyres."

"These statistics show that the taxi industry, and ;ticularly Sabta, contribute largely to the coun-ıry's economy." — Sapa

332

Birth of Sabta 'is a milestone'

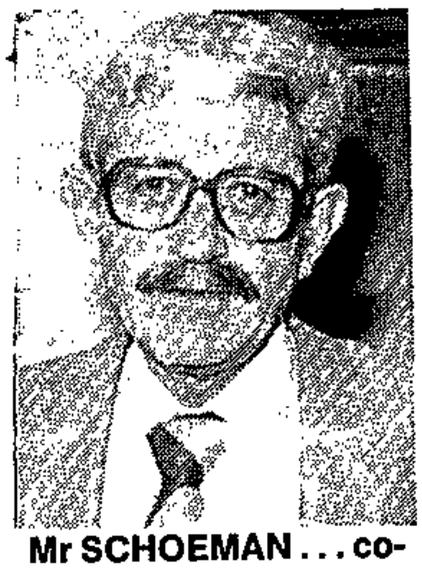
SOUTH Africa's future lies in co-operation between people of all races, Mr Hendrik Schoeman, Minister of Transport Affairs, said yesterday.

He was speaking at the annual convention of the Southern Africa Black Taxi Association (Sabta). More than 4 000 members are attending.

Mr Schoeman told the conference that it had come to his notice that Sabta's activities were not limited to South Africa, but the organisation was spreading beyond the country's borders.

He said talks Sabta was having with taxi associations in neighbouring countries were not political but aimed at practical co-operation and strengthening of economic interdependence. He congratulated Sabta for its initiative in this regard.

Mr Schoeman also said the taxi was playing an important and necessary role in the passenger transport industry of the country. He said the establishment of Sabta can rightfully be considerd as a milestone in the development of the taxi industry in South Africa.



Mr SCHOEMAN . . . co-operation.

He announced that a committee had been established where representatives of Sabta will meet on a regular basis with senior representatives of his department and other sectors of law enforcement to discuss problems. He said establishment of this new forum was a sign of co-operation between the government and the taxi industry.

The Minister also pointed out that his department regularly received complaints from intending taxi operators who fail to obtain taxi permits from the Local Road Transportation Boards. He assured the taximen that the race of a person was not a deciding factor in the consideration of applications.

The old Sabta executive was returned to office yesterday. They are, Mr T J Ngcoya president (Natal), Mr Godfrey Ntlatleng, vice president (Transvaal), Mr P Booysen, secretary (Orange Free State), Mr C Ngiba, assistant secretary (Natal) and Mr Pat Mbatha, treasurer (Transvaal).

SAFREN

Smooth sailing

The Cape-based conglomerate overcam both the traumas of the mega-merger Safmarine and Rennies, and a bleak shi ping environment, to report an outstandin 35% increase in earnings in the year to en June. The major contributors to growth we Safmarine and Kersaf, the former havin more than compensated for its falling impo business with surging export and third par business, and the latter proving that its cas no resorts can keep profits growing in toug times.

An inevitable problem area was Re freight which, because of its trade overl with Safmarine, had to bear the brunt rationalisation. Five of Renfreight's offsho subsidiaries were disposed of, resulting in write-off last year of R6m. The merger complete, says chairman Alistair Macmi lan, and the contribution from Renfreig this year "will be materially better th last."

The bottom-line was aided by the fall interest charges to R51,3m (R78,2m), r sulting from lower rates and a massive ca inflow in Safmarine. Another factor was t fall in the tax rate to only 18,8% (29,6%), thanks to a stronger flow of low-tax offshore earnings. The tax rate should remain low in the medium-term, says Macmillan. The cash inflow in Safmarine, which is currently sitting on a cash reserve of some R150m, is essentially a quirk of Safren's policy of covering forward and then rolling over offshore loans. Much of these funds will eventually be paid over.

Added to attributable income of R91,4m is an extraordinary profit of R23,9m, reflecting the net result of profits made in Kersaf's recent sale of assets to Royale Resorts International, and R6m losses on write-offs in the Renfreight division.

At the Safren press conference this week, Macmillan adopted a Rembrandt- style secrecy about the group's affairs, while pointing out that Safren's international exposure renders it vulnerable to offshore sanctions pressure. With its many years in foreign markets, however, few groups are likely to be more expert in dealing with sanctions than Safren.

Certainly, the market appears to be unaffected by sanction prospects, as the share rose on Tuesday from 1 625c to 1 700c, touching the all-time high of R1 740c.

Neville Glaser

SAFREN STEAMS AHEAD

Year to June 30	1985	1986
Turnover (Rm)	1 732,4	1 913,6
Operating profits (Rm)	304,0	322,1
After-tax profits (Rm)	111,5	147,7
Attributable profits (Rm)	64,1	91,4
Earnings (c)	131	177
Dividends (c)	76	88

Sanctions 'evil' says taxi boss

THE South Africa Bus and Taxi Association (Sabta) is totally opposed to sanctions, Mr James Ncgoya, the organisation's president said yesterday.

He was speaking at Sabta's annual convention in Sun City, Bophuthatswana. The association was formerly known as Southern Africa Black Taxi Association.

Mr Ncgoya slated the advocates of sanctions and said they should come to South Africa to talk to blacks and find out what they really need.

"I am not a politician, nor an economist, but I want to ask the world — do you know what sanctions will do to black people of southern Africa?

Battle

"Stop this evil thing you call sanctions. The changes in our country today need your active and constructive support — it does not need the penalty of sanctions", he said.

He asked the advocates of sanctions where they were some 10 years back when taxi operators went through difficult times. He said they had to battle to get recognition from the Government and Commerce and Industry.



Mr JAMES Ngcoya . . . president of Sabta.

Township buses back

CAPE TIMES 23/9/86 332 E45

Staff Reporter

THE buses are back in the townships.

City Tramways yesterday ended a year-long suspension of its service by running throughout the entire Guguletu, Nyanga and New Crossroads areas.

Tramways director Mr Francois Potgieter confirmed that the service to the Nyanga bus terminus in Terminus Road had been reinstated at the request of the Nyanga Residents' Organization.

For the past 12 months, passengers have had to walk to temporary termini near the Guguletu police station and at the old Western Cape Development Board offices near Old Crossroads.

Recently, buses have begun running down NY1, the main thoroughfare through Guguletu.

"It has been a real burden for our passengers to have to walk the extra distance, and also, the condition of the temporary terminus at the Development Board offices was terrible.

"Especially in the winter months, the site there was muddy and full of potholes," Mr Potgieter said.

At the Nyanga Terminus yesterday, long queues of passengers stood ready to board buses. A Tramways inspector, who asked not to be named, said he was "nervous" to be back, "but we will see how it goes".

But not everybody is happy about the resumption of the service.

Glum-faced taxi owners have had to move out of the immediate area of the terminus, a site they have been using as "their" rank for the past year.

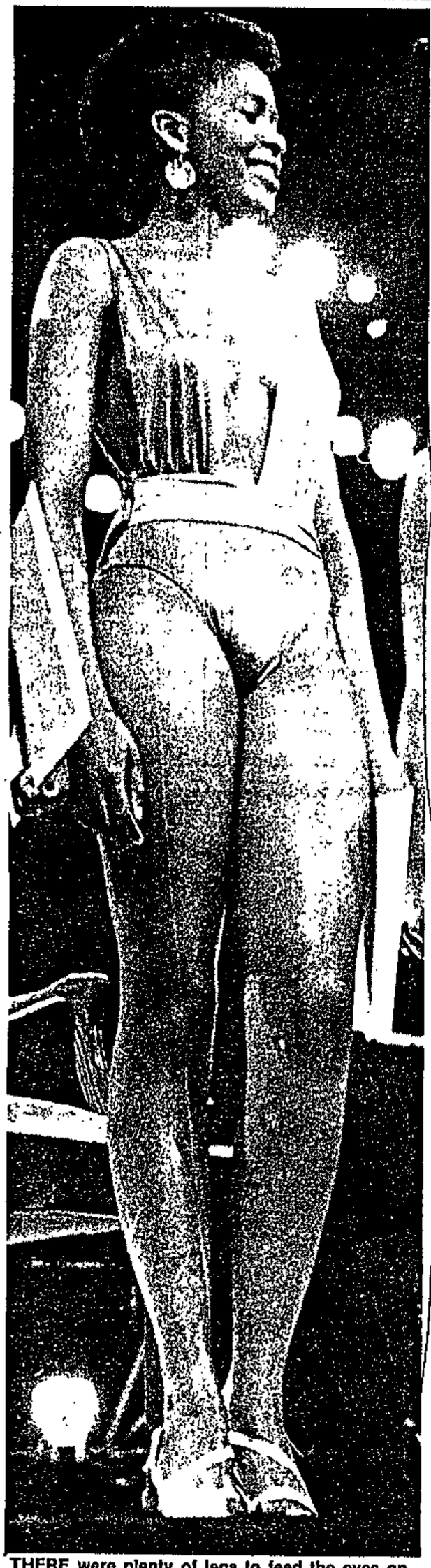
"Our business is not down too badly so far," one owner said, "but we will have to see how things develop over the next few days."

SABTA STARTS A TRAVEL BRANCH

Driver of the Year



Mr SHADRACK Maphisa from Bloemfontein won himself a 15-seater minibus at Sun City last week when it was announced that he had been chosen as Sabta's Best Taxi Driver of the Year. The competition, which was contested by many taxi drivers from the association's regions in the country, was launched to improve the competence of taxi drivers. Others in the picture are two well-wishers from Bloemfontein, Mrs Phobia Molotsi and Mr John Sefudi.
Pic: LEN KUMALO



THERE were plenty of legs to feed the eyes on during the Miss Sabta beauty contest held at Sun City last week. Ms Bandlakazi Ntongani from Transkei (above), was crowned Miss Sabta.
Pic: LEN KUMALO

By NKOPANE MAKOBANE

THE Southern Africa Bus and Taxi Association is to launch a travel scheme within the country and overseas.

Mr James Ngcoya, the organisation's president, said they were in the final stages of planning the scheme to be known as Sabta Travel.

According to Mr Ngcoya, black people in South Africa do not travel enough, either within the country or abroad, hence they have decided to set up the scheme.

"Sabta Travel will be in partnership with a leading firm of travel agents and aims to extend the range of travel experiences. It will also increase the prospects of profitable operations for Sabta members' vehicles", he said.

Packages

He explained that they will put together special weekend packages at beach hotels as well as inland holiday places like Sun City.

All that members have to do is to get groups to fill their taxis n Sabta Travel will make all hotel arrangements for them and ensure that they are welcome at places they have chosen.

He said hotel rates will be special ones for Sabta groups. Members will be able to choose what fare they want to charge for transport.

Overseas

Sabta Travel, Mr Ngcoya said, will also be organising regular visits overseas. The reason was that blacks know very little about the larger world other than what they have read in books or seen on television.

"It is important to get to know more about the world which is turning its back on our country. If we, black businessmen as leaders in our community, are to prepare ourselves properly to play a role in South Africa, we need to learn more about the world outside our borders", Mr Ngcoya said.



Mr JAMES Ngcoya ... Sabta's president.

It was not all business for the cabbies

THE Southern Africa Bus and Taxi Association annual convention held at Sun City in Bophuthatswana last week will linger long in the minds of those who attended.

The colourful two-day event was the biggest ever held by the association, formerly known as Southern Africa Black Taxi Association. More than 4 000 members from all over the country attended.

The conference was addressed by well-known personalities such as Mr Hendrik Schoeman, the Minister of Transport Affairs, Dr Frederick van Zyl Slabbert, former leader of the Progressive Federal Party and Mr Tom Boya, vice president of the Urban Councils Association of South Africa.

For Sabta members who were present, it was not hard business all the way, there were also light-hearted events in the two-day programme.

These included the Taxi Driver of the year Competition which was contested by 17 regional finalists. Mr S M Maphisa of Bloemfontein was the winner and he was presented with a 15-seater mini-bus.

The highlight of the conference was the Miss Sabta beauty contest which was won by Ms Bandlakazi Ntongani of Transkei. She won herself a 24-month modelling contract worth R24 000 as well as a cash prize of R3 000 and R500 in Coty beauty product vouchers.

Fifteen girls from Sabta's 32 regions in the four provinces — homelands included — vied for the crown.

The beauty contest was interwoven with the "Shell Road to Fame Show" with popular Cocky "Twobull" Tlhotlhalemaje as master of ceremonies.

Another spectacular sight was a team of Zulu dancers from Durban who welcomed the Minister before he officially opened the occasion.

There were also choral groups from Durban, Ermelo and Pretoria who entertained the crowd in between.

25/9/86 · 332 Bus Ops

Cape hauliers want govt to scrap permit system

MEMBERS of the Cape Motor Transport Owners' Association (MTOA) have given a mandate to the umbrella Public Carriers' Association to press government to abolish the permit system controlling commercial-transport operations carried out in terms of the Road Transport Act.

"Our members want the present system scrapped rather than wait for it to be phased out," Dave Pieters, chairman of the MTOA and GM of Jowells Cape Transport, one of the biggest road hauliers in the Western Cape, said yesterday.

A promise that the permit system would start to be phased out before the end of 1986 was made earlier this year by Transport Minister Hendrik Schoeman.

CHRIS CAIRNCROSS

This step was to follow publication of the National Transport Policy Study report covering deregulation of the transport sector and government's White Paper response to it.

Both these events have been delayed until Parliament reconvenes.

Private road hauliers have continued to express considerable concern at the delay, noting that it reflects government's inability to respond quickly and timeously to many of the problems impacting on the economy.

Pieters said only a small proportion of freight moved by private hauliers within and from the Western Cape required permits.

Most operations were conducted in the exempted area, or involved exempted goods where competition was already open.

Pieters predicted that deregulation would herald in cut-throat competition between hauliers and SA Transport Services, and exert downward pressure on rates.

Missing voters sought

GERALD REILLY

GOVERNMENT'S campaign to clear up the population register mess is now under way.

It aims at persuading more than a million "missing" voters to notify the Home Affairs Department of their new addresses. The campaign includes spot appeals on radio and TV and pamphlets distributed with water and light accounts.

PFP spokesman on home affairs, Reuben Sive, said if an election were called before the population register was updated, it would impose an impossible burden on political parties.

The Klip River by-election reflected the kind of situation that would arise. About 8 282 of the 14 986 voters registered voted — 58,6%. Because of the intensity of the campaign, it could be assumed the vast majority of the remaining 41,4% had moved away.

Church takes a look at 'just war'

HARARE — The Presbyterian Church of Southern Africa has rejected a suggestion that it should advise its 70 000 members not to serve either with the SA security forces or their black opponents.

After a long debate the church's general assembly ordered its committee on a "Just War" to examine Christian doctrine with particular reference to the activities of the SA security forces, the ANC, the "Comrades" and Swapo. — Sapa.

ROAD TRANSPORT

A rough ride ahead

SA's highly competitive road transport industry has fought long and hard for deregulation on the roads. But now, with victory in sight, the private sector is beginning to face up to reality — and it doesn't like all it sees.

New appreciation of the bitter shake-out that lies ahead, mostly for the R1,7 billion a year public carriers, surfaced at this week's annual *Outlook for Trucks* conference in Johannesburg.

Underlying the fears is the realisation that only the most cost-effective operators are likely to survive and that many smaller companies will inevitably fail.

Transport Director General Adriaan Eksteen confirms deregulation is on the way — the recommendations of the National Transport Policy Study (NTPS) were approved last February by the National Transport Commission (NTC) and a White Paper will be tabled in parliament in the next session.

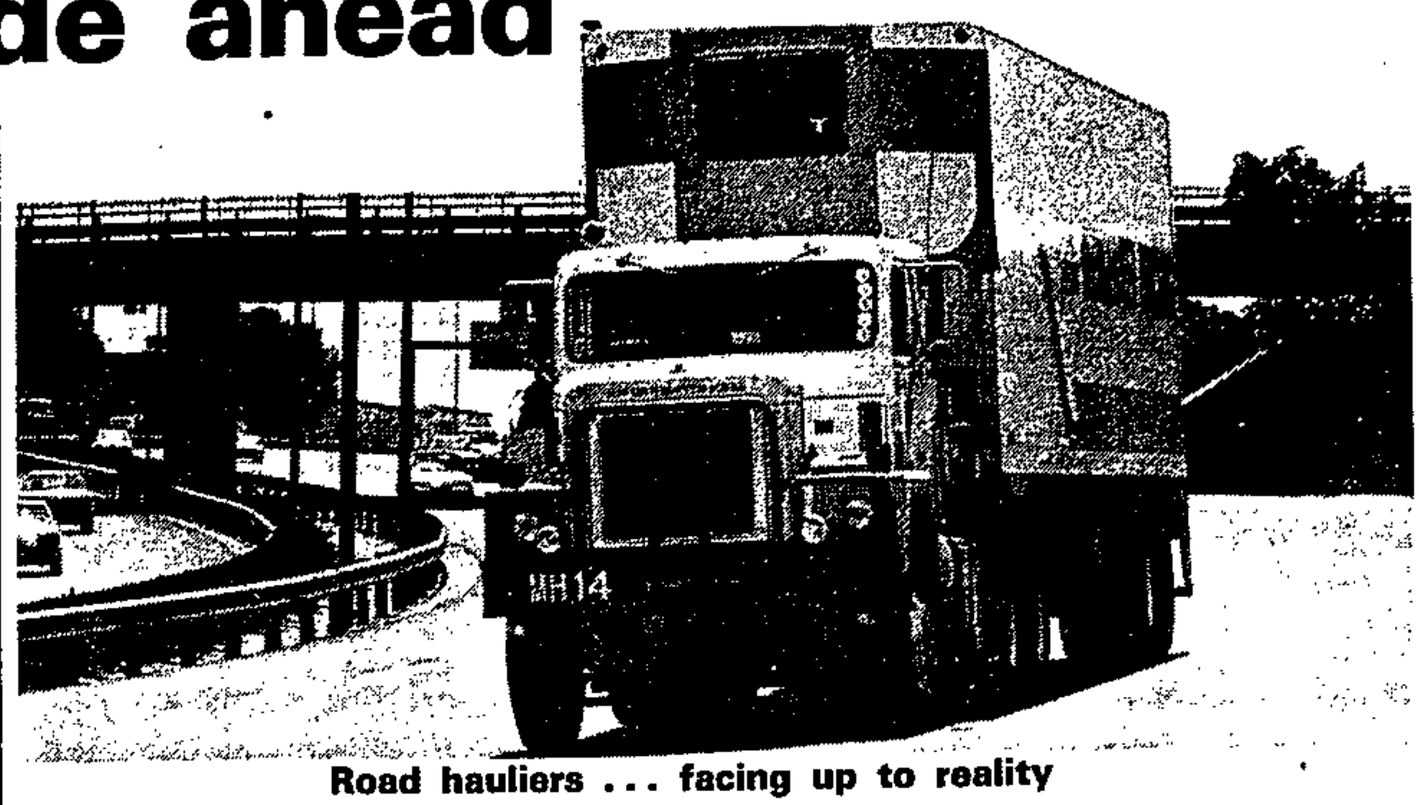
Assuming the subsequent Bill is passed, the new order will be phased in between 1988 and 1991.

Recommendations include:

☐ The scrapping of the permit system which restricts the routes on which hauliers can operate and the goods they can carry;

☐ The removal of financial privileges enjoyed by Sats, which is currently exempt from licence fees and is able to cross-subsidise between economic and uneconomic services; and

☐ The enforcement of the road freight quality system on all operators, public carriers and the ancillary hauliers which operate fleets to carry their own goods.



Road hauliers ... facing up to reality

Eksteen says Sats motor services, which transported 4,4 Mt of goods in 1985, or about 2% of the road haulage market, will be run increasingly on more business-like lines and private sector operators will be able to compete on an equal basis.

But, according to Max Braun, transport consultant and publisher of *Transport Management* magazine, it is likely Sats road transport is being groomed for privatisation. He says: "It would be logical to sell off that part of Sats first as it is a relatively small operation and it would not require the colossal investment needed to privatise harbours or railways."

The Transport Ministry, in the meantime, is maintaining strict silence over its plans for Sats until Wim de Villiers tables his report on privatisation.

But, in spite of the free market tone of the new transport proposals, the private sector is showing remarkably little enthusiasm for the changes.

"Only 15 private sector carriers were among the 837 delegates to the annual transport convention recently," says Braun. "They are running scared because the permit system has kept down numbers in the field and restricted competition."

Braun says when deregulation took place in the US and Australia, many family-run contractors sold up and road haulage was concentrated among fewer larger companies.

The inefficiency of many ancillary operators will, equally, be exposed.

"These fleets often carry goods only one way, and supermarket trucks, for example, spend a great deal of time waiting outside shops. At the moment, ancillary operators are exempt from the six-monthly roadworthy tests enforced on public carriers, but under the new system they will have to be tested and will inevitably have to spend time off the road."

When the industry finally stabilises, Braun predicts more in-house haulage will be contracted out. At the moment, 70% of trucks on the road are owned by ancillary operators, and he sees only the most cost-effective carriers remaining.

In the meantime, however, he says the industry faces a painful sorting out process which "will separate the men from the boys." ■

TEXTILES

Small relief

There is only a modicum of comfort for clothing manufacturers in the concessions just granted by the Board of Trade and Industries (BTI) on fabric imports.

To some extent, the BTI has opened the door to additional imports by abolishing the 10% surcharge on landed fabric and offering importers a 5% rebate on the payable duty.

The concessions, however, fall well below the minimum expectations of garment manufacturers, who were seeking a duty-free importation of some 18m metres of cloth over a six-month period to get them over their current supply problems (*Business* September 5).

It seems the BTI was influenced to some extent by textile producers' threats to cut back on new investment plans if a high level of imports once again threatened their operations.

Announcing the new measures, the BTI explains they will be temporary and that they have been framed to avoid "disadvantage to local competitive suppliers."

Garment manufacturers are predicting

SPECIAL RECOGNITION

The *Financial Mail* has won two special awards in the Specialist Press Association's (SPA) annual competition for specialist publications.

More than 50 entries were received from SPA members for entry in seven award categories. There were 18 judges.

The Rossi trophy for the most outstanding special interest publication went to *Wiel* magazine for the third time, while the *FM* and *Car* magazine received highly commended certificates.

The SPA Chairman's trophy, awarded to the publication voted by the judges as the "overall best" for 1986, went to *Engineering News*. A special merit award was made to the *FM*.

The SPA represents most of SA's special interest, professional, trade, technical and industrial publications, and presents awards each year for the highest standards achieved in their own fields.

Scrap permits call

Dispatch Correspondent

JOHANNESBURG — The Cape Motor Transport Owners' Association (MTOA) has given a mandate to the umbrella Public Carriers Association (PCA) to press government to abolish the permit system controlling commercial transport operations carried out in terms of the Road Transport Act.

"Our members want the present system scrapped rather than wait for it to be phased out," said Mr Dave Pieters, chairman of the MTOA.

A promise that the permit system would start being phased out before the end of 1986 was made earlier this year by the Transport Minister, Mr Hendrik Schoeman.

This step was to follow publication of the National Transport Policy Study (NTPS) report covering the deregulation of SA's transport sector and the government's White Paper response to it.

Both these events have been delayed until Parliament reconvenes.

Private road hauliers have continued to express concern at these delays, noting that it again reflects the government's inability to respond quickly and timeously enough to many of the problems impacting on the domestic economy.

Mr Pieters predicted that deregulation would herald in cut-throat competition between hauliers and SA Transport Services.

Sowetan 21/10/86 332

Putco fares go up

PUTCO'S application for a revenue increase of 17,5 per cent, to recover general cost increases to the company, had been approved for the Transvaal, where new fares would be introduced on November 1, Putco said yesterday.

In a statement, it said the Durban position was expected to be announced shortly.

"The application for increase was announced in June this year and was heard by the National Transport Commission on September 10. No objections were put forward by any party," Putco said.

"General revenue increases of 17,5 per cent were last introduced by Putco in the Transvaal in November 1985. These were to cover cost increases between July 1984 and June 1985. The increases pending are to recover costs resulting from inflation for the period July 1985 to June 1986.

"Details of these costs motivating the revenue increase appliation were announced in June this year and are available on request.

"Putco is keenly aware of the economic circumstances of the communities it serves, and regrets that its own financial position does not allow it to absorb increases other than by passing them on to the passenger.

CAPE Times 2/10/86

Bus fares to go up on Sunday

Chief Reporter

A NEW bus-fare formula, in which some cash fares will increase by at most 15 percent, while many others will remain unchanged, is to come into operation in the Cape Peninsula from Sunday.

Clipcard prices will go up at the same time.

But half-price fares will be charged on Peninsula bus-routes on at least two Sundays a month from now on.

Announcing this yesterday the managing director of City Tramways, Mr N S Cronje, said the new formula, approved by the National Transport Commission, was distance-related and would enable the company to eliminate present anomalies and operate its services "on a more realistic basis".

The adjustments, he said, had become necessary "to offset the ever-increasing spiral of operating costs".

Mr Cronje said that while no existing fares would be reduced, an estimated 37 percent of passengers paying cash fares would not have to pay more.

Subsidized 10-ride clipcards would also increase. Most would rise by less than R1 a week. Of the remainder, most would rise by up to R1,50 a week.

Mr Cronje said the new fares would increase the company's income by an estimated 9,8 percent.

He said an experiment in August, when passengers had been charged half the normal fare on three Sundays, had been such a success that the company had decided to continue the practice.

The dates on which the half-price facility would apply would be announced and the reduced fares calculated on the new fare structure.

Following are a few random examples of what cash-paying bus passengers will have to pay from Sunday:

Atlantis-Cape Town, up from R2,69 to **R3,09.**
Mowbray-Bonteheuwel, up from 66c to **76c.**
Mowbray-Athlone, **55c** (unchanged).
Mowbray-Bridgetown, **66c** (unchanged).
Hanover Park-Lansdowne, **60c** (unchanged).
Hanover Park-Cape Town, up from R1,32 to **R1,41.**
Mitchell's Plain-Cape Town, via Hanover Park, from R1,92 to **R2,21.**
Mitchell's Plain-Wynberg, up from R1,30 to **R1,50.**
Nyanga-Cape Town, **R1,30** (unchanged).
Sea Point-Cape Town, up from 60c to **68c.**
Sea Point-Mowbray, up from 77c to **88c.**
Sea Point-Langa, up from R1,35 to **R1,45.**
Cape Town-Langa, **R1,25** (unchanged).
Fish Hoek station-Ocean View, **65c** (unchanged).
Fish Hoek station-Kommetjie, up from 82c to **88c.**
Retreat station to Grassy Park, **65c** (unchanged).
Khayelitsha-Wynberg, up from R1,30 to **R1,50.**
Khayelitsha-Mowbray, up from R1,36 to **R1,50.**
Khayelitsha-Bellville, up from R1,25 to **R1,44.**
Nyanga-Crossroads, **55c** (unchanged).

'Burden' on Group Areas Act victims

Staff Reporter

THE bus fare increases were condemned yesterday as a further burden on the victims of the Group Areas Act.

Mr Neil Ross, national director of political organization for the PFP, said the increases would affect those who were dispossessed by the Group Areas Act and who had been forced to live great distances from their workplaces.

The bus fare increase, coming so soon after the rise of the bread price, was another body blow to workers and communities, the UDF executive of the Western Cape said last night.

Mr Ross said it would be in the better interests of Capetonians if transport of this sort could be in the hands of a publicly-owned company.

Mrs Mary Burton, president of the Black Sash, said: "Some ill-paid jobs are hardly worth keeping because of high transport costs — especially those of domestic workers who are exploited so much."

A Congress of South African Trade Unions spokesman strongly condemned the increases. He said the rises — at a time of high unemployment and with wages not keeping pace with the cost of living — seemed to be an attack on the living standards of workers.

Bus fares up 8,01%

10 to 20 percent

BUT NOT ALL WILL HAVE TO PAY MORE

By PETER FABRICIUS
Staff Reporter

MOST City Tramways bus fares are to be increased on Sunday, October 5, by amounts ranging from 10 to 20 percent, the company announced today.

But 37 percent of passengers paying cash fares will not be affected.

All clip-card fares will go up but 90 percent of them will increase by less than R1 for 10 rides. Most of the rest will increase by R1,50 — or 15c a ride.

The managing director of City Tramways, Mr Nic Cronje, said today that the fares adjustment differed from the past when all fares were increased by the same percentage.

The company was now introducing a new fare system much more closely tied to the distances travelled.

Not in public interest

If this formula were to have been applied immediately some fares would have gone down while others would have shot up by as much as 30 percent.

This would not have been in the public interest so the company had decided to hold many fares at present prices and to increase others by smaller amounts.

Mr Cronje said that the last time fares were increased to compensate the company for general cost increases was on November 4 1984. The new fares would increase the company's income by only 9,8 percent while the consumer price index had gone up by 34 percent in that period.

Since then there had been two increases — on February 1 and on November 11 1985, solely to compensate for fuel price increases. Clip-card fares were decreased in April this year when the petrol price dropped.

"We believe that the increase is absolutely essential to keep Cape Town's bus services running."

Some of the clip-card fare increases (for 10 rides) are as follows;

Cape Town to Atlantis, R12,30 to R13,80

Mowbray to Bonteheuwel, R4,20 to R5,00.

Mowbray to Bridgetown, R4,20 to R5,00.

Hanover Park to Lansdowne, R4,90 to R5,00.

Hanover Park via Mowbray to Cape Town, R6,30 to R7,20.

Mitchell's Plain to Cape Town, R11,30 to R12,80.

Bellville to Nyanga, R3,70 to R4,30.

Mitchell's Plain to Wynberg, R7,10 to R8,20.

Wynberg to Busy Corner (Grassy Park), R4,40 to R5,10

Cape Town to Sea Point, R4,20 to R5,00.

Retreat to Lotus River, R4,20 to R5,00.

SA blamed for MNR 'invasion'

The Star's Africa News Service

MAPUTO — There has been a massive rebel invasion of north-central Mozambique from Malawian bases, a Mozambique government official said today.

The admission that the situation in the north is serious follows reports that Mozambique National Resistance (MNR) guerillas now control the entire lower Zambezi valley.

The rebels are reported to be now stronger in three central and northern provinces than at any time in the 10-year war against government troops.

Reacting to reports that five towns in northern Mozambique have been taken by MNR rebels, the Mozambican official said, "Exact military details of who holds what small town are less important than the overall military situation which is one of massive South African surrogate invasion of north-central Mozambique from Malawian bases."

He confirmed that the towns of Mutarara, in Tete province, and Milange in Zambezia province had fallen.

Zumbo in a Tete area near the borders of Zimbabwe and Zambia had been occupied by "South African MNR surrogates for two days last week".

The official added that Caia, in northern Sofala province had been occupied by the MNR since December last year.

He could not confirm that the town of Ulungoe had also fallen in rebel hands.

He said reports that 70 000 Mozambicans had fled to Malawi could be correct.

The military commander of Niassa's northern province Colonel Bernardo Goi-Goi, says there is no doubt that Malawi supports the rebels.

"We have proof that light planes and helicopters violating our airspace come from Malawi and that the MNR is being re-supplied from there," he said.

The Malawi government denied this accusation yesterday and also denied the situation in Mozambique has deteriorated because Malawi expelled hundreds of guerillas with their arms into Mozambique.

"We do not allow our territory to be used for any group to make trouble for our neighbours," a statement said.

Malawi confirmed 1 500 Mozambican soldiers had fled into Malawi and then had been handed back to Mozambique.

In Dar Es Salam the Tanzanian newspaper *Uhuru* warned Malawi of the consequences of its continued alliance with South Africa.

The paper warned that Malawi was running the risk of reaping of what it had planted.

It's Machel's fault — Malan

Mozambique was clearly hovering on the brink of collapse and it was the Maputo Government's own doing, the Minister of Defence, General Magnus Malan, said today.

Interviewed on SABC's early morning actuality programmes, he emphasised that, besides "so-called technical violations" aimed at reconciliation, South Africa had given no support to the right-wing Mozambican rebel army, MNR, since the Government signed the Nkomati Accord with Mozambique's Frelimo Government in March 1984.

Referring to reports of heavy fighting between Frelimo and MNR troops in Mozambique and claims the rebels were gaining the upper hand, he said: "Frelimo's present difficulties with Renamo are their own."

General Malan said claims of a general mobilisation of South African troops on the Mozambique border were "absurd".

"What emerges clearly is that Mozambique is hovering on the brink of collapse," he said.

"Terror feeds on itself ... it eventually turns on its hosts. President Machel has chosen the path of terror and now experiences the results.

"South Africa's approach is clear: either peace and co-operation, or conflict — landmines and terror.

"President Machel's vision of a kind of Nkomati Accord that treats peace and terror as two sides of the same coin, is totally unacceptable. When the ANC commits terror against South Africa from neighbouring countries, the leaders of those countries are co-responsible."

Fire at factory

A FIRE destroyed a pile of paper costing R1½ million at a packaging factory near Alberton yesterday morning.

According to the regional manager of Consol, MR Arch Mann, the cause of the fire is not yet known.

SABTA BOSS SPEAKS OUT ON SANCTIONS

THE president of the Southern Africa Bus and Taxi Association (SABTA), Mr James Ngcoya yesterday clarified his stand on sanctions.

He issued the following statement:

"It is an open secret in the township that a "target" is anything associated with the system of apartheid, and appropriately the Southern Africa Bus and Taxi Association have launched what we refer to as "target" sanctions.

"We fully throw our weight behind sanctions, only if they are targeted at the perpetrators of apartheid, and not the victims of the system.

"We are presently preparing a memorandum challenging international companies still operating in South Africa to stand up and be counted.

Company challenge

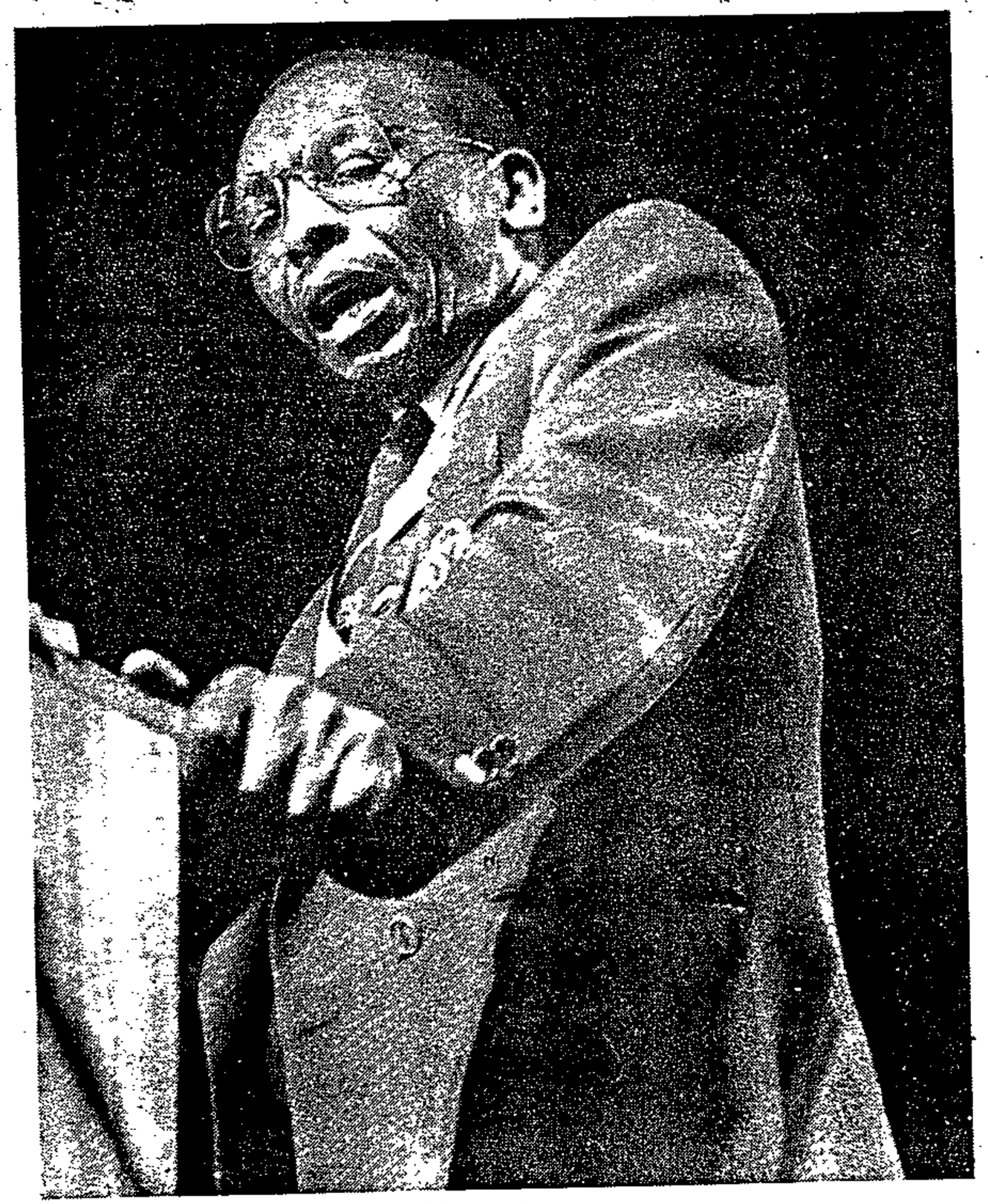
"Let them immediately withdraw their direct and/or indirect support from institutes that promote the abhorred system of apartheid.

"Let them transfer their full support to the oppressed majority of this country.

The following are the first steps take by Sabta in our "target" sanctions campaign:

• "Sabta will in the near future issue coupons to be re-sold at a subsidy by international companies to their staff members, thus attracting a large number of passengers from the Government-owned trains and white-owned bus companies.

• "Sabta will establish service and petrol stations countrywide. International companies and black South Africa will be urged to support this endeavour, which is a programme of re-channeling capital back to the black majority.



SABTA boss James Ngcoya.

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Freight transport permit system to be abolished

3/10/86 SAPA 332

By Susan Pleming

Freight transport permits will soon be abolished, according to Minister of Transport Affairs Mr Hendrik Schoeman.

He told the annual general meeting of the Public Carriers' Association in Sandton last night that scrapping the system would save R60 million a year in administration.

At present all freight carriers must have permits for long-distance journeys.

'SATS IN DILEMMA'

Discussing recommendations from the National Transport Policy Study, completed earlier this year, Mr Schoeman said public safety would become a major focus.

Although SA Transport Services had a monopoly it was losing money.

"The reality of the matter is that SATS, through no doing of its own, has been providing uneconomic services on certain routes. Far from sitting pretty, SATS finds itself in a dilemma. We are losing R1,1 million a year on passengers."

SATS had retrenched about 40 000 staff to cut costs and some branch lines had been closed.

"Today we have a road infrastructure which has enabled many carriers to compete with and even overshadow certain services provided by rail transport."

Mr Schoeman urged freight owners to build up confidence and goodwill in the market: "As businessmen you may be concerned by sanctions. South Africa has been kicked before. Be optimistic, even if the news isn't as good as it should be."

Sabta gets campaign under way

A CAMPAIGN to attract passengers from the State's trains and "white-owned bus companies" was announced in Pretoria yesterday by the SA Bus and Taxi Association (Sabta) — formerly the Black Taxi Association.

Sabta president James Ngcoyo said it would be part of a "target sanctions" campaign and would bring to a head a long-running feud between the association and the Department of Transport Affairs.

The department has refused to grant unlimited taxi permits through its road transportation boards as it felt that would jeopardise the national transport infrastructure.

Ngcoyo said Sabta would soon start issuing coupons to "international companies" to be subsidised and resold to their staff, "thus attracting a large number of passengers from government-owned trains and white-owned bus companies".

Sabta would also establish service and petrol stations countrywide. — Sapa.

Transformation for transport

(332) W/C Argus 4/10/86

Political Staff

THE entire transport structure in South Africa, including the South African Transport Services (Sats), is about to be turned on its head.

The tight regulatory controls which limited free enterprise in transport and gave Sats a lop-sided monopoly over the years are target number one.

Then a start will be made on privatising large segments of the Sats empire.

Indications of the Government's rethink of transport policy were given by the Director General of Transport, Mr A B Eksteen, at the recent "Outlook for Trucks" conference organised by the magazine *Transport Management*.

Mr Eksteen is also chairman of the National Transport Commission.

More equitable method

A draft White Paper on the new transport policy is to go before the Cabinet sub-committee on economic affairs next week. The White Paper was expected to be tabled in Parliament at the start of next year's session of Parliament.

It would be rapidly followed by three new Acts of Parliament consolidating earlier legislation while introducing the new approach.

The three propsed laws are:

- A Transport Act which will deregulate the transport sytem and scrap the National Transport Commission replacing it with an advisory council;
- A National Roads Act which will bring the planning and construction of all roads under one body and govern a new and more equitable method of rasing money for road construction; and
- A Road Traffic Act which will consolidate all existing central government and provincial legislation and bring a new penalty point system for heavy vehicle drivers and operators into operation.

And an investigation is being carried out by SATS at the moment to consider which services could be privatised. These services included harbours, pipelines and road transportation.

The transport structure is not the only target of Government plans to deregulate and privatise.

The Post Office is also under the spotlight.

Mr Eksteen said at the conference the White Paper had been drawn up as a result of the National Transport Policy Study Group investigations and would be published next year along with major changes to legislation.

Mr Eksteen made it clear that Sats would no longer be protected, the practice of cross-subsidising unprofitable Sats services from the profitable ones would halted and segments would be privatised.

Current transport policy was "contrary to the widely stated principles of national economic policy which emphasises the beneficial role of competition."

Difficult to police

The direct cost of applications was R60-million a year. This led to a distortion of tariffs and the inefficient allocation of resources.



Mr A B Eksteen

In any case it was difficult to police the permit system while it had been found that 20 percent of frieght being moved between Johannesburg and Durban was "illegal".

Apart from the direct saving there would be gains in the form of lower transport costs and better service.

It was estimated that there would be a six percent increase in the surplus in the transport industry as a result but the elimination of inequities would lead to greater benefits.

The proposed policy was that market forces should decide as far as possible "what is moved, how it is moved, at what price it is moved, to which distination it moves and at what level of service it is moved and by whom".

The cross-subsidisation of the various SATS services where profitable services were used to subsidise unprofitable service would be stopped.

This would lead to tariff increases for some services.

Mr Eksteen said there would, however, be provision for these services to be directly subsidised.

BUSDAY 6/10/86

Grincor goes public today at 270c a share



● GRINDROD

LIZ ROUSE

GRINROD Unicor Group (Grincor) shares go on offer today at 270c a share, with 2-million shares available.

The listing of the large shipping and transport group is one of the most important this year and should prove popular.

Grincor's prospectus, published this morning, shows turnover is forecast to rise by 28% to R245m in the year ending December. Attributable profits are expected to reach a record R8,4m, putting the five-year growth rate from 1981 to 1986 at an average 14,4% a year.

On earnings of 33,35c a share, prospective earnings yield is 12,4% at the offer price, compared with the 8,5% average yield in the industrial holding sector. At the forecast dividend cover of 2,08 times, prospective dividend yield is 5,9%, compared with the historic 3,7% of the index.

Grincor, one of the largest family-controlled businesses in SA, has a controlling interest in the country's second-largest shipping line, Unicorn Lines.

Unicorn Lines owns and manages up to 25 vessels that provide coastal shipping services between SA ports, and between SA and destinations on three continents.

The group, with a staff of 3 000, also provides a full range of ancillary services, such as ships' agency, clearing and forwarding, road transport, warehousing and container storage.

It has an attributable 9,25% stake in SA Container Depots, which operates container depots nationwide, and an 18,5% holding in SA Stevedores, which offers liner and bulk stevedoring services at all SA ports. Safmarine has a 40% shareholding in Unicorn, with Grincor holding 60%.

The Grinrod family, which founded one of the two operating arms of the group, Grinrod & Company, and became a shareholder in the other, Unicorn Lines, four years after its formation, will have a controlling interest in Grincor after listing.

Southern Life will hold 14%, the Renaud family — who founded African Coasters in 1933, later to become Unicorn — will hold 10% and the general public will own 24% of the total 25,2-million shares in issue.

Of the 5-million shares on offer, 700 000 shares have been allotted to directors and 2,3-million shares to selected investors.

The offer closes on October 27 and Grincor will make its debut in the JSE's industrial holding sector on November 5.

While the effect of trade sanctions against SA cannot be ignored, only 2% of Grincor's revenue relates to those commodities affected by selective trade sanctions.

Sabta boss under fire

Stand against trade curbs draws fire



MR JAMES Ngcoya

SOUTHERN Africa Bus and Taxi Association president, Mr James Ngcoya, has come under fire from political groups for speaking on sanctions at the organisation's conference held recently at Sun City in Bophuthatswana.

By NKOPANE MAKOBANE

The latest attack on him follows criticism from some Sabta regions that he was not given a mandate to denounce sanctions. The regions accused him of "playing to the Government gallery" at the conference.

According to a member of one of the disgruntled regions, Mr Ngcoya should not have involved the organisation in the sanctions issue because it is a political matter.

Addressing the Sabta annual convention, Mr Ngcoya said his organisation was totally opposed to sanctions and asked if they knew what sanctions would do to black people of southern Africa.

A spokesman for the Azanian People's Organisation (Azapo) said Mr Ngcoya had been ill-advised to make a statement committing his association's opposition to sanctions.

"It is a fact that taxi people are more in touch with the community than most political and civic organisations by virtue of their work.

"That some members are disassociating themselves from his statement, shows that it was not representative of the feelings and sentiments of Sabta members".

Mr Frank Meintjies, Press Officer of the Congress of South African Trade Unions, said that because some Sabta members were disassociating themselves from Mr Ngcoya's statement, the onus was on him to put the record straight.

"We feel that Mr Ngcoya must correct the misleading statement he made publicly. He must first canvass among his members and get the true picture of how they feel.

"We know that Sabta, like any organisation in the country, faces a problem in that it can not openly campaign for sanctions. However, it has members who are organised and politicised and clearly favour economic pressure.

"Cosatu's position has been that we need stronger international pressure to help bring the apartheid system and exploitation to an end," he said.

A spokesman for the Azanian National Youth Unity (Azanyu) said Mr Ngcoya does not represent the interest of the taxi operators but was "pleasing his masters".

SABTA CHIEF REPLIES

SOUTHERN Africa Bus and Taxi Association president Mr James Ngcoya, has dismissed as "nonsense" the "so-called" grievances by a dissident group within the organisation.

On Monday the *Sowetan* published an article in which the group said they had requested a meeting with the Sabta executive committee to clarify certain "burning issues".

Mr Petrus Nkosi, Sabta's former PRO, said the group had held a meeting in Katlehong, Germiston, last week attended by more than 100 taximen from 12 associations in Natal and Transvaal.

In a lengthy statement to the *Sowetan* yesterday, Mr Ngcoya said Sabta does not usually comment on unconstitutional meetings, but he wishes to clarify a few points.

He said it is worth noting that only 100 people were present at the Katlehong meeting out of 45 000 Sabta members. The 100, he said, purport to represent 12 of the Sabta's 268 local associations.

"It is further worth noting that the meeting was chaired by Mr Nkosi, who was expelled as Sabta's PRO some months ago. The same Nkosi stood for elections in the Transvaal province of Sabta in August last year and was soundly defeated by Mr Paradise Mahlangu by 43 votes to 7.

Sowetan
17/10/1332

N/M 9/10/86

Act blamed for transport problems

Municipal Reporter

THE Group Areas Act was the root of many of the problems Durban bus, car and taxi commuters experience, according to a joint University of Natal/Durban City Council seminar on urbanisation and public transport held yesterday.

Speaking on the expense of creating a transport infrastructure, Dr Jeff McCarthy, senior lecturer in the university's geography department, said politics could 'violate the logic of profitability with impunity'.

He said that transportation policies were an important part of grassroots political activity.

City Engineer Mr Richard Moore said that the Group Areas Act and influx control had complicated transport and caused many problems.

Referring to the need for high-density housing next to industrial areas to cope with Durban's predicted population explosion, he said that the proposed R340 million Inanda rail line would not meet demand as about 1 500 000 people would be living in the area in just over a decade.

Mr Moore said that programmes to encourage higher-income people to use public transport had proved ineffective overseas. People who used the buses found them too expensive and people who didn't use them were critical of the massive subsidies used to reduce the cost to the commuter.

Cavaliers now on black list for touring

LONDON—The thirty-one New Zealand rugby players who took part in the Cavaliers' tour of South Africa this year have been blacklisted, an anti-apartheid campaigner said yesterday.

Eighteen British anglers also have been named on the United Nations' sporting blacklist after accepting an invitation to fish against white teams during a tour of South Africa in March last year.

Because of its policy of apartheid, South Africa is banned from international sport and the South African Non-Racial Olympic Committee (Sanroc), regularly compiles an international register of sportsmen who have competed there.

The only way competitors can be removed from the list is to make a public declaration opposing apartheid and giving an assurance they will not compete in South Africa again.

Sam Ramsamay, Sanroc's chairman, said the list of about 250 sports competitors would not be published until the end of this month.

But he confirmed that among about 80 to 100 new names on the register were the 31 New Zealand rugby players who staged a 12-match tour of South Africa and the 18 British anglers. — (Sapa-AP)

NRP looking to Indaba, says Sutton

BLOEMFONTEIN—The New Republic Party was 'a policy looking for a party', its leader, Mr Bill Sutton, told the party's Free State congress here yesterday.

He was speaking to a motion that the constitutional dispensation negotiated at the Natal Indaba would form the basis for amendments to the NRP's policy.

'We are still a policy looking for a party. Success in the Indaba might well provide us with that vehicle,' he said.

Inkatha, with whom the negotiations were initiated, was in the forefront of the struggle with the African National Congress and the South African Communist Party, he said

'We are a secondary target for the ANC and its internal supporters, such as the UDF ... and whatever we can do to assist Inkatha in its struggle is vital to us all.'

For that reason the NRP would not allow its present policy to stand in the way of negotiated change.

'I am firmly of the opinion that both parties will stand or fall by the outcome of the discussions,' Mr Sutton said.

If the Indaba proved to be a mere academic exercise it would benefit nobody, but an accord reached by negotiation would require change from all the participants, including the Government, which 'sat like a sphinx' during the discussions.

'Stupid'

Regarding Press speculation that the NRP should disband and throw its weight into another camp, he said the number of votes attained in the by-elections in Pinelands (3 600) and Claremont (800) in September was evidence that the party still had loyal voters.

Disbanding when the Indaba was about to bring about fruitful proposals as an alternative to National-ist policies would be 'stupid' and 'a disservice to South Africans of all groups', he said.

The NRP was an opposition party. It offered an alternative in filling the gap between the old Republic, with its Westminister parliament, and the new Republic with its 'groups-parliament'.

It held that confederation should take place between the homeland governments and the South African Government. It also held that federation should exist between the whites, Indians and coloureds who were already in Parliament, and that a 'fourth house' should be formed for non-homeland blacks.

Mr Sutton said this 'remained the most sensible and almost the only policy that could bring a measure of peace and sense in the current circumstances in South Africa'.

The motion, unanimously adopted by the congress, confirmed the party's 'federal/confederal policy' in which all communities in South Africa would 'work together without one dominating the other'. — (Sapa)

Rover lay-off

LONDON—The State-owned Austin Rover factory suffered a new blow yesterday when a strike at one of its suppliers forced the lay-off of 12 000 workers. — (Sapa-Reuter)

Two ships fetch close to R12 m

Mercury Reporter

TWO ships were auctioned by court order in Durban yesterday and together fetched nearly R12 million.

Both are bulk carriers and have been held in South Africa by court order for more than a year.

The 30 745-ton Bunko Monaco and Switzerland and operating from Caribbean islands.

They fetched much more than their appraised values.

'I don't think I got a good bargain,' said Mr Dabinovic.

'But having come here, I didn't want to come for

Steel agrees with chief on aid for blacks

ULUNDI—The British Liberal Party leader, Mr David Steel, said here yesterday his support for punitive Steel emphasised the need for his Inkatha organisation to get together with the African National Congress.

Shippers in confusion

HAMISH McINDOE

THE Reagan administration hopes to have regulations implementing sanctions on SA goods ready within a week, says a US consular official in Johannesburg.

A snap poll among shipping lines and freight forwarders yesterday showed there had been no serious logjams, despite widespread confusion over the timetable for the start of bans.

Nedloyd manager for Southern Africa, Joop Wedepohl, said there was a lot of uncertainty in the market.

Wedepohl said steel formed part of a general cargo shipment being loaded yesterday in Cape Town on a Nedloyd vessel bound for US Pacific coast ports.

While no timetable for the steel ban was included in the congressional Bill, the White House is drawing up executive orders to various government departments on how to implement the law.

A Safmarine spokesman said the line did not expect to cut its fortnightly direct sailings to the US.

Blacks face 15% rise in bus fares

Mercury Reporter

THE cost of transport for many black commuters is to rise by about 15% on November 1.

Putco, the Durban Transport Management Board and Ilanga Transport, who announced fare rises yesterday in a joint statement, said: 'The cost of providing public transport has been affected by spiralling costs.'

Increased costs would be met by a 'general fare increase' which would maintain the three bus operators' 'rationalised fare system'.

The statement said fuel price reductions earlier this year had enabled the operators to pass on the benefit to commuters.

Details of the new fares would be distributed and advertised shortly.

The statement did not specify what costs had increased, but a spokesman for one of the operators said spare parts had become much more expensive.

M/M 8/10/86

Attracting bus passengers

GERALD REILLY

THE number of bus passengers could increase dramatically if urban bus service regulations were done away with, a CSIR National Institute for Transport and Road Research report said in Pretoria.

It said the deregulation of city buses and the introduction of mini-buses in the UK turned a decline of passengers into an increase.

Until recently the UK had similar transport legislation to SA. Then the British government abolished the permit system and will now introduce free competition by the end of this year.

Municipal and state-owned bus companies will operate commercially without subsidies.

Bus companies have since taken into account what customers wanted.

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Mowbray objects to bigger bus terminus

Staff Reporter

MOWBRAY ratepayers want commuters to catch buses at other railway stations.

This became clear at a meeting this week to discuss the City Council's proposal to expand the Mowbray bus terminus to cope with the 10 400 commuters who use it at peak periods.

Members of the audience of 100 said many commuters could be re-routed because most did not work in Mowbray.

Mr Ivan Speed, of the City Engineer's department, said a survey done for the council had found that Mowbray was the closest station on the southern suburbs line to people on the Cape Flats and in Guguletu.

To minimize congestion at Mowbray, planners had looked at re-developing Mowbray bus terminus and developing termini at Salt River and Athlone to be used in conjuction with Mowbray.

Mr Speed promised that any plan decided on by the council would be referred to the ratepayers.

Clipcard sales from vans stopped

By JIMMY MATYU

PE TRAMWAYS has decided to stop selling clipcards in black townships because of attacks on mobile ticket vans.

Commuters in the townships of Port Elizabeth and Uitenhage will be affected.

In a statement, the company's managing director, Mr Carl Coetzer, voiced the company's regret at having to resort to such a "drastic step".

He said the company had endured massive losses in 45 attacks and could not continue to risk its employees and property.

The decision takes effect from Monday.

Ticket vans would still operate at loading points inside the townships but only to sell cash tickets.

The sale of clipcards by various stores inside the townships would remain unchanged.

Mr Coetzer said clipcards would still be sold by ticket vans at the following major loading points: Port Elizabeth — Cottrell Street, Bay City Station, Cawood Street, Sellick Street, Harrower Road, Haupt Street, Livingstone Hospital and Mati Road (off-peak only).

Uitenhage: Algoa Street terminus, Noble Street and Railway Station.

Putco hike plea

PUTCO yesterday announced that it had applied for a 17,5 percent increase in fares in Johannesburg, Pretoria, KwaNdebele, Bophuthatswana and Durban to be effected on November 1.

The applications have not been approved. If approved, commuters will be invited to submit objections within 21 days of publication in the Government Gazette before the fare increase can get the green light. The decision will affect more than a million commuters transported by Putco daily countrywide.

A Press release by the chief public relations officer for Putco, Mr Pat Rogers, said that should the increase be approved later than November 1, then the fare may rise by more than 17,5 percent.

The increase is to recover general operating cost increases between June 1985 and July 1986 due to inflation experienced and anticipated.

The amounts to be paid by commuters in different places could not be worked out due to the possibility of a subsidy which would lessen the fare.

The last fare increase by Putco in the Transvaal was in November 1985 and in February this year in Durban.

Taxi 'rebels' call for meeting



Mr PETRUS Nkosi . . . former Sabta public relations officer.

A DISSIDENT group within the Southern Africa Bus and Taxi Association has requested a meeting with the organisation's executive committee to clarify certain "burning issues".

The group held a meeting last week at the Katlehong Service Station which was attended by more than 100 taximen from 12 associations in Natal and Transvaal.

According to Mr Petrus Nkosi, Sabta's former public relations officer who chaired the meeting, the taximen drew up a list of more than 30 "serious grievances" against Sabta president, Mr James Ngcoya and his executive following the organisation's controversial stand on economic sanctions.

By NKOPANE MAKOBANE

Mr Nkosi declined to divulge the list of grievances to the *Sowetan* until the outcome of the requested meeting to be held on October 23 at Madadeni, Newcastle.

However, sources have told the *Sowetan* that topping the list of grievances are the Sabta statement on sanctions, the manner in which the present executive was elected into office, the change of the organisation's name from Southern African Black Taxi Association to the present name and the formation of a company called Sabta Marketing.

Mr Ngcoya has come under severe criticism from disgruntled members in some Sabta regions, as well as politcal groups for speaking on sanctions at the association's conference held recently at Sun City. His critics have said that he was not given a mandate to denounce sanctions. They accused him of "playing to the Government gallery" at the conference.

The latest to add voice of dissatisfaction is a member of the Orange Free State Black Taxi Association who asked not to be named. He said he found it "strange" for Mr Ngcoya to take a side on sanctions without having consulted provinces which constitute Sabta.

In a statement to clarify the controversy on sanctions, Mr Ngcoya said his organisation fully threw its weight behind sanctions, only if they are targeted at the perpetrators of apartheid and not the victims of the system.

Business Rep

Bus operators threaten to sell

Tollgate, Putco explode on RSCs

By CHRIS CAIRNCROSS

THE country's two major bus operators, Tollgate Holdings and Putco, see "terrific practical problems" being created for them by the proposed Regional Services Councils (RSCs).

So much so, that Tollgate has decided to sell its bus operations and depots to those RSCs where it has scheduled passenger services — should RSCs ever be established.

This decision was confirmed by Tollgate financial director Niel Blackshaw. It represents a firm departure from calls for greater levels of privatization being made by the business community.

Current book value of the Cape Town-based group's assets that would go on sale is about R100m — in the form of buses and depot properties.

Putco, which operates a fleet of 800 buses in the Transvaal, is keeping its options open for the moment.

Investment frozen

But, until greater clarity is provided on the RSCs, it has frozen all new investment in rolling stock, according to a spokesman.

Putco is, however, also leaning towards the selling off its operations to local authorities "re-established" under the umbrella of the RSCs.

The issues which have been arousing concern with these companies are clauses contained in the RSC Act, and certain recommendations made by the National Transport Policy Study (NTPS), which government is said to have accepted.

In part, they state that RSCs must be made responsible for the control, regulation and subsidization of passenger transport.

Until this happens, however, it is recommended that the present bus subsidy system should be converted into fixed period contracts between operators and the Department of Transport.

The contract period proposed is three years, a time span considered totally unacceptable by the bus operators.

In the light of the heavy investment involved, Putco is demanding guarantees of at least 10 years — with the RSCs committed to providing all other infrastructure, including existing and future depot operations.

Tollgate recommends the creation of public utility companies to operate the bus service on a non-profit basis.

Expertise

Under this option;

☐ The expertise of the present management and the benefits associated with private entrepreneurship would be retained;

☐ The situation where privately owned profit-orientated companies would pay tax on passenger subsidies collected from business in the form of regional levies would be avoided; and

☐ The creation of a public utility company with no profit motive would help to depoliticize the passenger transport industry.

Both Tollgate and Putco emphasize the need to provide bus operators with long term security of contract assurances in the proposed new transport structures under the umbrella of the RSCs.

Says Tollgate: "It must be realized by all concerned that investment in road passenger transport is very much a long-term investment."

It further declares that if the proposed short-term contract system is to be entered into, whether on a tender basis or not, then it is essential that the major fixed investment in fixed assets is made by the RSCs.

"It would be totally uneconomic for a private operator to amortise the investment in buses and depots over the period of a short-term contract, and the fares which would have to be charged in such circumstances would be prohibitive," Tollgate concludes.

06/10/86 STAR

Prof calls for new public transport network

Municipal Reporter

Johannesburg's central business district faces further decline unless a massive injection of funds is made into public transport, and all projects dealing with increased road capacity in the central area are stopped.

This warning was issued yesterday by Wits transportation expert Professor Richard Brown at the "Johannesburg — The Second Century" conference at the Rand Afrikaans University.

"Little or no attempt has been made to match the mobility of the public and private transport systems. In fact, there is definite evidence to suggest that actions taken over the past 20 years have made the situation worse," he said.

Priorities and not costs would be the yardstick for developing mobility in the country's "economic engine house".

This included investigating a rail-based system to serve both a line-haul and distribution function in the Johannesburg metropolitan area.

"A system meeting requirements would consist of two sub-systems: An inner-city circular distributor and a north-south line haul/distributor system, complementing the existing east-west heavy rail system."

It would be served by park-and-ride facilities at terminals and also act as a connector betwen centres not served by the present heavy rail system, Professor Brown said.

PUTCO FARES TO INCREASE

PUTCO yesterday announced a 17,5 percent bus fare increase in Pretoria as from November 1.

Mr Pat Rogers, the company's PRO also told a Press conference that the city council had allowed black buses into Pretoria's central business district.

He said the decision would improve the service for commuters and would be effected on the same day as the hikes.

"The new operational system makes for the provision of additional bus stops in the central area and will be of help to commuters, the aged, blind and handicapped.

"Bus stops will be more conveniently spaced to eliminate walking long distances", Mr Rogers said.

Mr Rogers said increased operating costs had led to the fare hikes.

He said the increases did not cover losses incurred in unrest.

Putco officials said attempts to involve "action groups" in fare hikes discussions had been unsuccessful.

Commuters interviewed by the *Sowetan* said the hikes were ill-timed.

The increases came at a time when black people were hard hit by the economic conditions. "The decision shows lack of concern by the authorities", said Mr Abel Mokoena of Soshanguve.

Miss Gwendoline Mahlangu, a Garankuwa resident, said she found it unreasonable for the company to tax workers for "the losses" they have incurred.



PAT Rogers . . . made announcement.

No more walking, but fares up

Pretoria Bureau

Putco buses have been granted permission to enter Pretoria's Central Business District (CBD) from November 1.

But the good news for commuters, who up to now have had to alight on the outskirts of town and walk to work, has been soured by the announcement of a 17,5 percent fare increase.

Putco spokesman Mr Pat Rogers said yesterday the Department of Transport and the Pretoria City Council had approved Putco's routes in the city centre.

Affected are commuters from the Mamelodi, Atteridgeville, Eersterus and from Belle Ombre station.

Mr Rogers said the "increases were to recover general costs resulting from inflation experienced".

On rebates for schoolchildren, he said the Department of Education and Training should subsidise them

Freight tariffs to be reduced

CHRIS CAIRNCROSS

CONFERENCE Lines is to offer importers a reduction of more than 28% in the tariffs levied on south-bound routes to SA from January. This decision flows from an extensive study into the streamlining of rate structures.

The purpose is to bring the tariff into line with trade requirements by consolidating the FCL (full container load) commodity rate, and adjusting rates from Europe to Maputo and Beira to compare with those applicable to ports in the Walvis Bay/Durban range.

This is to be achieved by incorporating the existing negative currency-adjustment factor (CAF) of 28,71% into the rates from January 1.

This means all tariff and contract freight rates which are currently subject to the CAF will, effectively, be reduced by this percentage at the beginning of next year.

In turn, a completely new CAF is to be introduced. The level will depend on exchange rate fluctuations between now and then. The revised south-bound rates will be available from Monday.

A decision has also been taken to incorporate the CAF into rates charged on north-bound cargo. However, as most cargo moved along these routes is the subject of negotiated rates, Conference Lines will be informing individual shippers about the new arrangement.

AIRLINE MOVEMENTS

FURNISHING OF PARTICULARS

3. A person in charge of an electricity, gas and steam undertaking shall furnish the following particulars and information in respect of the electricity, gas and steam undertaking concerned on a return referred to in regulation 2 in accordance with the provisions contained in the return:

(a) The trading name;

(b) the name of the owner;

(c) the business address of the owner;

(d) particulars of installed capacities by type of motive power;

(e) particulars of fuel consumed;

(f) particulars of electricity generated, purchased and sold and of losses of electricity;

(g) particulars of utilisation of electricity available for consumption; and

(h) particulars of gas and steam produced, purchased and sold.

PENALTIES

4. A person in charge of an electricity, gas and steam undertaking that, without reasonable cause, contravenes or fails to comply with any provision of these regulations shall be guilty of an offence and liable on conviction to a fine not exceeding R1 000 or, in the case of continual failure to comply with such provision, to a fine not exceeding R50 for every day during which such failure continues.

WITHDRAWAL OF REGULATIONS

5. The regulations published by Government Notice R. 1139 of 2 June 1978 are hereby withdrawn.

VERSKAFFING VAN BESONDERHEDE

3. 'n Persoon in beheer van 'n elektrisiteit-, gas- en stoomonderneming moet die volgende besonderhede en inligting ten opsigte van die betrokke elektrisiteit-, gas- en stoomonderneming verstrek in 'n opgawe bedoel in regulasie 2 ooreenkomstig die bepalings in die opgawe vervat:

(a) Die handelsnaam;

(b) die naam van die eienaar;

(c) die besigheidsadres van die eienaar;

(d) besonderhede van geïnstalleerde kapasiteit volgens tipe dryfkrag;

(e) besonderhede van brandstof verbruik;

(f) besonderhede van elektrisiteit opgewek, aangekoop en verkoop en van verliese van elektrisiteit;

(g) besonderhede van aanwending van elektrisiteit beskikbaar vir verbruik; en

(h) besonderhede van gas en stoom vervaardig, aangekoop en verkoop.

STRAFBEPALINGS

4. 'n Persoon in beheer van 'n elektrisiteit-, gas- en stoomonderneming wat sonder redelike oorsaak 'n bepaling van hierdie regulasies oortree of versuim om daaraan te voldoen, is aan 'n misdryf skuldig en by skuldigbevinding strafbaar met 'n boete van hoogstens R1 000 of, in die geval van 'n voortdurende versuim, met 'n boete van hoogstens R50 vir elke dag waarop die versuim voortduur.

HERROEPING VAN REGULASIES

5. Die regulasies afgekondig by Goewermentskennisgewing R. 1139 van 2 Junie 1978 word hierby herroep.

No. R. 2202 **24 October 1986**

REGULATIONS IN RESPECT OF STATISTICS REGARDING TRANSPORT AND ALLIED SERVICES ESTABLISHMENTS MADE IN TERMS OF THE STATISTICS ACT, 1976

The Minister for Administration and Economic Advisory Services in the State President's Office has, in terms of section 17 of the Statistics Act, 1976 (Act 66 of 1976), read with Government Notices R. 139 of 4 February 1977 and 1646 of 26 July 1985, made the regulations set out in the Schedule hereto.

SCHEDULE

Definitions

1. In these regulations, unless the context otherwise indicates—

"person in charge of a transport and allied services establishment" means—

(a) any person who, during the period defined in regulation 3, owned such establishment or who was charged by the owner with the supervision or control of the administration, direction or management of such establishment, as the case may be;

(b) a trustee or liquidator or executor or administrator of an insolvent or deceased estate or a liquidator of a company or a close corporation or a non-profit society or a co-operative in liquidation or a judicial manager of a company under judicial management in control of such establishment during the period defined in regulation 3;

No. R. 2202 **24 Oktober 1986**

REGULASIES MET BETREKKING TOT STATISTIEKE BETREFFENDE VERVOER- EN VERWANTE DIENSTE-INRIGTINGS UITGEVAARDIG KRAGTENS DIE WET OP STATISTIEKE, 1976

Die Minister vir Administrasie en Ekonomiese Adviesdienste in die Kantoor van die Staatspresident het kragtens artikel 17 van die Wet op Statistieke, 1976 (Wet 66 van 1976), gelees met Goewermentskennisgewings R. 139 van 4 Februarie 1977 en 1646 van 26 Julie 1985, die regulasies in die Bylae hiervan uitgevaardig.

BYLAE

Woordomskrywing

1. In hierdie regulasies, tensy uit die samehang anders blyk, beteken—

"persoon in beheer van vervoer- en verwante dienste-inrigtings"—

(a) iemand wat gedurende die tydperk in regulasie 3 bepaal, die eienaar van sodanige inrigting was of aan wie die eienaar die toesig of beheer oor die administrasie, leiding of bestuur van die inrigting opgedra het, na gelang van die geval;

(b) 'n trustee of likwidateur of eksekuteur of administrateur van 'n insolvente of bestorwe boedel, of 'n likwidateur van 'n maatskappy of 'n beslote korporasie of 'n vereniging sonder winsoogmerk of 'n koöperasie in likwidasie, of 'n geregtelike bestuurder van 'n maatskappy onder geregtelike bestuur wat gedurende die tydperk in regulasie 3 bepaal, in beheer van sodanige inrigting was;

"persons employed", in respect of transport and allied services establishments, means working proprietors, unpaid family assistants and all paid employees;

"transport and allied services establishment" means—

(a) any establishment in the private sector concerned with—

(i) the transportation of passengers or goods by road, air, sea or pipeline transport;

(ii) allied services, including craft renting services (aircraft and ships), passengers and goods vehicle renting services, shipping, clearing and forwarding services, salvaging of distressed vessels and cargoes, travel agency services, stevedoring services, storage and warehousing services, parking garages and permanent parking areas, the maintenance and operation of harbour works, lighthouses or pilotage services, and the operation of airfields and air navigational facilities; and

(b) any establishment where administrative, clerical, sales or other activities are performed that are directly connected with transport and allied services as defined in paragraph (a).

Rendering of returns

2. (a) The person in charge of a transport and allied services establishment shall, on or before 30 September 1986 or on or before such later date as the Head: Central Statistical Service may on good cause shown determine, submit a return or returns to the said Head in the form of a questionnaire or questionnaires in which all the particulars and information prescribed in regulation 4 are given in respect of the period defined in regulation 3.

(b) The questionnaire or questionnaires mentioned in subregulation (a) can be obtained from the Head: Central Statistical Service, Private Bag X44, Pretoria, 0001.

Period of return

3. The period to be covered by the return is the financial year of the transport and allied services establishment concerned ending on any date during the period 1 July 1985 to 30 June 1986.

Particulars and information required

4. The following particulars and information must be given in respect of the establishment concerned in the return referred to in regulation 2:

(a) The registered name of the establishment;

(b) the full business address;

(c) the magisterial district in which it is situated;

(d) the type of ownership, i.e. individual, partnership, public company, private company, public corporation, close corporation, co-operative or other;

(e) if the establishment is individually owned or a partnership, private company or close corporation, the population group(s) of the owner(s);

(f) the nature of the business in which the establishment is engaged;

(g) the financial year covered by the return;

(h) the number of persons employed by the establishment, classified by population group, sex and occupation;

(i) particulars of income and expenditure for the financial year;

(j) the transfer to reserves and dividends paid during the financial year;

"persone in diens", met betrekking tot vervoer- en verwante dienste-inrigtings, werkende eienaars, nie-besoldigde gesinsassistente en alle besoldigde werknemers;

"vervoer- en verwante dienste-inrigting"—

(a) enige inrigting in die private sektor wat gemoeid is met—

(i) die vervoer van passasiers of goedere deur middel van pad-, lug-, see- of pypleidingvervoer;

(ii) verwante dienste, met inbegrip van vaartuigverhuurdienste (vliegtuie en bote), passasiers- en goederevoertuigverhuurdienste, skeeps-, klarings- en versendingsdienste, berging van vragte en vaartuie in nood, reisagentskapdienste, stuwadoordienste, opbergings- en pakhuisdienste, parkeergarages en permanente parkeerpersele, die onderhoud en bedryf van hawewerke, vuurtorings of loodsdienste, en die bedryf van vliegvelde en lugnavigasiegeriewe; en

(b) enige inrigting waar administratiewe, klerklike, verkoops- of ander werksaamhede verrig word wat regstreeks verband hou met vervoer- en verwante dienste, bedoel in paragraaf (a).

Indiening van opgawe

2. (a) Die persoon in beheer van 'n vervoer- en verwante dienste-inrigting moet voor of op 30 September 1986 óf voor of op sodanige later datum as wat die Hoof: Sentrale Statistiekdiens om goeie redes op aansoek kan bepaal, 'n opgawe of opgawes by gemelde Hoof indien in die vorm van 'n vraelys of vraelyste waarin, ten opsigte van die tydperk in regulasie 3 bepaal, al die besonderhede en inligting voorgeskryf by regulasie 4 weergegee word.

(b) Die vraelys of vraelyste genoem in subregulasie (a) is verkrygbaar van die Hoof: Sentrale Statistiekdiens, Privaatsak X44, Pretoria, 0001.

Tydperk van opgawe

3. Die tydperk wat deur die opgawe gedek moet word, is die finansiële jaar van die betrokke vervoer- en verwante dienste-inrigting wat op enige datum gedurende die tydperk 1 Julie 1985 tot 30 Junie 1986 geëindig het.

Besonderhede en inligting verlang

4. Die volgende besonderhede en inligting moet ten opsigte van die betrokke inrigting in die opgawe bedoel in regulasie 2 verstrek word:

(a) Die geregistreerde naam van die inrigting;

(b) die volledige besigheidsadres;

(c) die landdrosdistrik waarin dit geleë is;

(d) die tipe eienaarskap, dit wil sê eenmansaak, vennootskap, publieke maatskappy, private maatskappy, openbare korporasie, beslote korporasie, koöperasie of ander;

(e) indien die inrigting 'n eenmansaak, vennootskap, private maatskappy of beslote korporasie is, die bevolkingsgroep(e) van die eienaar(s);

(f) die aard van die besigheid waarby dit betrokke is;

(g) die finansiële jaar wat deur die opgawe gedek word;

(h) die getal persone in diens van die inrigting, ingedeel volgens bevolkingsgroep, geslag en beroep;

(i) besonderhede van inkomste en uitgawe vir die finansiële jaar;

(j) die oorplasing na reserwes en dividende betaal gedurende die finansiële jaar;

(k) the book value, capital expenditure, revaluation, loss by fire and depreciation classified under the headings land, buildings and works, vehicles and craft, and machinery, equipment, furniture and other operating equipment;

(l) particulars of the number of vehicles and craft in use and rented out at the end of the financial year;

(m) particulars of the number of passengers transported and the gross income from transportation of passengers during the financial year by type of craft or vehicle;

(n) particulars of metric tons transported and gross income from the transportation of goods by road, air or sea transport during the financial year by type of article transported;

(o) the names, addresses and activities of the branches, including the main branch if there is one, and the date on which business commenced there;

(p) the name and address and activities of the head office and the date on which business commenced there.

Penalties for failure

5. Any person in charge of a transport and allied services establishment who, without reasonable cause, fails to comply with the provisions of these regulations shall be guilty of an offence and liable on conviction to a fine not exceeding R1 000 and, in the case of a continuing failure to comply therewith, to a fine not exceeding R50 for every day during which such failure continues.

Withdrawal of regulations

6. The regulations published by Government Notice R. 1928 of 19 September 1980 are hereby withdrawn.

(k) die boekwaarde, kapitaaluitgawes, herwaardering, verlies deur brand en waardevermindering, ingedeel volgens grond, geboue en werke, voertuie en vaartuie, en masjinerie, toerusting, meubels en ander bedryfstoerusting;

(l) besonderhede van die getal vaartuie en voertuie in gebruik en verhuur aan die einde van die finansiële jaar;

(m) besonderhede van die getal passasiers vervoer en die bruto inkomste uit die vervoer van passasiers volgens soort vaartuig of voertuig gedurende die finansiële jaar;

(n) besonderhede van metrieke ton vervoer en bruto inkomste uit die vervoer van goedere deur middel van pad-, lug- of seevervoer volgens soort artikel vervoer gedurende die finansiële jaar;

(o) die name, adresse en werksaamhede van die takke, met inbegrip van die hooftak, as daar een is, en die datum waarop met besigheid aldaar begin is;

(p) die naam, adres en werksaamhede van die hoofkantoor en die datum waarop met besigheid aldaar begin is.

Strawwe vir versuim

5. 'n Persoon in beheer van 'n vervoer- en verwante dienste-inrigting wat sonder redelike oorsaak versuim om aan die bepalings van hierdie regulasies te voldoen, is aan 'n misdryf skuldig en by skuldigbevinding strafbaar met 'n boete van hoogstens R1 000 en, in die geval van 'n voortdurende versuim om daaraan te voldoen, met 'n boete van hoogstens R50 vir elke dag waarop sodanige versuim voortduur.

Intrek van regulasies

6. Die regulasies afgekondig by Goewermentskennisgewing R. 1928 van 19 September 1980 word hierby ingetrek.

DEPARTMENT OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

No. R. 2180 **24 October 1986**

AMENDMENT OF THE REGULATIONS UNDER THE CHILDREN'S ACT, 1960

I, Petrus Johannes Badenhorst, Deputy Minister of Constitutional Development and Planning, acting on behalf and by direction of the Minister of Constitutional Development and Planning, do hereby, by virtue of the powers vested in him by section 92 of the Children's Act, 1960 (Act 33 of 1960), read with Proclamation R. 156 of 30 August 1985, further amend the regulations promulgated by Government Notice R. 1086 of 22 July 1960 with effect from 1 April 1986, which date has been determined in consultation with the Minister of Finance.

Substitute the following regulation for regulation 62 (4):

"(4) Under regulation 46 (1) (f): Grant-in-aid in respect of the maintenance of a pupil or child in a registered children's home or a child cared for in a registered children's home as a place of safety: To a maximum of R143,00 per child per month.".

P. J. BADENHORST,

Deputy Minister of Constitutional Development and Planning.

DEPARTEMENT VAN STAATKUNDIGE ONTWIKKELING EN BEPLANNING

No. R. 2180 **24 Oktober 1986**

WYSIGING VAN DIE REGULASIES KRAGTENS DIE KINDERWET, 1960

Ek, Petrus Johannes Badenhorst, Adjunk-minister van Staatkundige Ontwikkeling en Beplanning, handelende namens en in opdrag van die Minister van Staatkundige Ontwikkeling en Beplanning, wysig hierby kragtens die bevoegdheid hom verleen by artikel 92 van die Kinderwet, 1960 (Wet 33 van 1960), gelees met Proklamasie R. 156 van 30 Augustus 1985, die regulasies afgekondig by Goewermentskennisgewing R. 1086 van 22 Julie 1960, met ingang van 1 April 1986, welke datum in oorleg met die Minister van Finansies bepaal is.

Vervang regulasie 62 (4) deur die volgende regulasie:

"(4) Kragtens regulasie 46 (1) (f): Toekenning ten opsigte van die onderhoud van 'n leerling of kind in 'n geregistreerde kinderhuis of 'n kind wat in 'n geregistreerde kinderhuis as 'n plek van veiligheid versorg kan word: Tot 'n maksimum van R143,00 per kind per maand.".

P. J. BADENHORST,

Adjunk-minister van Staatkundige Ontwikkeling en Beplanning.

Ngcoya denies playing to Govt

By Abel Mabelane

The president of the South African Bus and Taxi Association (Sabta), Mr Joe Ngcoya, has been criticised by some of association regions for speaking on sanctions at a conference at Sun City.

The members said Mr Ngcoya was not given a mandate by them to denounce sanctions and accused him of "playing to the Government gallery".

"The whole issue is political and Mr Ngcoya should not have involved the organisation in it," said a regional member who didn't want to be named.

In an interview with *The Star* yesterday, Mr Ngcoya denied he was involving the organisation in politics.

He said he went through his speech with the executive and they gave him permission to deliver it.

Mr Ngcoya said that taxis depended on vehicles from overseas and also on the employment of people.

"If there is a stayaway, it is the taxi people who suffer," he said.

"Should Shell or Lever Brothers pull out of the country it is the taxi people who will suffer most because there will be no passengers to carry to work."

BER 25, 1986

OD 25/10/86

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Buses to DV, Flats to stay

Dispatch Reporter

EAST LONDON — The bus service to Duncan Village and Buffalo Flats will not be withdrawn at the end of this month.

This was announced in a press statement yesterday from the CTC Bus Company.

The company announced last month that the service would be withdrawn following a R6 million trading loss this year.

The Buffalo Flats and Duncan Village runs were considered not economically viable, and the withdrawal announcement was greeted with concern in several quarters because it would affect thousands of workers, especially on the West Bank.

The CTC statement said the matter had been reviewed in the light of negotiations with the Department of Transport in Pretoria.

"The company will in the interim continue to operate services in the Buffalo Flats area," the statement said. "Weekly tickets will be available as normal at the usual selling points."

A spokesman for the Border Chamber of Industries yesterday welcomed the news that the service would be continued.

Menu

Sash calls for fares subsidy

JOHANNESBURG — The Transvaal Region of the Black Sash has warned that failure by the Government to increase bus transport subsidies to cover the proposed fare increases of around 17% on Saturday, would create a rallying point for anger and opposition among black communities.

Mrs Ethel Walt, Transvaal regional chairman of the Black Sash, said the Government was morally obliged to pay for the subsidies as Government policy had deliberately distorted population distribution through legislation to enforce residential separation.

She said transport had been made into a political issue because Government policies had forced black people, whether resident in urban black townships or homelands, to live in places far distant from employment centres.

The Black Sash, which has conveyed its understanding to Putco of the fare increase motivation, has made direct appeals to Putco and the Minister of Transport, Mr Hendrik Schoeman, for the Goverment to absorb the fare increase to black commuters.

The Black Sash said that Government control over transportation prevented the operation of a free market.

Mrs Walt said lack of competition on heavily used routes left consumers with little choice of how to travel and what they were prepared to pay. — Sapa

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Eve Post 30/10/86

Row over increase in bus fare

A ROW has erupted between the Ekangala bus commuters and Putco following the 17,5 percent increase in bus fare between Pretoria and Ekangala, near Bronkhorstspruit.

Commuters have expressed dissatisfaction over the move to increase fares from Saturday, November 1. The company, on the other hand, maintained "it is too late to object".

Representatives of the Ekangala Youth Organisation and a local transport committee announced this week that the hikes were too high and were likely "to leave workers penniless".

"We have asked for the increased fares to be reduced to at least 13 percent. People have reached a stage when they cannot afford the ever-increasing cost of living," the transport committee spokesman said.

He added that commuters were considering employing services of a rival bus company if Putco fails to consider their plight.

Mr Dan Rolt, the company's press liaison officer for Pretoria, said no formal representations have so far been made to his company on behalf of the Ekangala people.

"We have always informed people in advance about plans to increase fares so that they can explain their views before decisions are made. With the affected people's grievances having been voiced, the authorities are able to act accordingly", he said.

He pointed out that the bus company did not have a final say in increasing its fares and that it was difficult to reverse the decision after approval by other government departments.

FA

MEN'S

Buy 1 Get 1 F

2 TROUSE for R39

BUY 1 GET 1 FR

2 SHIRT for R14 95

SKIPPERS

TONI RISSI, GINO ROSSI ALLEGRI, HUNT

FROM R 1

JEANS

CALVIN KLEI JAYSON MICH JEAN-TER, H

from R 1

SUITS

CLAUDE CHIP MI GIORGIO, LANC PETROCELLI

from

Buses stoned in fares-rise protest

JOHANNESBURG. — Commuters protesting against Putco bus fare increases hurled stones at buses in the KwaNdebele area of Eukeloorn, about 80km north-east of Pretoria, on Thursday causing extensive damage, a Putco spoeksman said yesterday.

Security forces, who were also attacked, fired teargas but no one was injured or arrested and the mob dispersed after Putco officials held discussions with them.

The mob smashed windows of at least 150 buses, the spokesman said.

The company is raising its fares by 17,5 percent today.

The spokesman said bus services to KwaNdebele yesterday were normal and there were no reports of disturbances in other areas where Putco operates.

"The service this morning was normal," he said.

A Congress of South African Trade Unions spokesman described the increase as "another burden on the community".

"If there are no protests on the streets, it's because of continuing repression."

Star 1/11/86

Buses burnt, stoned

Damage estimated at R330 000 was caused to Putco buses yesterday when angry commuters from kwaNdebele and adjacent areas set fire to two buses and stoned several others.

Mr Pat Rogers, the Public Utility Transport Company's spokesman, said the amount included the cost of replacing the burned-out buses. About 120 buses had their windows smashed and the cost of fitting in new ones was R50 000, he said. — Pretoria Correspondent.

Fare hike isn't fair, says Sash

THE government's failure to increase bus transport subsidies will create a rallying point for opposition, the Black Sash has warned.

Transvaal regional chairwoman Ethel Walt said the government should pay for the subsidies – which could cover proposed 17% fare increases on November 1.

She said government policy had deliberately distorted population distribution through legislation to enforce residential separation.

Walt said transport had been made into a political issue because government policies had forced black people to live far from employment centres.

She said the Sash has appealed to Putco and Transport Minister Hendrik Schoeman to persuade the government to absorb the fare increase to commuters.

Walt said the Sash pointed out to them that government control over transportation prevented the operation of a free market.

The lack of competition left consumers with little choice of how to travel, she said. – Sapa.

BUS FARE BLUES

THOUSANDS of commuters are gearing themselves to use taxis and private vehicles this morning in the wake of Putco bus fare increases which came into effect at the weekend.

By JOSHUA RABOROKO

The Bureau for Information said in its unrest report yesterday that in Soweto several isolated incidents of attacks on Putco buses occurred at the weekend, causing considerable damage.

It said no arrests or injuries were reported.

A Putco spokesman, Mr Pat Rogers, said yesterday that the sale of tickets to commuters had dropped, since the fare increases.

Incidents

He said there were a number of incidents near Baragwanath Hospital bus terminus at the weekend where attempts were made to petrol bomb buses.

Some buses were damaged while others had their tyres slashed.

Reliable sources told the *Sowetan* yesterday that Putco planned to meet the Government today in a bid for an increase in its subsidy to the bus company.

The source said it appeared the action by commuters may continue for a long period un-

To Page 2 ☛

Bus fare

☛ From Page 1

less steps are taken to resolve it.

Throughout the weekend thousands of pamphlets calling for a bus boycott were distributed in black townships.

A number of Putco bus users said yesterday that they were preparing themselves to use taxis and private vehicles today to avoid confrontation with radical elements.

However, a number of police patrols were evident at many bus termini at the weekend.

Some residents said it appeared it was cheaper on some routes to travel by taxi than use Putco's daily bus fare.

In the past residents have responded to Putco bus fare increases by boycotting buses.

Angry crowds stone buses after 17,5pc fares increase

Cape Times 3/11/86 332

JOHANNESBURG. — Black commuters protesting at fares rises stoned several buses on Saturday in Soweto, the government's Bureau for Information said yesterday.

It said no one was injured in the attacks.

Buses in black townships around Johannesburg and Pretoria have been attacked by angry crowds several times in the past four days following the 17,5 percent fares rise.

Thousands of pamphlets calling for a bus boycott have been distributed and commuters say it is now cheaper on some routes to travel in privately run mini-buses which operate between the townships and the cities.

A spokesman for the largest bus company, Putco, said more than 200 buses had been damaged since the fares rise.

The anti-apartheid Azanian People's Organization said Putco "will find itself facing a bitter battle with the community".

The bureau said there was a slight increase in unrest-related incidents from 6am Saturday to 6am yesterday compared to the 24 hours from 6am Friday.

"The majority of these consisted of isolated attacks on Putco buses and illegal gatherings," a bureau spokesman said.

The spokesman said that in Cape Town on Saturday, security forces three times dispersed groups twice with quirts — on the Grand Parade.

"In the first incident at 10h10, a group of 25 people held an illegal meeting and the security forces were obliged to disperse the group with quirts when they refused to heed a request to disperse. No injuries or arrests were reported.

"In the second incident, some 400 held an illegal meeting. This crowd also refused to disperse upon request and commenced throwing stones and bottles at the security forces.

"The security forces were obliged to use quirts in this instance to disperse the crowd. Two security force members were slightly injured and nine men in the crowd were arrested.

"The third illegal meeting took place at 10h45. On this occasion, however, the group of approximately 150 people dispersed voluntarily when requested to do so.

"In Guguletu approximately 1 000 persons followed a hearse. When they refused to disperse, security forces were obliged to use tear smoke. No arrests were made and no injuries were reported, although some 300 persons attacked a security force vehicle with stones." — Sapa

4/11/86 STAR

Putco losses rocket to more than R12-m

332

The latest results of long-suffering Putco, for the year to end-June, clearly reflect that few companies are more at risk in the crossfire of township violence and arson.

The operating loss rose to R8 860 000 (previous year: R7 656 000) and the loss after tax leapt from R12 496 000 to a whopping R20 418 000.

Chairman Mr DPS van Huyssteen notes with restraint: "Business conditions have been more difficult than anticipated at this time last year, and the group has recorded a loss after tax and the extraordinary item of R5,7 million...

"Putco in particular has suffered a series of socio-economic traumas. Unrest has militated against management's ability to operate a normal commuter service."

The chairman adds: "I am able to report that our application to the Department of Transport, for a special payment to cover the loss of revenue resulting from township violence, was given sympathetic consideration and met to a large extent. While our financial results have benefited from this assistance, they continue to give cause for concern."

Apart from material losses, township violence has resulted in injuries to passengers and operating staff, and claimed the lives of three of the drivers. "These events underscore the general lawlessness resulting in the state of emergency now in force."

Mr Van Huyssten say that other factors with which the company's management has had to cope include multiple fuel price fluctuations, continuing high inflation, the weak rand, increasing unemployment, a further decrease in passenger volumes andprotest strike actions and work stayaways.

Dealing with prospects, the chairman notes: "Recent indications are that the white paper (on transport policy) will set out Government's policy with regard to deregulation, more effective competition and the opportunity for particiapation by all population groups...

"We see much that is positive in these proposals as far as they are known.

"Taxi services as a permanent force in the market place are acknowledged as a factor to be taken into account when planning for future services.

"The financial realities of operating a commercial taxi service should, however, eventually limit their numbers. In any event, taxis cannot provide a viable mass worker transport facility..." — Sapa.

Fare hikes: rioters petrol bomb buses

THREE Putco buses were petrol bombed, at least one completely destroyed, and six others were hijacked in Soweto as rioters went on the rampage yesterday, the first day of the bus boycott in protest against the new fare increases.

The increases, which came into effect at the weekend, are 17,5% in the Transvaal and 15% in Natal.

A Putco spokeswoman told *Business Day* that 15 bus tyres were slashed and 100 windows broken during the stonings.

The official said that by yesterday

SIPHO NGCOBO

morning the number of Soweto commuters using Putco buses was down to 40%.

A number of incidents took place at the Baragwanath Hospital bus terminus at the weekend, when attempts were made to petrol bomb four buses.

Ticket sales in the PWV western area, including Soweto and Wembley, had dropped to between 10 and 15%.

However, according to the spokeswoman, buses had not been withdrawn from Soweto despite the heavy damage.

The spokeswoman added that in the Wembley area buses were 90% full. In the Wynberg/Edenvale/Boksburg/Springs areas, and in Pretoria and Natal, services were normal.

Thousands of pamphlets were distributed in Soweto at the weekend calling for a bus boycott.

Meanwhile SAPA reports that a Putco official said the company had met the government regarding an increase in its sudsidy and "got the best we could".

Buses run empty as boycotters use trains, cars, taxis

Putco buses continued to run empty this morning as the boycott against the 17,5 percent fare increase in Soweto entered its second day.

With taxis unable to cope, commuters flocked to use the trains this morning. The number of private car owners offering to transport workers increased, at fares lower than taxis.

Taxi operators in some areas have reduced their fares.

Putco increased fares at the weekend by 17,5 percent in the Transvaal and by 15 percent in Natal.

In protest at the increases, three buses were petrol-bombed and six hijacked in Soweto between Sunday night and yesterday morning. Fifteen bus tyres were slashed and 100 windows broken. One bus was completely destroyed.

Thousands of commuters were without transport this morning, and there were long queues of stranded workers in Johannesburg yesterday afternoon. Taxis operated until late in the night.

One commuter said: "The taxi associations must directly call upon private car owners — some of whom who fear the wrath of taxi operators if they ferry passengers — to join in and take us to work. No car should go to the city half empty. Otherwise, commuters may feel frustrated and go back to the buses."

The Dlamini and Senaoane Residents's Association chairman, Mr Steven Sangweni, appealed to car owners to use their vehicles to ferry workers.

Mr Sangweni called on commuters to stop buying Putco coupons in order to avoid clashes and injuries.

Buses bombed in fare riots

Own Correspondent

JOHANNESBURG. — Three Putco buses were petrol bombed, at least one destroyed and six others were hijacked in Soweto as rioters went on the rampage yesterday, the first day of a bus boycott in protest against the fare increases.

The increases, which came into effect at the weekend, are 17,5 percent in the Transvaal and 15 percent in Natal.

A Putco spokeswoman said that by yesterday morning the number of Soweto commuters using Putco buses was down 60 percent, and that ticket sales in the entire western area, including Soweto and Wembley, had dropped by between 85 and 90 percent.

However, the bus service had not been withdrawn from Soweto.

The spokeswoman said that East Rand, Pretoria and Natal services were normal.

Thousands of pamphlets were distributed in Soweto at the weekend calling for a bus boycott.

5/11/86
BUSDAY

332

Putco's losses rise



● GRYLLS

THE latest results of long-suffering Putco — for the year to end-June — clearly reflect that few companies are more at risk in the crossfire of township violence and arson.

The operating loss rose to R8,8m (R7,6m) and the loss after tax leapt to R20,4m from R12,5m.

Chairman D P S Huysteen notes: "Business conditions have been more difficult than anticipated at this time last year, and the group has recorded a loss after tax and extraordinary items of R5,7m."

Putco has been hit in particular by a series of socio-economic traumas. Unrest has militated against management's ability to operate a normal commuter service.

Huysteen adds: "I am able to report that our application to the Department of Transport for a special payment to cover the loss of revenue resulting from township violence was given sympathetic consideration and was met to a large extent.

"While our financial results have benefited from this assistance, they continue to give cause for concern." — Sapa.

Chaos as crowds hit buses

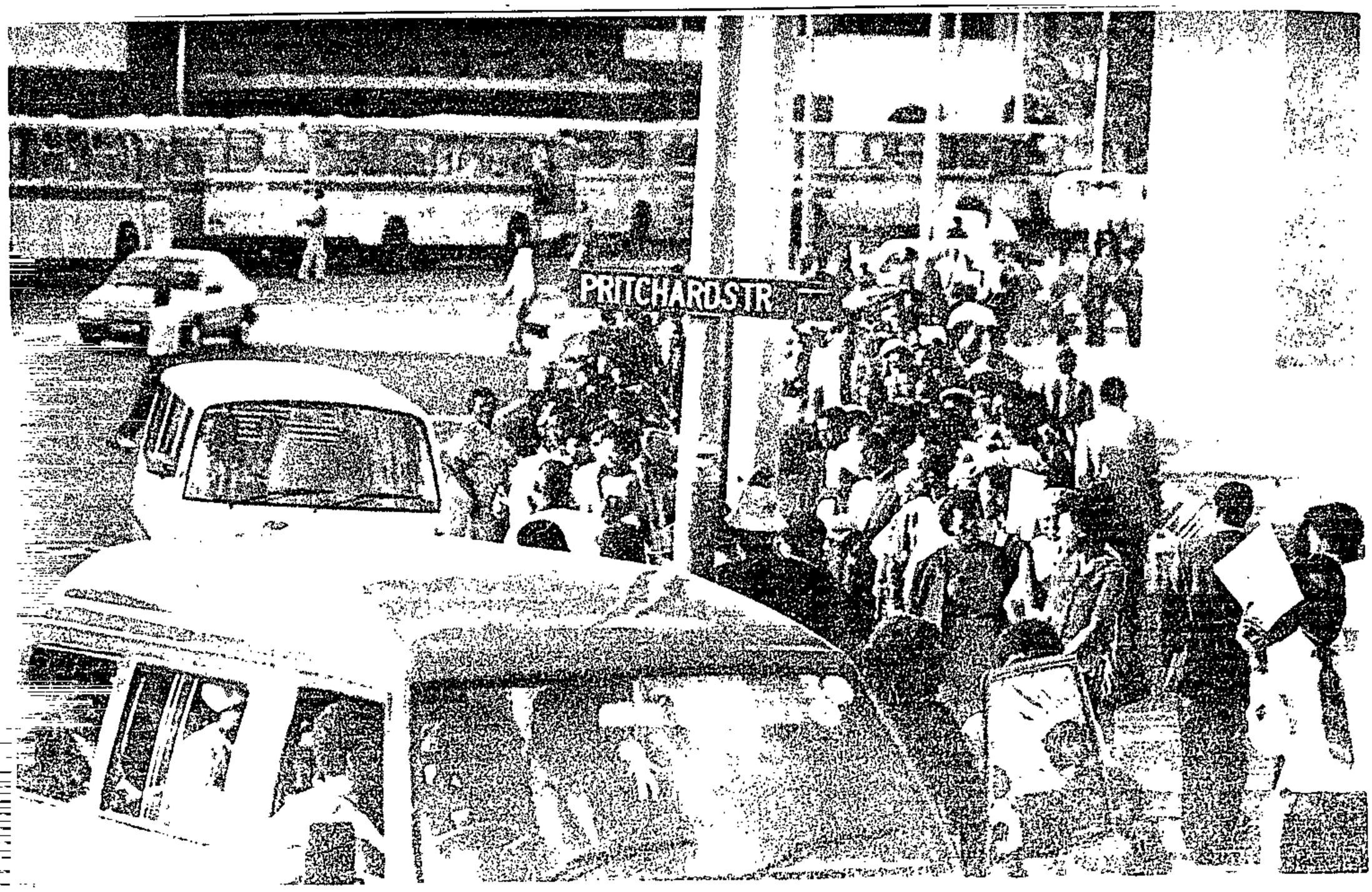
Mercury Correspondent

JOHANNESBURG—Chaos continued to reign in Soweto yesterday as mobs took to the streets attacking Putco buses and seriously injuring a driver as the boycott of the company's transport entered its second day.

A Putco spokesman said the passenger carry stood at less than 50% yesterday and that the company had been losing 42 000 commuters a day since the start of the boycott on Monday.

The protest is against Putco's fare increases of 17,5% in Transvaal and 15% in Natal.

At least one bus was partly burned.



Thousands of Soweto commuters queued for taxis in Johannesburg yesterday as the Putco bus boycott continued. This morning Putco reported that passenger capacity on its buses had risen to 50 percent from yesterday's 40 percent.

Putco buses stay on Soweto roads

Putco has not pulled its buses out of Soweto despite the continuing boycott and damage caused to buses yesterday.

A Putco spokesman said today: "Unfortunately, we have to stick by that (the increases)."

Putco has increased fares by 17,5 percent in the Transvaal and 15 percent in Natal. Increases in kwaNdebele were suspended after top-level talks between South Africa and the homeland government.

The spokesman reported an improvement from 40 percent yesterday to 50 percent passenger capacity this morning.

Some buses were seen running almost empty between Soweto and the city today. Others were half full.

Driver injured as bus boycott bites

CHAOS continued to reign in Soweto yesterday. Mobs took to the streets, attacking Putco buses and seriously injuring a driver as the boycott of the company's transport entered its second day.

A Putco spokesman said the company had lost 42 000 commuters a day since the start of the boycott on Monday.

The protest is against Putco's fare increases of 17,5% in the Transvaal and 15% in Natal.

At least one bus was partially burnt, causing damage estimated at R30 000. A total of 500 bus windows were broken after they were stoned.

SIPHO NGCOBO

Putco driver Zacharia Mudau suffered facial and head injuries when the bus he was driving was attacked. He was still in serious condition last night.

The Putco spokesman said the company was watching the situation closely and, if it became more dangerous for passengers and drivers, Putco would consider stopping its services in Soweto.

The boycott and damage to buses was taking place only in Soweto, and other areas where the company had services were normal.

Meanwhile, Putco has suspended bus-fare hikes in the KwaNdebele

Bus boycott costs Putco R300 000

Bus - DPJ

6/11/86

332

SIPHO NGCOBO

THE Putco bus boycott has cost the company more than R300 000 in damages and revenue loss in five days.

A Putco spokesman confirmed the figures.

Although the actual boycott started on Monday, angry youths made the buses their target as early as Saturday.

Up to yesterday afternoon, three buses had been burnt, two partially and one completely destroyed, costing the company about R190 000.

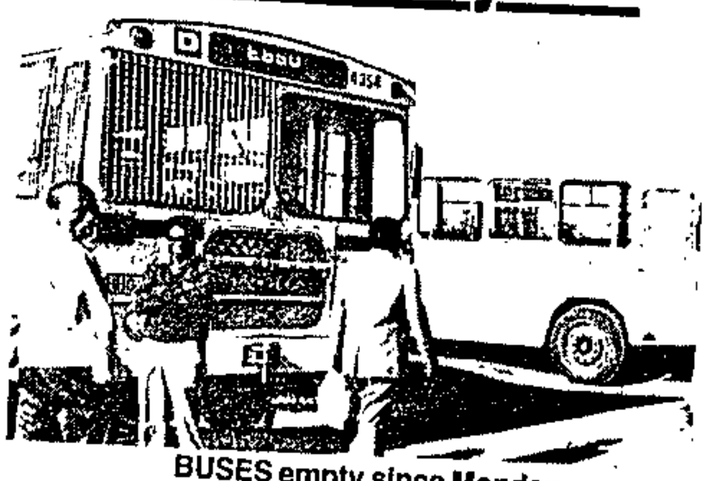
The destroyed bus was gutted by rioters on Monday, the first day of the boycott against fare hikes of 17,5% and 15% in the Transvaal and Natal respectively. Stonings and others related attacks have resulted in 800 windows being broken at a cost of R48 000.

PUTCO IN PEACE TALKS

6/11/86

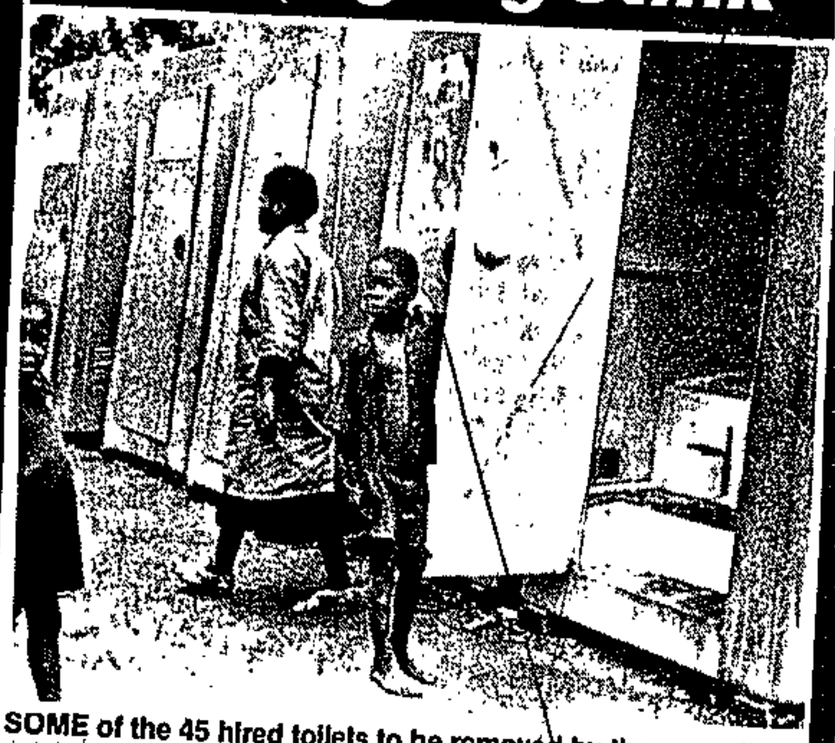
(332) SOWETAN

Sequel to boycott



BUSES empty since Monday.

Raising big stink



SOME of the 45 hired toilets to be removed by the council.
Pic: MOFFAT ZUNGU

Threat on toilets

THE Soweto City Council will remove the hired toilets serving the 2 000 shacks in Mofolo township, Soweto, because the shack-dwellers have not paid rent.

Mr Nico Malan, the council's town clerk, yesterday said his council decided at a meeting in September to terminate the contract for the hired toilets.

The reason, he said, was that the squatters had not paid rent to the council.

Mr Malan said the contract would be terminated on November 7. Mr Sam Matona, owner of the company that has hired out the toilets, said he had not been notified by the council.

Mr Matona said the council paid his company R25 000 for the 45 hired toilets that are serviced three times a week.

He said the toilets were hired by the council in May this year and their removal would cause a health hazard.

Mr Matona said to avoid the hazard, the heads of the 2 000 families would have to pay R12,65 a month each for the use of the toilets.

"In this way," said Mr Matona, "my company will not remove the toilets."

Mr Malan said the council had erected four permanent "ablution blocks" and laid down taps for fresh water supply for 485 squatting families.

He said when the number of squatting families increased, the council hired toilets, but the service would now be terminated because these families had not paid rent to the council.

6/11/86 Sowetan

By JOSHUA RABOROKO

PUTCO yesterday said they were sympathetically considering a number of demands made by the Azanian People's Organisation which included the freezing of the 17,5 percent increase in bus fares.

In an almost day-long meeting in Johannesburg between the two groups, the organisation tabled a number of demands to resolve the boycott, which entered its sixth day yesterday.

Putco's advertising manager, Mr Robin Duff, yesterday confirmed the meeting and said Putco appreciated Azapo's views on the current bus boycott.

The company exchanged views with the organisation and expressed its sympathies towards problems raised.

"We told them we respect their views and will take a decision later," he added.

Mr Muntu Myeza, Azapo's publicity secretary, said the bus boycott and the problems that Putco was experiencing came from a valid suspicion by people that the company was more on the side of the Government than of the black people whom it was serving.

Uncaring

"Putco felt satisfied that the current fare increases were justified after consulting with the Transportation Board, when in fact no extensive consultation was made by the company with the black people."

He said that this uncaring manner of dealing with such important issues displayed a lack of concern for the plight of the black people.

To Page 2

From Page 1

"Putco is involved in a multi-million rand business primarily because of the racial stratification imposed by the Government through the Group Areas Act.

"Black people have to travel long distances to and from work because they are forced to live in places that are far from their places of employment," said Mr Myeza.

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Putco fares

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STATE OF EMERGENCY

Patterns of unrest

In one of its blandest, most sanitised reports ever, the Bureau for Information described the events of Monday this week as follows: "Few unrest-related incidents were reported during the above-mentioned period. Only isolated incidents of stone-throwing and arson, causing little damage, occurred." This on a day when independent reports suggested general mayhem in Soweto with numerous attacks on Putco buses following a fare increase announced at the weekend.

An attempt to restrict the funeral of Rose Mpetha, wife of jailed trade unionist and United Democratic Front patron Oscar Mpetha, and a wildcat strike by Katlehong municipal policemen, were other sparks to continuing violent confrontation in a week that left two people dead.

This took the official death toll from political violence to 319 since the emergency was declared on June 12.

Lance Corporal Albertus Marthinus le Roux (20) died on Sunday when his horse detonated a landmine on a dirt track about 20 km from Barberton in the eastern Transvaal. The SADF said this was the fourteenth blast in the eastern border region this year. The SADF again blamed African National Congress insurgents operating from Mozambique.

A Mozambican government spokesman said the allegation was "a pretext for new aggression against Mozambique." The spokesman pointed out that the blast occurred 90 km from the Mozambican border, but just 20 km from the Swaziland border, yet Pretoria chose to blame Mozambique.

Detective Warrant Officer M R Sokela was killed after a grenade was thrown into his Umlazi home this week.

Putco's announcement of fare increases was, not surprisingly, met with protests in KwaNdebele. The embattled homeland is a nation of bus commuters; latest estimates put the number of people who commute daily to work in towns outside the homeland at over 30 000.

On Thursday, a crowd apprehended and stoned about 200 Putco buses on the Marble Hall-Pretoria road. The windows of at least 150 buses were smashed. Security force members were stoned when they arrived at the scene. Teargas was used to bring the crowd under control. Since then, reports indicate that people are back on the buses.

The number of bus commuters halved in Soweto as a result of the increases. And, according to a Putco spokesman, damage to buses in the area was extensive. One was destroyed, three were petrol bombed, and six others hijacked. Damage to others included the smashing of 100 windows and the slashing of 15 tyres. Details of Tuesday's events were not available as the *FM* went to press.

Teargas was also fired at the funeral of Rose Mpetha after restrictions imposed by the police were defied by mourners. Among the restrictions was an attempt to limit the numbers attending the funeral to 200. Several thousand in fact turned up. The funeral began at the family home in Nyanga, and later moved to the church in Guguletu. The ceremony went off smoothly until mourners moved to the cemetery. According to the bureau, about 1 000 mourners following the hearse were teargassed after refusing to disperse.

Bereaved husband Oscar (77), was refused permission to attend the funeral.

Municipal policemen were on the receiving end of the arm of the law after 115 were arrested in Katlehong by the SA Police. According to reports, about 300 council policemen stopped work and marched on the council offices where they started burning tyres and stoning Post Office vehicles. The men, who were mainly recruited in Gazankulu, Venda and KwaSulu, were demonstrating in support of wage increases.

Other unrest incidents reported by the Bureau during the week included intimidation at schools, a bomb in Mamelodi and attacks on security force members in Nyanga and KwaZekele.

At two illegal meetings involving coloureds in Cape Town, the security forces "were obliged" to disperse the group with quirts after they refused to move. ■

FIN MAIL 7/11/86

BUS OPERATORS 332

At the crossroads

Government may soon be forced to fund the purchase of the assets of two of SA's largest private bus operators.

Both Putco and Tollgate Holdings have submitted new proposals to ensure their continued operation after the establishment of regional services councils (RSCs).

In terms of RSC legislation and the recommendations of the National Transport Policy Study (NTPS) — which is understood to have been accepted by government — RSCs will be responsible for public transport. But exact details of the responsibility and the RSCs' future relationships with bus operators have not yet been made known.

It appears clear, however, that the current structure of privately owned bus companies will not be possible, due mainly to operators' uncertainty over their long-term future under RSC jurisdiction.

Putco has stopped buying new buses until the situation is clarified. Although Tollgate is still buying vehicles, it's also unsure of the future.

In terms of the NTPS proposals bus operators could be contracted to supply services, but relatively short-term contracts would make it unattractive — and financially risky — for companies to invest in costly depots and vehicles.

What the two companies have proposed to government is that RSCs in whose areas their services operate buy companies' assets and then appoint the companies to run the services on behalf of the RSC.



Public transport . . . stop signs ahead

The purchase of Putco's 3 300 buses and depots and Tollgate Holdings' 1 500 buses and depots could cost RSCs around R340 m.

Although such a move would be contrary to government's stated objective of privatisation, Putco MD Albino Carleo and Tollgate MD Johan Barnard believe it offers the best hope for a continued efficient passenger transport system.

Carleo says it is doubtful that RSCs will be able to fund the sort of transport service envisaged by the NTPS because their financial priorities will lie in other areas, such as upgrading black townships.

He says the solution favoured by Tollgate and Putco is for the RSCs to acquire bus operators' assets through a government capital grant, and for operators then to provide management services at a fee.

Barnard agrees this is a good idea and sees it as most favourable for Tollgate shareholders, who have been told of the proposal. He envisages the new structures operating as utility companies which, he believes, may take much of the political sting out of public transport.

The RSCs, if truly representative, would make decisions on potentially explosive issues such as fare increases from a position of necessity rather than the profit motive.

Barnard does not see the proposed buy-out as necessarily negative, and believes that in the long run it could benefit bus users.

Carleo says that in spite of currently fashionable free enterprise cliches and theories propounded by the National Institute for Transport and Road Research among others, it is a fact that public transport is still subsidised less in SA than in the US and Europe.

"The industry could not exist here without subsidies, including a recoverable discount on passenger fares.

"No government or municipal transport service in the country functions without heavy losses, which are in effect subsidies. Yet private enterprise is apparently expected to operate profitably without recoverable discounts or other subsidies."

He says factors which make this impossible include:

- ☐ The Group Areas Act, which forces many blacks to live far from their work;
- ☐ Township unrest, which causes heavy losses;
- ☐ Denial of access to bus operators by local authorities to CBDs, which forces many passengers to use alternative transport (access to Pretoria's CBD has been granted from November 1);
- ☐ The lack of dedicated bus lanes which hit trip frequency in peak traffic times; and
- ☐ The uncontrolled increase in the number of combi taxis — legal and illegal — operating without the restrictions and requirements placed on the bus industry. Carleo says the RSCs may eventually be faced with the choice of killing either the bus or the taxi industry. ■

Putco and talks on bus fares

PUTCO yesterday said that they took "very strong exception" to our report on their meeting with Azapo.

Putco raises four major points. We list these and our response point by point:

(i) The meeting between Azapo officials and Putco officials lasted two hours, and not "almost day-long".

• We were given to understand that the meeting took the better part of the day and if it actually lasted two hours, we accept it was not "almost day-long".

(ii) At no stage did the Putco officials indicate that we would freeze the fare increase.

• Nowhere in our story do we suggest that Putco had indicated that the increase would be frozen. The freezing of the fares is reflected as one of Azapo's demands at the meeting.

(iii) When your Mr Raboroko telephoned our public relations office on Wednesday afternoon and spoke to our Mrs Roxmouth, he asked if Putco was going to reduce the fares. Mrs Roxmouth, in the presence of our advertising manager, Mr Robin Duff, stated that the fares had been implemented and there had been no indication from management that the fares would be lowered. Mr Raboroko then spoke to Mr Duff, who reiterated this statement.

• Nowhere in our story is it reflected that a spokesman for Putco had said the fares would be lowered.

(iv) Azapo officials advised Putco at the end of the meeting through Mr Myeza that they would be going to the Press, with four demands to Putco, and that Putco would then have to respond thereto.

• We approached Putco on the basis of the basic journalistic principle of getting both sides of the story at the same time wherever possible.

• Putco also objected to our headline: "Putco in Peace Talks" saying the headline suggested they were "at war with the community".

We deliberately chose this headline so as not to raise false expectations about the talks between Azapo and Putco.

Putco 'not involved'

Putco has denied it was associated with roadblocks where security forces stopped taxis and private minibuses which are being used in the boycott of Putco buses.

Mr Pat Rogers, public relations director for Putco, said the company had not asked for such action and they did not see it as helpful to their role in the community.

Yesterday thousands of workers were delayed when exits from Soweto and Union Road in Eldorado Park were sealed off by security forces.

Police said it was a "normal crime prevention operation".

EAST LONDON 26141

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GM says strike is over

PORT ELIZABETH — General Motors announced yesterday that production at its strike-bound plants would resume today, bringing to an end the seven-day wildcat strike by more than 2 000 workers.

The GM statement followed after the regional secretary of Naawu, Mr Les Kettledas, informed management of the workers' intention to resume work as from the early shift today. And in a statement issued at noon, the national secretary, Mr Freddie Sauls, was quoted as saying he wanted the strikers to return to work.

However, some doubt was later raised over the back-to-work prospects, when Mr Sauls said a decision would only be taken by workers at a mass meeting to be held at 11 am in Korsten. Mr Sauls said his earlier statement was misquoted.

In its announcement that the strike would end, GM said "it was pleased with the positive attitude being displayed by the majority of workers and trade unions".

Later yesterday afternoon, however, Mr Sauls said his understanding of the situation was that a final decision would only be taken after this morning's meeting, at which workers would also discuss "the attitude of GM".

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Taxis stopped as bus boycott goes on

CP Reporter

ROADBLOCKS were mounted at most exits of Soweto yesterday morning in what commuters believe is a ploy to break the bus boycott against Putco.

A police spokesman in Pretoria confirmed the roadblocks but said these were "routine" – and not aimed at specific car owners.

"We would like to point out that steps are not taken against any vehicle driver unless a crime is being committed or there is reasonable suspicion that an offence has been or is about to be committed," he added.

However, some commuters using private cars said they were stopped and asked why they were in cars instead of buses. Personnel manning the roadblocks were said to be particularly interested in taxis. Commuters said they suspected this was done to hold up the taxis so that they could be late for work.

The boycott of Putco buses started on Monday after Putco increased fares by 17,5% on November 1.

This week Putco said its door would always be open to organisations for talks to resolve the bus boycott.

Putco's announcement follows a meeting with the Azanian People's Organisation on Wednesday.

According to a Putco spokesman the meeting ended amicably, although no substantial move was made to break the boycott.

"We told them that we are sympathetic to the plight of township commuters," he said.

Putco also announced that two buses had been hijacked, 165 windows damaged and two buses petrol-bombed 48 hours after the boycott had started.

According to the spokesman, buses were 55% full yesterday.

Putco buses still running in Soweto

SIPHO NGCOBO

THE Putco bus boycott by Soweto commuters and the resultant heavy financial losses in revenue and riot damage have not deterred the company from continuing operations.

Some buses, although empty, were still running in Soweto at the weekend.

Company public relations officer Pat Rogers told *Business Day* the number of commuters using Putco buses last week was 55% of normal.

The boycott, the result of a 17,5% fare increase in the Transvaal, had, by Wednesday, cost the company more than R300 000.

At least one bus was completely destroyed and two partially burnt after they were attacked by mobs.

The boycott comes at the time when the company is struggling to overcome a deficit situation.

Putco has closed all its Durban South operations because of the sacking of more than 200 drivers who allegedly drove without collecting fares on October 24.

Meawhile, the company has appointed one of its senior officials to investigate last week's allegations of the shooting of an 11-year-old Soweto boy by white men in a Putco bus.

Argus 10/11/86 332

INSURANCE

AA Mutual clients have to kiss their money goodbye

From MALCOLM FOTHERGILL

JOHANNESBURG. — Insurance brokers are being told to hand over clients' unpaid premiums to the liquidators of AA Mutual Insurance, which crashed earlier this year.

The result will be that people who took out policies with AA Mutual before its crash, paying their annual premiums to a broker, will have to kiss their money goodbye.

The silver lining is that they will take their place in the list of AA Mutual's concurrent creditors.

The bad news is that nobody is able to say how much of their money they will see again, or when, and that meanwhile they have had to fork out to another insurer for the cover they thought they were getting when they signed with AA Mutual.

Nobody can say how much money is involved, but it is believed to run into many millions of rands.

The advice to brokers to hand over their clients' money to AA Mutual comes from the South African Insurance Brokers' Association, which earlier advised its members to sit tight while it looked into the legal situation.

Now, says executive director Mr David Alston, it seems the liquidators have the law on their side in demanding that brokers hand over their clients' money.

"It seems clear there's an obligation on the part of the broker to remit the premiums because in terms of legislation the money becomes the company's property as soon as it leaves the client's hands.

"The broker is regarded in law as an agent of the insurer as far as the collection of premiums is concerned."

Mr Alston's advice to policy-holders who don't want their brokers to pay the money to the AA Mutual liquidators is to talk to their brokers as soon as possible — the deadline for handing over the money is November 30 — and to be aware that they might have a legal battle on their hands.

"In this sort of situation it's the client and the insuring public that suffer.

"The liquidators are not necessarily to blame, because the more money they get in, the better the eventual settlement will be."

A spokesman for the liquidators said it was impossible to predict when their job would be over, but that it would probably be "years rather than months".

Nor was it possible to say how much the eventual payout would be.

Claims for credits have been reaching the liquidators from hundreds of thousands of people — so many that the claimants' names will be published alphabetically in several volumes which should be ready next year.

Meanwhile a three-member commission of inquiry headed by Mr Justice Melamet of the Transvaal Provincial Division of the Supreme Court will soon begin looking into the crash of the insurance giant.

Meanwhile, the President has appointed a commission of inquiry into the winding-up of AA Mutual's short-term insurance, Minister of Justice Mr Kobie Coetsee, said in Pretoria.

According to a notice in Friday's Government Gazette, the commission, chaired by Mr Justice D A Melamet, would inquire into:

- The circumstances which gave rise to the winding-up,
- The question whether persons, who were in a position of control or management or who were associated with the AA Mutual in a position of trust or who were seized with professional duties, neglected their duty to look after the interests of policy holders and the public,
- The question whether any functionary seized with statutory duties neglected his duty to look after the interests of policy holders, and
- The question whether the Insurance Act (Act 27 of 1943) renders adequate protection to policy holders and the public.

Bank in deal with taximen

FOLLOWING a recent agreement with the South African Black Taxi Association, a leading finance bank has confirmed its commitment to provide finance to members of the black community who wish to buy passenger vehicles and light commercial vehicles.

SOWETAN Reporter

Mr R Watson, marketing general manager at Wesbank, said: "We have considerable experience in this market. Through the branch at Dube, the bank remains close to the various credit needs of this particular community.

"It is constantly revising its approach to the problems which the market faces as a result of the prevailing socio-political conditions.

"It recognises that a pragmatic approach is required in order to provide the much needed financial assistance required by the majority of black car buyers."

The bank at present has on its books finance transactions to the value of R250-m involving sales to black buyers.

"It has always been the bank's policy to market its facilities horizontally across the total spectrum of the motor vehicle market — the only constraint being the credit worthiness of the customer. This policy is bearing fruit in that recent figures show a significant increase in our penetration of the market," the bank said.

Angry crowds stone buses after 17,5pc fares increase

Cape Times 3/11/86 (332)

JOHANNESBURG — Black commuters protesting at fares rises stoned several buses on Saturday in Soweto, the government's Bureau for Information said yesterday.

It said no one was injured in the attacks.

Buses in black townships around Johannesburg and Pretoria have been attacked by angry crowds several times in the past four days following the 17,5 percent fares rise.

Thousands of pamphlets calling for a bus boycott have been distributed and commuters say it is now cheaper on some routes to travel in privately run mini-buses which operate between the townships and the cities.

A spokesman for the largest bus company, Putco, said more than 200 buses had been damaged since the fares rise.

The anti-apartheid Azanian People's Organization said Putco "will find itself facing a bitter battle with the community".

The bureau said there was a slight increase in unrest-related incidents from 6am Saturday to 6am yesterday compared to the 24 hours from 6am Friday.

"The majority of these consisted of isolated attacks on Putco buses and illegal gatherings," a bureau spokesman said.

The spokesman said that in Cape Town on Saturday, security forces three times dispersed groups — twice with quirts — on the Grand Parade.

"In the first incident at 10h10, a group of 25 people held an illegal meeting and the security forces were obliged to disperse the group with quirts when they refused to heed a request to disperse. No injuries or arrests were reported.

"In the second incident, some 400 held an illegal meeting. This crowd also refused to disperse upon request and commenced throwing stones and bottles at the security forces.

"The security forces were obliged to use quirts in this instance to disperse the crowd. Two security force members were slightly injured and nine men in the crowd were arrested.

"The third illegal meeting took place at 10h45. On this occasion, however, the group of approximately 150 people dispersed voluntarily when requested to do so.

"In Guguletu approximately 1 000 persons followed a hearse. When they refused to disperse, security forces were obliged to use tear smoke. No arrests were made and no injuries were reported, although some 300 persons attacked a security force vehicle with stones." — Sapa

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Putco stops bus services in three areas

Mercury Reporter

THERE will be no Putco bus service to or from KwaMakhutha, Umbumbulu and Umlazi until further notice.

This is a result of the dismissal last week of 200 Putco drivers who allegedly gave passengers free trips.

Putco spokesman Mr Pat Rogers said the company apologised to its passengers but there would be no more service from these areas until Putco could come to some new arrangements.

Putco depots rocked in bomb attacks

By Mudini Maivha

Explosions rocked two Putco bus depots in Soweto as the bus boycott entered its second week.

The blasts last night and early today caused damage estimated at R10 000.

A company spokesman said it was not known what kind of explosives were used. Police were investigating, she said.

The Baragwanath depot was attacked at 10.20 pm and the Ikwezi depot at 2.30 am. Ticket sale offices were the targets.

Said the spokesman: "Damage to windows, doors and tiles was estimated at R5 000 in each case. No one was injured."

Buses were reported to be running 60 percent full today.

Ticket sales shot up to 65 percent of normal after 6 30 am, the spokesman said.

However, more damage to company buses has been reported.

Four buses were hijacked on Saturday and 150 bus windows broken yesterday.

There was no sign today of security force roadblocks. These were set up at Soweto exits last Thursday and Friday morning, but commuters complained they were delayed for work and some said they had been forced to stand in pouring rain.

A police spokesman said the roadblocks were to ensure drivers loaded an acceptable number of passengers in cars and that traffic regulations were observed.

Commuters, however, said they saw it as an attempt to break the Putco boycott, called after the company increased Transvaal fares by 17,5 percent.

Boycotting mobs cost Putco over R480 000

Mob violence surrounding the 11-day old Putco bus boycott has already cost the company more than R481 360 in damages to property.

The boycott was triggered by fare increases of up to 17,5 percent.

Today Putco said its buses were running 70 percent full, but many township commuters were still using taxis and trains instead.

Putco says it is sympathetic to commuters but had no alternative to putting up the fares.

A spokesman said the company had made the "fullest representation" to the Government for subsidies, but they have contributed "the maximum they consider possible". The subsidy is now 35 cents to a rand.

A freeze on increases, demanded by the Azanian People's Organization (Azapo), was economically out of question, the spokesman said.

The boycott became more serious yesterday when two bombs exploded at two Soweto depots.

Residents accused Putco of "giving the police a bus to ride and shoot at us".

By yesterday 856 windows had been broken, 14 buses hijacked, five buses petrol-bombed and partially burnt, two buses completely destroyed, seven drivers robbed, and 18 tyres slashed.

Backing for Azapo over Putco issue

SOWETAN 11/11/86

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THE Azanian People's Organisation has received support from at least 13 black organisations for the demands it made on Putco in the wake of the continuing bus boycott in Soweto.

The boycott, which entered its second week yesterday, was sparked off by the 17,5 percent fare hike which came into effect at the beginning of this month.

Mr Muntu Myeza, publicity secretary for Azapo, said yesterday that Putco's recalcitrance stems from its apparent support for the Government.

He said black people were obliged to live far from their places of employment because of the Group Areas Act.

"Our people, using other modes of transport, including taxis, are harassed by the security forces because Putco is being boycotted.

"Putco has not consulted with the majority of the people concerning the fare increases," Mr Myeza said.

He said Azapo, therefore, demanded that Putco should show that it cared for the people it served by freezing the fare increase until the Government agreed to subsidise 65 percent of every rand in the fare. It should denounce the Group Areas Act and call for the lifting of the state of emergency and the release of all detainees.

Organisations which supported these demands include the National Forum, the Azanian Youth Organisation, the Community Health Awareness Project, Community Solidarity Committee, Community Support Committee, Black Electrical and Engineering Workers' Union, the Azanian Students' Movement, Black Allied, Mining and Construction Workers' Union, Bureaux Resources Centres for Community Advice, Southern Transvaal Rent Crisis Committee and the Black Domestic Workers Association.

Offices, buses damaged

JOHANNESBURG — Two Putco ticket sales offices in Soweto were devastated by limpet mines on Sunday night and early yesterday.

No one was injured in the blasts, but damage worth R5 000 was caused to each office, a Putco spokesman said yesterday.

The spokesman said four buses had been hijacked and 150 bus windows broken during the weekend.

The Bureau for Information said the mines were of Soviet origin.

Putco fares have been increased by 17,5 per cent. The Putco spokesman said the company had made the "fullest representation" to the government to subsidise fares but "they have contributed a maximum subsidy that they consider possible. The average subsidy is 35 per cent of every rand."

The Azanian People's Organisation and 12 other community organisations and unions have demanded a price freeze until the government agrees to subsidise 65 per cent of every rand.

"Our people live in places far from their employment because of the Group Areas Act," a joint statement said.

● The bureau's report for the period up to 6 am yesterday said a man had died in Soweto on Sunday when a security force patrol was stoned by about 50 people and warded off the attack with birdshot. — Sapa

MANAGEMENT

Buses offer a travel alternative

SURFACE travel offers the traveller a relatively inexpensive way to see SA.

Apart from the train services offered by SA Transport Services (Sats), the inter-city bus business appears to be booming.

Citiliner, the inter-city luxury bus service in which Safmarine has an interest, claims it is enjoying a highly successful first year of operation.

A spokesman says it is "already in profit" and with two months to go to its first anniversary has conveyed its 50 000th passenger. Average occupancy rate for the full 10 months has been over 90%.

And Greyhound is delighted with its recently introduced inter-city service between Johannesburg and Cape Town. Says Peter Davies, GM of Greyhound Bus Lines: "The response has been overwhelming, and though coaches are still running with a few empty seats, the demand has more than justified our introduction of this extra-long-distance route."

Greyhound now has three such inter-city routes. The first was launched in June 1984 between Johannesburg and Durban with one scheduled departure a day from each centre.

Today, Greyhound offers some 50 scheduled departures a week on that route, and claims to have sold well over 200 000 tickets to the travelling public.

Greyhound's second inter-city service operates between Johannesburg and Nelspruit via Pretoria. And the Cape Town/Bloemfontein/Johannesburg run marks the first phase of the company's truly national operation.

Future services will almost certainly include Johannesburg/East London, Johannesburg/Port Elizabeth, Johannesburg/Cape Town via Kimberley, and Durban/Cape Town via Bloemfontein. This last route would be much faster than the coastal one.

And of course there is Sats, which offers a number of luxury Translux bus services around the country.

From Cape Town the Sats traveller can go to PE or right up the coast to Durban. Both trips pass through the Garden Route and stop at places like Heidelberg, Mossel Bay, George, Knysna and Plettenberg Bay.

Durban-bound passengers sleep in PE then travel through Grahamstown, East London, Butterworth and Port Shepstone.

Sats also operates a service along the same route, in the reverse direction, that takes six days to get to Cape Town.

Tours through Namibia are growing in popularity and Sats can take much of the credit for promoting that growth.

It operates one from Cape Town that takes six days to get to Windhoek through Namaqualand. Some of the interesting places it stops at are Ai-Ais, the Fish River Canyon and Keetmanshoop, from where it branches off to Luderitz for a day before going on to Windhoek.

From Upington Sats operates a 10-day tour through Namibia that is a must for lovers of that country. It takes in the Augrabies Falls, Luderitz, Swakopmund, Mount Etjo, the Etosha Park.

AMADRUSI



STRANDED commuters formed long queues at taxi ranks and many hitch-hiked home yesterday evening when people did not board buses because Putco had increased its fares by 17,5 percent.
Pic: LEN KUMALO

Commuters flock to taxi ranks

By JOSHUA RABOROKO and SY MAKARINGE

THOUSANDS of people were stranded in Johannesburg yesterday as a result of a Putco bus boycott against a 17,5 percent fare rise.

Only a few people were seen boarding the buses from the city. Bus drivers said they would be dropping their passengers at the outskirts of the townships.

Conditions at the various taxi-ranks in the city were chaotic as people fought for space in taxis. Many other people tried to get home by train.

Putco bus fares were increased by 17,5 percent in the Transvaal and by 15 percent in Natal.

In the Wynberg/Edenvale/Boksburg/Springs areas bus services and ticket sales were normal. In the Pretoria area bus services were normal. A Putco spokesman said ticket sales in Soweto had dropped.

Less than half the normal amount of commuters were using Putco buses yesterday morning when three of the buses were petrol-bombed and six other buses hijacked, according to a Putco spokesman.

The spokesman said one bus was completely destroyed and 100 bus windows were broken while 15 bus tyres were slashed in Soweto in the morning.

Only 40 percent of the normal amount of commuters were on buses operating in Soweto.

Ticket sales in the entire western area, including Soweto and Wembley had dropped to between 10 and 15 percent. The service had, however, not been withdrawn.

A number of passengers interviewed yesterday said they feared using buses because they might be attacked by radical township elements,

One woman from White City Jabavu, Soweto, who did not want to be identified, said she was worried that some people might follow her to her house when she alights from a bus.

Another said she had arranged with her employer to sleep on company premises.

A spokesman for the Soweto Boycott Committee said yesterday his organisation met senior Putco officials last week but failed to reach agreement with Putco on the fare hikes.

"Putco was insistent on the increases and our position was clear that the increases were unjustified. We explained to them that there would be no boycott if they retained the old prices but they rejected our compromise," she said.

The spokesman added that they then approached taxi owners and reached an agreement that private car owners be allowed to transport the extra load of commuters from the city to the townships during peak hours because taxis alone could not cope.

The spokesman could not say how long the boycott would continue because it depended on Putco lowering its fares.

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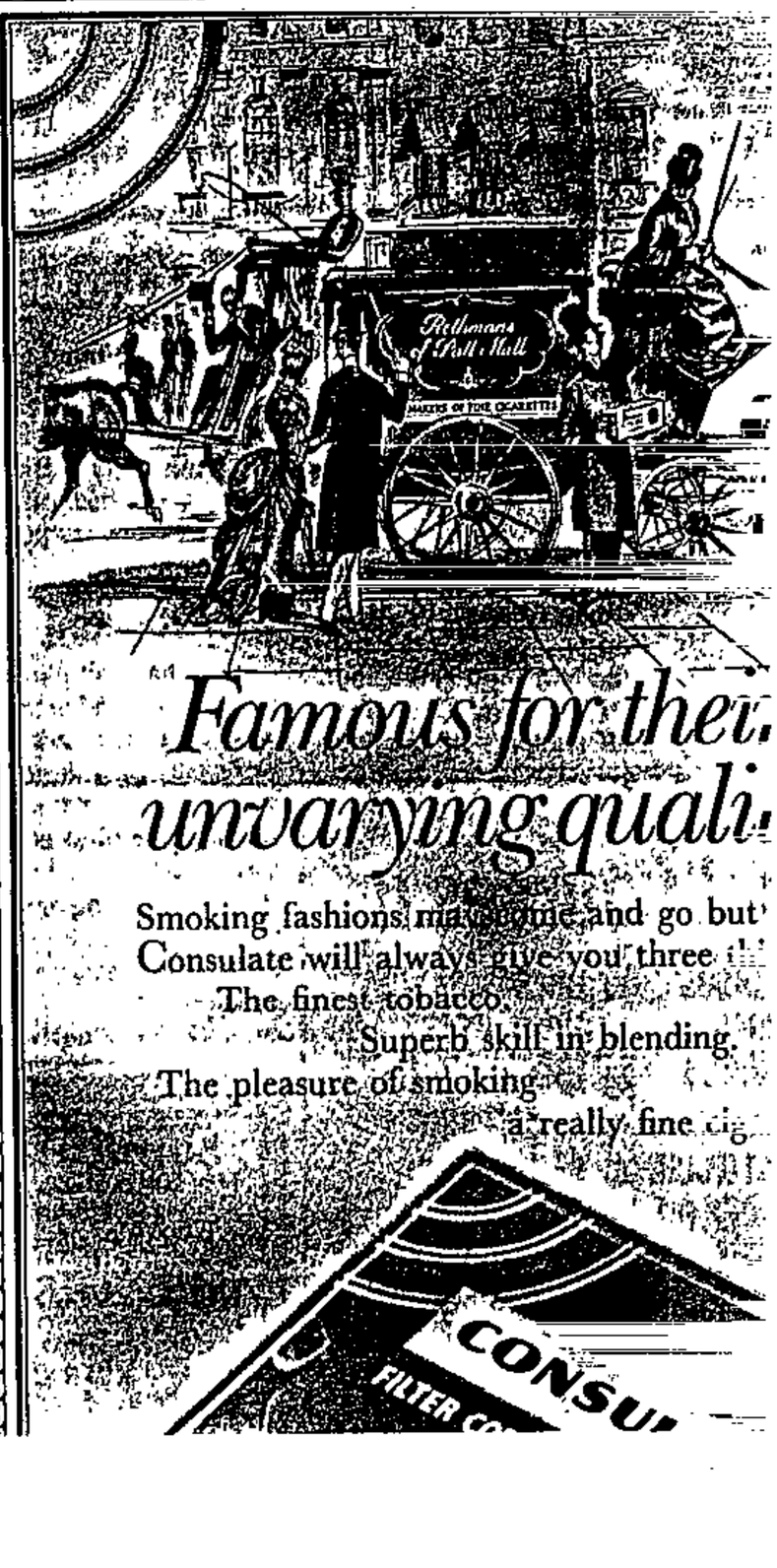

Driver hurt as mob stones bus

Sowetan 332 5/11/86

PUTCO has lost between R60 000 and R70 000 since the boycott of its buses started in black townships on Saturday.

A spokeswoman said these amounts accounted for losses incurred in the past five days and the company was not going to issue day to day figures of its losses.

She said a bus driver, Mr Zacharia Madua, was injured when a bus he was driving was stoned by a mob of about 20 people in Ikwezi, Soweto, yesterday. He was travelling to Naledi when the incident happened.

Putco is losing thousands

"This is one disturbing factor of the bus boycott we have received so far," the spokeswoman said.

Mr Madua was treated at the Baragwanath Hospital and later allowed to go home. He will receive daily treatment as an outdoor patient, the spokeswoman added.

The spokeswoman said the company would not pull out its buses from townships, but would only do so if the lives of their drivers were in danger in a particular area.

"We have done everything possible in an attempt to satisfy the passengers. We have no alternative but to increase the fares and we cannot go any further than what we have done," she said.

Boycott

Several buses have been damaged since the boycott started, she said, adding that the company would do its best to satisfy passengers by providing enough transport for them.

A delegation of community organisations, and taxi owners is expected to meet Putco to discuss the boycott in Johannesburg today.

Buses run on empty, despite claims

By SEFAKO NYAKA

PUTCO buses were running virtually empty this week, despite claims by the company that its buses were 70 percent full.

And yesterday Putco's public relations officer, Pat Rogers, said while he was ignorant of the circumstances of the fatal shooting of 11-year-old Bongani Kheswa in Soweto on November 5, he could envisage none that could justify the shooting.

The incident could only be described as tragic, criminal and inflammatory, he said.

Bongani was allegedly shot by four uniformed white men in a Putco bus while he and his friends were playing "Guy Fawkes" alongside the Potchefstroom Road.

Rogers said in view of a police inquiry into the shooting, details of Putco's internal inquiry, completed yesterday, were unavailable because the matter was now regarded as *sub judice*. Putco was making its evidence available to the police, he said.

The company at first denied any connection with the event but on November 7 announced an internal inquiry would be conducted by a senior company official from outside the area. The inquiry was announced after a Putco official said they had been told by police at Protea Police Station to "come and collect one of their buses" which had allegedly been hijacked.

Meanwhile, yesterday morning several city-bound buses had fewer than 20 passengers each.

Thousands of Soweto commuters are still using taxis and private cars to get to and from work.

The Soweto Putco Boycott Committee has accused Putco of trying to break the boycott by claiming an increase in passengers, charging that "Putco and the police" are boycott-busting by "putting up roadblocks and recruiting vigilantes to force people to ride buses."

The committee said several workers had arrived late for work as a result of being ordered out of taxis at roadblocks manned by Security Forces.

Putco has denied any involvement in the roadblocks or the use of vigilantes to try and break the boycott.

The Bureau of Information dismissed the allegations as groundless. In a statement last week, the bureau conceded roadblocks had been set up in the area and people asked to get out of their vehicles "in order for the Security Forces to search them (the vehicles). This, as you know, is normal practice in the case of roadblocks," the statement read.

The committee has appealed to taxis and private cars to cater for people who work in suburbs and thus find themselves stranded as a result of the bus boycott.

Concord News reports that in Durban this week Putco lost at least R400 000 in bus fares following disciplinary action against, and dismissal of, 200 drivers who refused to collect fares from passengers on October 24.

A slight return to normal is expected today with the introduction of a "skeletal service" made possible by Putco's recruitment of new drivers this week.

Meanwhile lawyers for the drivers' union, Transport and General Workers' Union (TGWU), are preparing papers for industrial court action against the company.

A union representative, Mike Gwamanda, said TGWU were filing several charges of unfair labour practice against Putco and demanding the reinstatement of the dismissed workers.

The charges all relate to Putco's violation of the recognition agreement with the union, he said. "In all our recent meetings with management, they have not been prepared to negotiate a single matter and are using a dictatorship," he said. A Putco representative said the dismissal of the workers was justified.

"I have proved beyond doubt that the workers concerned, in total 290, did not collect fares on October 24 and were therefore in breach of contract. Alternative disciplinary action has been taken against those who were not dismissed," the representative said, but declined to comment further. The representative said Putco would only comment on the pending industrial court action once court papers have been served upon them

A BLACK MAN'S FIRST RIDE ON A 'WHITE' BUS

SIZWE MKHIZE reports on his first legal ride on a bus serving an upper class white suburb in Durban

LAST Wednesday I travelled in what, just one day earlier, was a "whites-only" bus to the Bluff, one of the most conservative white suburbs in Durban.

I should hasten to say nothing happened. The world did not collapse and I returned from the trip intact.

Apart from curious stares, my fellow commuters kept to themselves, reading magazines or novels.

I found myself a place next to a senior lady, not unlike others, reading *Personality* magazine.

I asked if the bus was going to the Bluff, the answer was affirmative, but we would not discuss her magazine because, she complained, she was busy reading it and had no time to talk. I apologised.

What a contrast. In Umlazi it would have been peak hour and the bus packed to capacity. This one was far from crowded.

There was not that noise and shouting, which is the chief feature of my usual trains and buses. And no one was complaining about "the boss", or of being overworked. That sort of complaint you never miss in our transport.

My non-black colleague was busy eliciting passengers' views about the desegregation of the whites-only "blue line".

My neighbour, seeing the survey in progress, became agitated and finally managed to get the attention of my colleague.

"Are you doing a survey of some sort?" she demanded.

"Yes. We are reporters."

"Look, I have got nothing against people of other races sitting next to me, but why does this gentleman (referring to me) ask me and not you about the destination, if you're going together? You don't have to go around intimidating people," she exploded.

"Could I explain something to you please?" I asked.

She ignored my request and warned that I should not point fingers at her. I had not done that. She disembarked from the bus very angry.

Others were friendly, if not patronising. Many people indicated they did not mind the mixing.

My Zulu-speaking friend said as long as "we" do not cause problems for each other, it was fine.

"The Bluff is a nice place as an exclusive residence for whites," I said.

"But it isn't an upper class suburb like Westville," he said. "Compared to my Umlazi this is a heaven of a place," I argued. — Concord News Service

WEEKLY MAIL

14/11 – 20/11/86

TGWU do not dispute that drivers gave free rides to passengers on October 24, but said it was not union-organised.

"After a meeting with management on October 24, we actually persuaded the drivers to refrain from such practice," Gwamanda said.

According to TGWU, the company went ahead with disciplinary hearings on October 30, despite the terms of an agreement between the union and the company stating that disciplinary action against workers should take place within three days of the offence.

In a meeting on October 28 the company did not advise us that disciplinary action was going ahead, Gwamanda added.

Police were present at a subsequent disciplinary hearing and detained a shop steward, who has subsequently been charged with intimidation.

The hearings continued throughout last week and ended on Friday with the firing of 200 drivers.

Close on 100 000 passengers from Umlazi, KwaMakuta and Umbumbulu were left stranded. In Umbumbulu and KwaMakuta no train service operates.

Throughout this week, no buses left their ranks in Durban South and the company incurred losses close on R100 000 each day.

In papers being prepared for the industrial court, TGWU claim the disciplinary action was conducted in an adhoc manner and not in compliance with the recognition agreement.

"Drivers were informed of the disciplinary action by notices pinned to a board on the company premises."

Sapa 14/11/86.

Two die as taxi war erupts in Cape Town

CAPE TOWN — A taxi war has broken out in Cape Town's black townships, leaving at least two taxi drivers dead, close to 20 wounded, more than 10 kidnapped and more than 50 township taxis smashed or hijacked.

Thousands of commuters have been left stranded because the minibus service has all but ground to a halt as taxi drivers vow to take the fight into the heart of Cape Town — where the Claremont and Mowbray taxi ranks are.

Late on Saturday and early yesterday, rival taxi owners armed with pangas, makeshift swords, kieries, knives and guns, roamed the townships of Guguletu, Nyanga, New Crossroads and Khayelitsha, and several skirmishes were reported.

ARRESTS

But there have been no deaths reported to the police, police liaison officer for the Western Cape Lieutenant Attie Laubscher said.

Four men have been arrested in connection with the fighting — two in Guguletu and two in Claremont. The condition of one person who was seriously injured in the fighting had improved considerably, the lieutenant said.

He appealed to anybody with any information about the fighting to contact the police. Licensed taxi drivers — the "legals" — are battling it out with unlicensed drivers — the "pirates" or "illegals" — in an attempt to gain control of several key taxi ranks and routes.

The hopelessly over-traded taxi market has been even more squeezed recently by City Tramways' introduction of several hundred minibusses. — Sapa.

Putco to appeal to US

PUTCO and some co-operatives are to appeal against their inclusion on the "166" list of companies hit by the trade embargo imposed by US legislation.

No other blacklisted companies polled by *Business Day* yesterday believed they qualified for exemption. Most issued a flat "no comment".

The US embassy in Pretoria has received no requests to be forwarded to the State Department for appeal.

Prominent losers are the steelmakers, and the list struck a sour note with KWV after three years of "exploiting the great wine market in the US".

Leading finance and development corporations do not expect to be affected by sanctions. Neither do Sats and Escom.

HAMISH McINDOE
and CHRIS CAIRNCROSS

A Putco offical stressed the company "was not part of the government nor is it subsidised — only our passengers are".

He said: "It might affect our overseas borrowing position, but we do not intend to go to any foreign capital markets in the forseeable future."

Cape-based co-operatives KWV, the Deciduous Fruit Board and Langeberg Co-op issued swift denials that they could be defined as parastatals.

Officials privately say steps are already in progress to clarify the issue and to seek having their classifications reviewed.

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Commuters not deterred by mine blasts

Bus boycott: user numbers rise to 65%

THE number of commuters using Putco buses rose to 65% for the first time yesterday since the boycott began a week ago.

Only hours before, two Soviet limpet mine explosions devastated two of the company's depots in Soweto. Damage was estimated at R10 000.

Windows of Mofolo North houses, more than 100m from Putco's Ikwezi depot, were shattered and walls were cracked.

Terrified occupants were still milling at their gates seven hours after the explosions.

One said: "I have never seen anything like this in my life. It was like an earthquake. If I had alternative accommodation I would be packing my belongings and leaving, forever. This place is dangerous. What if it happens again? I am so scared."

Other people said the same thing.

SIPHO NGCOBO

The first explosion took place at the Putco offices at Baragwanath at 10.15pm on Sunday. The explosion at Ikwezi occured at 2.30am yesterday.

The mines had been planted in the ticket sales offices, an apparent attempt to discourage commuters from buying their season tickets and thus sustaining the bus boycott.

The Baragwanath depot incident shatterd all the windows and damaged the door of the building while at Ikwezi the blast shattered windows, the ceiling and part of the roof. No-one was injured in the explosions. No arrests have been made.

A Putco spokesman said ticket offices were inundated with people wanting to buy tickets yesterday that "we could hardly cope".

Attacks on Putco buses continued yesterday with four being hijacked and 150 windows on others broken.

Cape church slams NGK

THE Muslim community said it welcomed the decision of the Wynberg Dutch Reformed mission church in Cape Town to condemn, and disassociate its 10 000 followers from, the NGK and its resolution against Islam.

Director of the Muslim Youth Movement of South Africa M F Choonara said yesterday his organisation supported the Wynberg church's view that "you cannot speak of religious freedom while people are allowed to insult the religion of another person".

He said Muslims should not be fooled into thinking that the decision of the NGK was an innocent statement.

"This has serious implications for the future of Islam in South Africa, and needs to be treated seriously and with much concern."

Choonara said it was evident the NGK was not prepared to resolve the crisis despite local and international pressure from Muslims asking it to withdraw the resolution.

"The NGK has already met a Pretoria Muslim group, the Islamic Foundation, on November 6, which resulted in nothing more than reconfirmation of the resolution. It is obvious that further attempts by Muslim groups to talk to the NGK would be useless," he said.

Choonara said the NGK's silence on the issue was not conducive to an atmosphere of love, peace and respect for others. — Sapa.

Complaints may force end of night bus service

W/E Post 15/11/86

332

Weekend Post Reporter

PORT ELIZABETH's all-night bus service, Dial-a-Bus — which serves mostly restaurants and hotels — is uneconomical and could be withdrawn, according to PE Tramways managing director Mr Carl Coetzer.

When told by Weekend Post of specific complaints about the service from several restaurateurs, he said:

"That is all I need to hear to cancel the service. It is not viable and is losing money. Let them go and make some other arrangements.

"I am not going to risk my buses at night when the service is already losing money."

Some restaurant owners were not co-operative and kept the bus waiting. Their staff complements changed frequently and as a result the staff destinations also changed.

"I'd be happy to cancel this service immediately and save money," Mr Coetzer said.

It was not always possible for the bus to drop the passengers at their homes because some streets in the townships were not negotiable at night. They were narrow, dark and dangerous.

Asked about complaints that drivers sometimes appeared to be under the influence of alcohol, he replied:

"There is no doubt that drivers are human beings and it could happen. But why don't people complain to me the following day instead of days later through the Press?"

Seven restaurants were canvassed by Weekend Post.

Three used Dial-a-Bus.

The fourth had stopped using the service because his staff got home too late and were not dropped at their front doors.

The other three restaurant operators said they had always used private taxis to take their staff home. They preferred taxis because they operated during stayaways and generally provided a reliable service.

One of the restaurant owners said he was "happy" with the service compared with private taxis. They had also given him problems in the past and sometimes let him down. He agreed that the staff got home quite late but at least they got home.

Three of the restaurant operators said drivers had sometimes smelt of alcohol.

One said a driver last weekend was "drunk" and slumped over the steering wheel. He complained to a supervisor at Perl Road depot and was told that it was "just his way and he always looked like that, but was not drunk".

His staff were sometimes picked up at 11pm after waiting for the bus for an hour. They got home to Veeplaas and New Brighton after 1am, after driving around the city picking up staff from other restaurants.

Sometimes they were dropped at Perl Road depot where they waited until there was a full bus to leave for the townships.

Taxi conflict turns to violence

Cape Times 15/11/86

332

Staff Reporter

TENSION between the so-called "legal" and "pirate" taxi owners in the townships erupted in violence yesterday when drivers from the "illegal" faction allegedly attacked rival vehicles in Guguletu and Claremont.

Four men were arrested and two firearms confiscated in two separate outbursts. An unidentified 34-year-old man was admitted to Victoria Hospital with head lacerations and a broken arm after being hacked with a panga about 4.30pm at a taxi rank near the Claremont railway station.

Two men were arrested and a revolver was confiscated after a shot was fired in the Claremont fracas.

About three hours earlier in Guguletu, police fired tearsmoke after two rival taxi groups clashed and later refused to disperse, a police spokesman said.

He said a number of tyres had been slashed and taxi windows broken. Two other men were arrested and a firearm was confiscated.

Publisher Mr David Phillip, who has offices near Claremont station, said he heard women ululating and saw them running "as if for cover" near the taxi rank outside the station about 4pm.

Vigilantes 'took over pirate' taxis'

He had an "imperfect view" of what was happening, but had heard shots and his wife, Marie, had seen people with what looked like knives or sharpened pieces of steel.

The commotion had lasted about five minutes, he said.

One of the "legal" owners, Mr Gordon Makuluza, said last night that "wi tdoek" vigilantes had taken control of the pirate operation and were trying to prevent legal taxis from operating on the Nyanga East/Claremont route.

Mr Makuluza said two of his drivers had been assaulted by "witdoek" drivers this year and that many legal taxis had been damaged by the "pirates".

Drivers 'abducted' in taxi 'mini-war'

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MARK STANSFIELD
Weekend Argus Reporter

SEVERAL taxi-drivers are believed to have been kidnapped after a bloody and vicious "mini-war" between legal and pirate taxi-owners in Athlone today.

The fate of the men was unknown but taxi-drivers spoken to said they feared for the lives of the men who were taken hostage and bundled into kombi taxis soon after 11am in Klipfontein Road, Athlone.

The scene of the kidnapping was littered with broken glass and the road splashed with blood.

Eight kombi taxis — seven of them pirate vehicles — were vandalised in what witnesses described as a well co-ordinated attack.

Legal taxi-drivers are believed to have been responsible for the kidnappings and the damage to the vehicles.

The eight kombis were vandalised with clubs and pangas. Windscreens were smashed and tyres slashed.

Police have opened a docket into kidnapping after being told by a witness that several men had been bundled into a vehicle and taken away from the scene.

At least one man was seriously injured during the attack.

A police spokesman said the man was attacked with an iron bar after a group of men stopped and then smashed his vehicle.

The "mini-war" between the legal and pirate taxi-owners began yesterday when several owners were waylaid in Guguletu and Athlone, according to a driver who declined to be identified.

The driver said that legal taxi-owners had gone on a mission of revenge today after a rumour spread that one of their drivers had been assaulted and killed in Guguletu.

Police were unable to confirm the death.

There were two similar attacks on vehicles and owners in Guguletu and Claremont early today.

Although police have confirmed that investigations are underway into the taxi "war", their task was made difficult because drivers from both factions are reluctant to come forward.

Only one of the hurt drivers has laid a formal complaint, police liaison officer Lieutenant Attie Laubscher said.

The damaged vehicles were towed away and stored at Athlone police station. Detectives are using registration numbers in an effort to trace the owners.

Legal taxi-owners have felt bitter towards illegal runners for years because they take away custom from those who have been registered.

Putco uses author to explain labour unrest

Own Correspondent

DURBAN. — Putco has commissioned author Wessel Ebersohn to write an article on its labour problems.

The article was included in a press statement issued by Putco's public relations executive, Mr Pat Rogers, who said the labour unrest at the company's Durban south division, which resulted in the recent dismissal of about 260 drivers, reflected "in microcosm the battleground on which South African management now finds itself".

In his article, after describing in detail the events leading up to the unrest and the dilemma facing management, Mr Ebersohn concludes: "As for the fired drivers, they are strangely confident that the union will fix things for them and that next week or the week after, they will be back at work. At this stage it seems an unlikely scenario."

Cape Times 18/11/86

Tramways minibuses

Staff Reporter

CITY Tramways has only seven minibuses operating in the black townships, and these operate as normal buses, the director of City Tramways, Mr N Blackshaw, said yesterday.

He was responding to a report in yesterday's Cape Times in which it was stated that the company was running "several hundered minibuses" on township routes.

Mr Blackshaw said his company's minibuses did not operate as taxis, but followed set timetables, prescribed routes and sold tickets "in the normal manner".

Warring taxi factions agree to 'truce' meeting

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ARGUS 17/11/86

Staff Reporters

A "truce" meeting was to take place today between representatives of the warring Peninsula township taxi factions after weekend violence left two men dead, many drivers injured and several taxis badly damaged.

One of the men killed was knocked down in Guguletu on Saturday and repeatedly driven over.

The other was dragged from a house and hacked to death after fleeing his vehicle.

At least six taxis were damaged in Athlone and police are investigating.

On Friday two men were arrested in connection with violence in Guguletu and on Saturday two men were held near Claremont station.

Taxi traffic today was quiet and the battle-grounds tense as many commuters hitch-hiked to work.

Sources in Nyanga, where the fierce battles between "legal" and "illegal" taxi owners and drivers took place at the weekend, said a meeting was to be held at Site C, Khayelitsha.

"Pirate" (illegal) taxi drivers said they did not expect trouble at the meeting.

"Everybody wants to start business

(Turn to Page 3, Col 4)

Taxi war: 2 die, 20 hurt

Cape Times 17/11/86 332

By TONY WEAVER

A VICIOUS war has broken out in Cape Town's black townships between rival taxi factions, leaving at least two drivers dead, close to 20 wounded, more than 10 kidnapped and more than 50 township taxis smashed up or hijacked.

Thousands of township commuters have been left stranded because the minibus service has all but ground to a halt as taxi drivers vowed to take the fight into the heart of Cape Town — the Claremont and Mowbray taxi ranks.

Late on Saturday and early yesterday, rival taxi owners armed with pangas, makeshift swords, kieries, knives and guns roamed Guguletu, Nyanga, New Crossroads and Khayelitsha, and several skirmishes were reported.

Licensed taxi drivers — the "legals" — are battling it out with unlicensed drivers — the "pirates" or "illegals" — in a bid to gain control of several key taxi ranks and routes, including the Claremont and Mowbray station ranks.

The hopelessly over-traded taxi market has been even more squeezed recently by City Tramways' introduction of several hundred minibuses on to the lucrative township market.

At the single quarters off NY1 in Guguletu, a vicious battle broke out about 3.30pm, leaving two dead and about 15 wounded, eyewitnesses said.

An eyewitness to the Nyanga barracks battle, who asked not to be named, said two kombis filled with "legal" owners went to the hostels to search for kidnapped drivers and he and friends followed in "a private car as camouflage".

As the two kombis arrived, they were met with a hail of gunfire as more than 100 pirates hiding in the hostels attacked the kombis.

"Our men were surrounded and they attacked them with pangas, assegais and there were many, many gunshots. Two of our drivers were hacked to death right there with pangas, and the pirates drove a taxi over the body of one of them.

"We were not well enough organized, we were outgunned.

"I and the others managed to escape, but at least 15 of our men are wounded, they have head and body wounds from pangas and axes."

He said "many legal taxis" had been hijacked and taken to the witdoek vigilante stronghold in Site C, Khayelitsha, from where "the pirates are using our taxis to attack us, they are camouflaged because we think they are ours".

But, according to a police liaison officer for the Western Cape, Lieutenant Attie Laubscher, there have been no deaths reported to the police.

Police have arrested four men in connection with the fighting — two in Guguletu and two in Claremont.

The condition of one person who was seriously injured in the fighting had improved considerably, he said.

He appealed to those with any information about the fighting to contact the police "rather than the press".

Since the war broke out on Friday in Claremont and at the Nyanga terminus, a minimum of 37 taxis have been smashed up and their tyres slashed, with a large number of vans hijacked by both sides — although it appears that the pirates are winning the war.

About 5pm on Saturday, a group of about 30 pirates were gathered in Klipfontein Road, heavily armed with pangas, swords and kieries.

They told the Cape Times they were preparing to "move in convoy all over the place and we will kill them (the "legals"). Today we lost seven taxis, but we got eight of theirs.

"Some of our drivers have been kidnapped and we think they are being killed. We know that two of the legals were killed today in Guguletu.

"What we are trying now is we will show them we will fight to the death, until we all die."



This pirate taxi was smashed up in Klipfontein Road on Saturday morning.
Picture: TONY WEAVER

'Truce' in taxi war?

(Continued from Page 1)

again," one said.

There was little activity at the normally hectic Nyanga taxi terminus, near Zolani Centre, after the morning peak. No "legal" taxis were seen in the half-full ranks which were occupied only by unmarked minibuses.

No taxis were seen outside the NY1 hostels in Guguletu, also usually a busy rank.

"Legal" drivers at Mowbray station said the only "safe" route was the one to Langa as "the fighting has not gone there yet".

At the Claremont taxi-rank a driver said: "It's quiet here at the moment. But it is tense. I do not know what will happen later."

On Saturday, a man was injured near the rank when his car was attacked and his windscreen smashed. Police said he was taken to Victoria Hospital. Two men were arrested for assault and illegal possession of a firearm.

Police asked anyone with information about the killings to contact Detective Warrant Officer T G Lalwana at ☎ 637 5945.

ARGUS 18/11/86. 332

New moves to halt city's 'taxi war'

Staff Reporter

AN ATTEMPT to call a truce between warring taxi operators ended inconclusively when one of the principal legal taxi-owners' bodies failed to attend a peace meeting.

About 200 taxi-owners and drivers and representatives of civic associations met in the Site C community centre, Khayelitsha, last night for the second meeting of the day to discuss the problem.

Several "pirate" taxi-owners claimed that most of the legal owners involved in the feud were members of Lagunya — the Langa, Gugeletu and Nyanga Taxi Owners Association — which had no representative at the meeting.

Speakers suggested that Lagunya might have been afraid to come to a meeting in Site C and it was decided to convene another meeting which would include Lagunya, possibly at a different place.

Members of the Site C executive committee, who called the meeting, and other community leaders appealed to the taxi-owners to lay down their weapons in the meantime, saying the war was disrupting the community.

Asked how they would like the conflict to be resolved, both legal and "pirate" taxi-owners said they wished to return to the situation which prevailed before fighting erupted — that legal taxis should ply mainly the township routes and the illegals the routes outside the townships, such as the Nyanga East/Claremont run.

However, community leaders said the real problem was the Government which provoked conflict by giving licences to some and not others while jobs were scarce.

They asked the taximen to ignore the distinctions between legal and illegal.

Pirate taxi-owners claimed the feud had started in June when "legals" tried forcibly to assert their rights to take first fares at the Claremont rank.

Civic associations had failed to resolve the dispute then and it had flared again in September. The present round of violence had begun last Wednesday.

● **The minicab war, Page 21.**



Picture: WILLIE DE KLERK, The Argus

TRUCE BID: Part of the crowd of about 200 taxi-owners who attended a meeting in the Site C community centre in Khayelitsha last night in an attempt to arrange a truce between illegal and legal taxi factions. The meeting ended inconclusively.

Taxi rivals agree on truce

Capt Times 18/11/86 332

Staff Reporter

AN uneasy truce has been reached between rival taxi drivers in Cape Town's townships after a series of meetings between community leaders and members of the "legal" and "pirate" taxi camps.

However, drivers seemed reluctant to ply the disputed Mowbray and Claremont routes, and taxi ranks in these two suburbs were almost deserted throughout most of yesterday.

Delegations from both factions met at a Guguletu hostel on Sunday and agreed to spread the word to drivers to "cease fire", according to the hostel resident who called the meeting, Mr Welcome Zenzile.

Another round of "peace talks" was held in Khayelitsha yesterday afternoon and last night in an attempt to find a permanent solution.



Mr Harry Attwood

But members of the Lagunya Taxi Owners' Association, which represents the "legal" owners, still appear unwilling to talk to the "pirates" or to abandon their fight for total control of the township taxi market.

A member of the association, who did not want to be named, said there was "no way" the legal owners would meet the "pirates" because this would amount to "recognizing their right to exist".

"If we meet them it means we must share with them. But they are illegal, they do not exist. We must push out the illegals altogether," he said.

According to two sources, the chairman of the association, Mr Lawrence Memani, and two members of the executive attended Sunday's talks.

Mr Memani yesterday denied knowing about the meeting.

Another "legal", Mr Gordon Makulutza, confirmed that the association's executive had attended Sunday's meeting.

The "legals" have accused the traffic authorities of failing to clamp down on unlicensed taxis.

Cape Town traffic chief Mr Harry Attwood admitted there was "a problem", but said his officers were "doing their best under the circumstances".

"We have taken action against 72 illegal taxi drivers this year," he said.

Mr Attwood coneded there was a heavy demand for taxis, but said his department could not issue more permits until more taxi ranks were provided.

He said the demand for taxis and the lack of facilities was being investigated by the Department of Transport, but that this was a "long-term project".

Putco probes teargas claims

19/11/86 SMK 332

Putco is still investigating an incident at the weekend in which one of its drivers was reported to have been overcome by teargas.

The incident occurred at the Avalon Cemetery, Soweto, on Saturday when members of the security forces allegedly fired teargas canisters into buses packed with mourners.

A spokesman for the Bureau for Information said it was absolutely wilful to suggest the security forces would fire teargas into a bus for no reason whatsoever.

In the incident, several people were reported to have been injured when they jumped out of moving buses.

The driver of bus number D4356 was reported to have fainted and the vehicle to have ploughed into a hillock.

A Putco spokesman said yesterday the company was still trying to get a "proper" statement from the driver as he was doing shift work.

"We cannot give a clear picture of events. Three buses were hijacked at the Avalon Cemetery. Two of them were burnt out and the other was extensively damaged."

According to some mourners, the teargas might have been intended for people attending the funerals of victims of police shootings in Orlando West.

Putco challenges its '166' listing

HAMISH McINDOE

PUTCO has formally challenged its inclusion among the 166 SA companies on Washington's trade blacklist.

And the US Embassy in Pretoria said it had received several calls this week from companies trying to get their names scratched off the list.

"But we've not exactly been overwhelmed with inquiries," said an embassy spokesman, adding that requests for appeal or clarification should be sent to the US State Department's Southern Africa office.

A spokesman for the US Information Service in Johannesburg said no new im-

Companies dispute blacklisting

From Page 1

port curbs had been written into the sanctions legislation.

Blacklisted companies can still buy from the US but are bound by previously legislated import bans covering, for instance, sale of arms.

A Putco spokesman said a letter had been sent to US officials in SA questioning the listing. "We hold that Putco's passengers are the only ones that get a subsidy and have asked for a response."

Criteria for inclusion on the blacklist includes receiving State subsidies.

West German-owned SA Siemens and computer company Mercedes Datakor were on the list because they allegedly received subsidies.

But Mercedes Datakor MD Nick Frangos said: "We are an entirely SA-owned operation and Pretoria has not given us one cent in subsidy."

Siemens has made clear that it would not comment on its listing.

Officials at Reunert-owned computer company Andromeda Electronic Systems could not be contacted to explain why it had been barred from the US market.

Leading development and finance corporations do not expect to be affected by their blacklisting. But some homeland corporations could.

Development Bank of Southern Africa general manager André le Grange said the bank had no ties with US importers.

Putco to retrench

JOHANNESBURG — Putco is to retrench about 270 employees because of the boycott of buses in Soweto, the company announced yesterday.

Talks are taking place between divisional company managements and representative worker bodies.

The boycott, which has been accompanied by violence, follows a 17,5 per cent fare increase to meet higher operating costs. — Sapa

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CAPE TOWN FYI MUSIC 332

Port in a storm

Cape Town harbour, suffering from the dual effects of the local recession and the fall in world trade, is barely keeping its head above water. The fact that it is managing to do so is mainly a result of the marketing campaign started a year ago.

Since then, the only significant new traffic is export coal, and Port Director Willem Louw says grimly: "This is about the only thing keeping us alive."

Reductions in rail tariffs and harbour charges, based on high volume, were the incentive for coal's new route, and, since the first vessel docked on January 3, exports have totalled 330 000 t. The figure has picked up dramatically in recent months and more ships are expected, no doubt helped by the scramble for shipments before the sanctions noose tightens.

As far as break-cargo is concerned, Cape Town stevedores face a bleak 1987 — handling fell from 2,4 Mt in 1984 to 1,25 Mt in 1985 and 1986. And next year's total is projected at 0,9 Mt.

Volume tariff reductions have now spread to coastal container freight. This, according to Louw, is aimed at retaining traffic which was being threatened by fierce competition from private road hauliers. The response has been good — 7 155 containers a year are covered by the contract. Some 4 450 were in danger of being lost to the hauliers.

Another new move is to offer the mothballed grain elevator for common usage storage, perhaps for grain imports.

And there's a trickle of business in other areas, mainly because of the reduction in contract dry dock costs and the cheap rand. This has resulted in an increase in refits and refurbishment, especially for trawlers, and there's been some headway in finding new customers.

Even in the event of a sustained economic improvement, Cape Town's distance from the Reef is a crippling disadvantage.

But, although Sats must be as concerned as anyone about using spare capacity, tariff adjustments are considered on specific freight only if it reckons there's enough volume.

This stalemate will be one of the key areas of investigation by Wesplan, the ambitious economic growth scheme sponsored by the business and public sector-backed association, Wesgro launched late last month.

If this initiative fails, Louw sees the only positive sign on the local horizon as the spin-off from the Mossel Bay project. ■

5. WAGES

5.135 AVERAGE MONTHLY MONEY WAGE OF GARDENERS, RANKED ACCORDING TO TOTAL WAGE, BY REGION : 1981
(In rands. Obtained from annual census of houses and domestic servants and of flats.)

RANK POSITION	TOWN	RACE & GENDER	TOTAL WAGE	CASH WAGE	KIND WAGE
1	WITWATERSRAND	AFRICAN MALE	127.93	75.16	52.77
2	PRETORIA	AFRICAN MALE	116.34	72.32	44.02
3	O.F.S. GOLDFIELDS	AFRICAN MALE	115.42	76.25	39.17
4	VAAL TRIANGLE	AFRICAN MALE	113.57	75.29	38.28
5	DURBAN	AFRICAN MALE	111.15	53.83	57.32
6	BLOEMFONTEIN	AFRICAN MALE	104.33	65.08	39.25
7	EAST LONDON	AFRICAN MALE	101.21	67.59	33.62
8	PORT ELIZABETH	AFRICAN MALE	100.47	73.91	26.53
9	PIETERMARITZBURG	AFRICAN MALE	100.40	53.53	46.87
10	CAPE TOWN	AFRICAN MALE	99.00	77.00	22.00
11	KIMBERLEY	AFRICAN MALE	94.66	62.78	31.88

SOURCE : CSS, Statistics of Houses and Domestic Servants, October 1981 and of Flats, May 1981, Report No. 11-03-17.

Putco ticket furore

21/11/96 Sowetan

SOWETO bus commuters using Putco's weekly tickets have complained of being short-changed and discriminated against their coloured counterparts in the neighbouring Eldorado Park and Kliptown areas.

The complaints, raised at the peak of the boycott of Putco buses which started in Soweto about three weeks ago, stem from the controversial weekly ticket system that is being used in certain coloured areas.

A *Consumer Corner* investigation found this week that the bus company is using the trip ticket system in areas like Eldorado Park and Kliptown while Soweto commuters are issued with day tickets.

Although both systems allow commuters 10 trips a week, the trip ticket system has more advantages than the day ticket system.

Soweto commuters, who for one reason or another, fail to utilise their tickets on certain days, automatically forfeit their trips as the tickets are marked "Mon/Ma - Fri/Vry". The tickets also expire on the day the last trip must be undertaken.

Trip tickets, on the other hand, are flexible as they have been marked "1 to 10". If a commuter misses four trips during the week, he can still use the ticket on weekends as, unlike the day ticket, the trip ticket expires on Sundays.

He said Putco had received similar complaints in the past.

The introduction of the trip ticket system in Soweto was one of the demands made by the Soweto Civic Association when Soweto commuters started boycotting Putco buses about three weeks ago.

"... as we get a proper cancellation equipment, management might decide to expand the system to all areas," the spokesman said.

Hearing for UDF funding deferre

URBAN — An application by the United Democrat- Front to have rescinded a Government ruling, hich lists the body as an affected organisation, as yesterday postponed in the Supreme Court, Dur- n until February 10.

The hearing was due to take place before Mr Jus- D L L Shearer, but when it was called the judge as told both parties had agreed to the adjournment.

The body was listed as an affected organisation month. The listing means it cannot get funding overseas sources.

Respondents in the application are the State Presi- t, the Government, the Minister of Law and der, the Minister of Justice and the Registrar of fected Companies.

Applying with the UDF are the Durban Housing Action Committee, the Natal Organisation of omen, and Mr Curnick Ndlovu, chairman of the DF's National Executive Committee.

In an affidavit Mr Ndlovu claimed the State Presi- , as the first applicant, had no jurisdiction to exercise the power to list the UDF as an affected ganisation unless the Minister of Justice appoint committee consisting of three magistrates.

This committee would have to make a factual port and the Minister of Justice would then hav consider it.

He claimed the committee of magistrates was appointed by the Minister of Justice, but by the ister of Law and Order.

He added the Minister of Law and Order, and the Minister of Justice, had given the required eration to the report by the committee.

He said the applicant received funds from outside and inside South Africa, which it distribu to various organisations affiliated to it — the bulk the funding from abroad emanated from the Swe labour movement and a church organisation base the Netherlands.

He added the UDF was interested in encouring a movement towards a non-racial, democra and unfragmented dispensation in the country. Sapa.

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Slim chance of HNP/CP alliance

Vereeniging Bureau

Chances are slim of the Conservative and Herstigte Nasionale parties forming an alliance for the next general election.

This would be the case while HNP leaders continued to be as intransigent as they had been for the past four years, Dr Ferdie Hartzenberg, CP deputy leader, said at a public meeting in Vereeniging last night.

...his scheme was that ...
...declared to the Receiver.

...fender series was overturned today by an international jury after a 6½-hour hearing.

The protest against Kookaburra II, which now falls from second to third place, had been lodged by Gordon Lucas, skipper of Australia III.

A protest by Peter Gilmour, skipper of Kookaburra II, against Australia III was dismissed.

It was announced today that Challenge France, which is in last place, will continue to compete.

The syndicate's major sponsors confirmed their support at a meeting in Paris.

Putco passengers ignore city stops

Municipal Reporter

Soweto's bus boycott has been blamed for the flop of Putco's new black bus stops located in the CBD since Monday.

Black passengers have largely ignored the 12 new city centre loading and off-loading points on through-city routes.

A Putco spokesman said this was due to the disruption of the service because the buses were running only a quarter full since the start of the boycott in Soweto. The boycott is now in its 21st day after a 17,5 percent fare increase on November 1.

Most travellers were simply sticking to their old habits of getting off at the terminuses on the city's outskirts said the spokesman.

He said the new stops had been advertised in the media, on television and in the Putco newsletter.

DET may delay schools opening

Education Reporter

The Department of Education and Training may postpone the scheduled date for the first day of school next year, Mr Job Schoeman chief of of public relations for DET said yesterday.

DET schools were scheduled to open on January 5 for teachers and on January 7 for pupils.

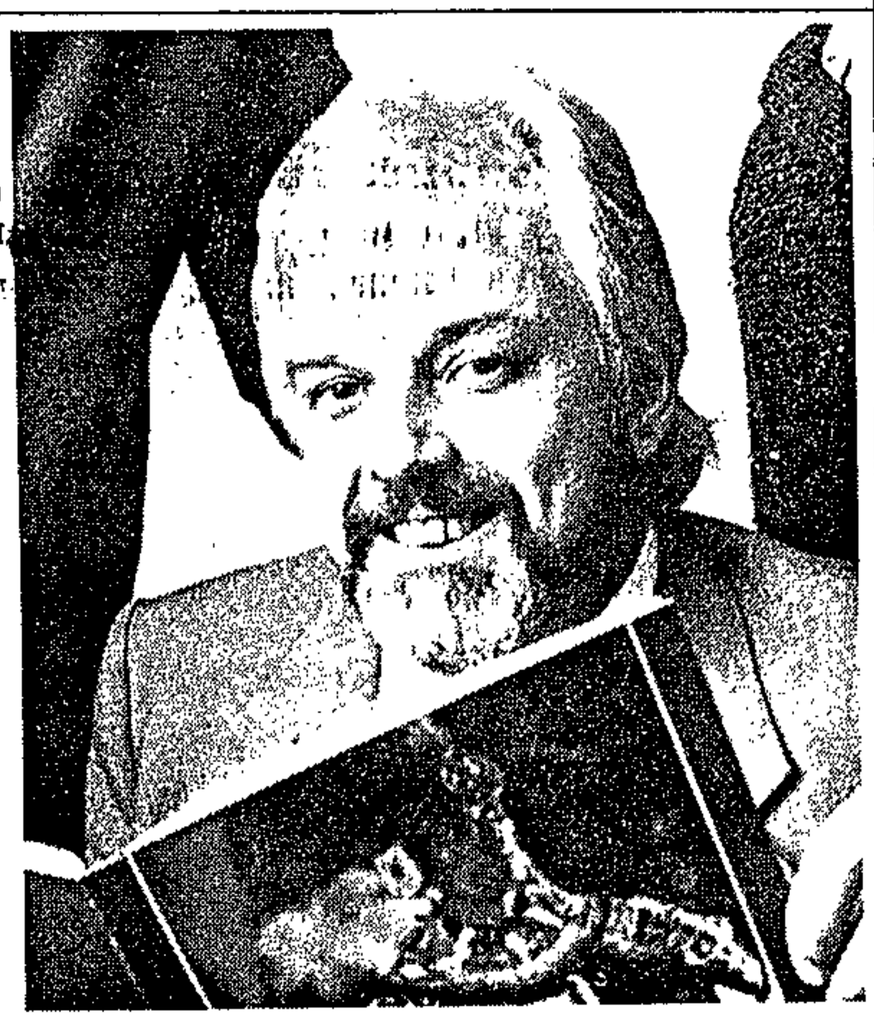
Mr Schoeman said the DET had received requests from teachers and parents to open the school a few days later.

"We have been asked to change the opening date because it is too close to the beginning of the New Year," he said.

A decision will be made next week.

INCLUDING ...

Mum



Mr John Lancaster

5 arrested for having mementos

HARARE. — Five elderly whites have been arrested in Bulawayo for having offensive memorabilia and are likely to be brought to court soon, lawyers here said yesterday.

They said the five, including two women and a retired army colonel in their late 60s, had been detained on Monday after police raided their offices.

The sources said the whites belonged either to the Legion, a body of British ex-servicemen in Zimbabwe, or the Pioneer Association established by the first white settlers in what was then known as Rhodesia.

Police had found plaques of former Rhodesian Premier Ian Smith, stamps which bore words such as "Remember Rhodesia" and a record entitled "Rhodesia, Brave and Beautiful" among several other items, they said.

The five, whose names have not been disclosed, spent Monday night in police cells but were later freed on bail pending trial. Their travel documents were seized.

Possession of offensive souvenirs, mostly items which commemorate Rhodesia and the government that declared illegal independence from Britain in 1965, is illegal in Zimbabwe.

The offences carry a fine of up to R120, the sources added. — Sapa-Reuter

Taximen seek help

TOWNSHIP taxi owners are to seek co-operation from the government in an effort to end the taxi war which has already claimed the lives of two drivers and wrecked 30 vehicles.

Representatives from the rival "legal" and "pirate" taxi factions met in a Cape Town hotel yesterday to thrash out a strategy which would enable the two camps to compete peacefully and on equal terms.

Part of the package includes government involvement — possibly the issuing of more permits to "legalize" the pirates — but neither group would divulge the details of yesterday's talks.

The national adviser for the South African Black Taxi Association (Sabta), Mr James Chapman, mediated at the meeting but said decisions taken by the two groups would be released only tomorrow at a general meeting in Khayelitsha.

Mr Chapman said he would present the package to "various government departments" in Pretoria on Monday.

He was optimistic that the resolution taken at the meeting would "put an end to the strife".

Women, children march

BEIRUT. — Hundreds of Lebanese, mostly women and children, thronged the streets of mainly Muslim West Beirut yesterday in a protest against what they call "the war of starvation".

Many shops, banks and schools shut for one hour in a sympathy strike against soaring prices, food

Police watch on Putco buses

MM 22/11/84 (332)

Mercury Reporter

PUTCO buses in Umlazi were yesterday operating under close police observation following the shooting of driver, Mr Petford Shezi, on Thursday, but a police spokesman in Durban said no arrest had been made by yesterday.

Buses were running smoothly but police whizzed up and down behind the buses.

A Putco spokesman said the police watch on the buses was a safety exercise made necessary by the shooting of Mr Shezi. No police were seen inside the buses.

A police spokesman in Durban said that since the Thursday incident they were monitering everything in the township.

'We are not only watching the buses but are keeping an eye on everthing,' he said.

Putco spokesman said it was believed that the shooting of Mr Shezi was related to the recent dismissal of more than 200 drivers for allegedly not collecting money from passengers.

Three burnt in bus-bomb attack

By SELLO SERIPE

TWO Soweto residents received serious facial burns after a Putco bus they were travelling in was petrol-bombed in Dobsonville this week – the fourth week of the bus boycott.

The two men, who asked not to be named, sustained burns on their faces and hands and are heavily bandaged. A third victim – a 23-year-old woman – suffered facial burns which were "not serious".

They were admitted to Leratong hospital.

The woman said the bus was attacked at about 6am on Tuesday, on her way to work.

She said she noticed a crowd of about 20 who wanted to stop the bus but the driver accelerated.

"A youth hurled a petrolbomb which shattered a window setting us alight.

"The bus only came to a halt after it crashed against a fence.

"We had to jump out through the windows as the flames raged and other passengers were trampled during the stampede," she said.

A Putco spokesman confirmed the incident.

The Bureau for Information's report said: "There were isolated reports of stone throwing and petrol-bombings on Putco buses and three passengers were burnt in one incident when a bus was petrol-bombed in Soweto."

Meanwhile **Mono Badela** reports that the bus boycott could be extended to other townships on the Reef, the Soweto Putco Boycott Committeesaid this week.

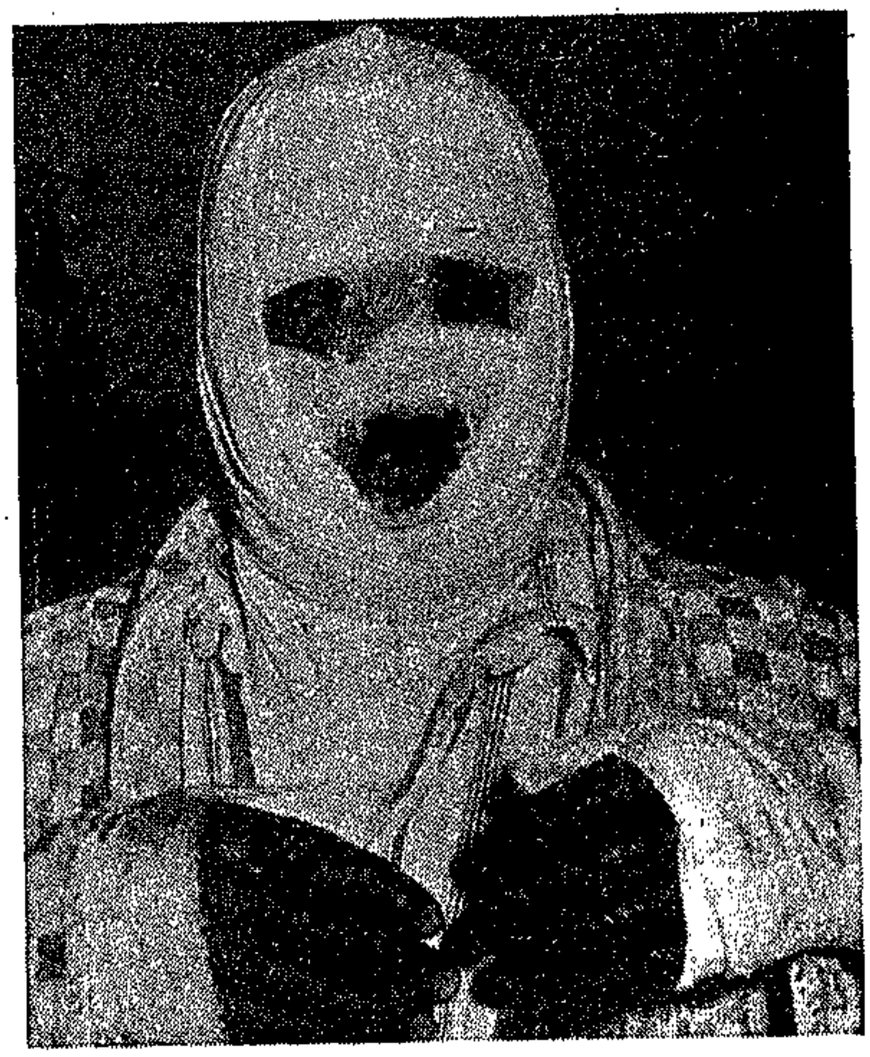
At issue is compensation for the 11-year-old Pimville boy gunned down on Guy Fawkes day.

The spokesman said that Putco's announcement this week that it planned to retrench some 270 drivers was clear indication that Putco was losing the battle.

"We abhor stonethrowing and destruction of buses. We always make this very clear at street and area committee meetings," the spokesman said.

"The SA Black Taxi Association has agreed to lower their prices. People who have been overcharged should take the name of the owner of the taxi and registration number and report the incident to his or her street committee chairperson," he said.

● A Putco spokesman said yesterday the implications of the retrenchments for staff and passengers, "through the actions of others", were very much regretted. About 100 buses have already been pulled off the road, but adequate services will be maintained by the rest of the fleet, to meet remaining commuter demand, Sapa reports.



A victim of the petrol bomb attack on the Putco bus, who did not want to be identified.

23/6/86. SUNTIMES

332

Putco trapped between mobs and subsidies

PUTCO does not know which way to turn in its quest for a humble return on the huge amounts of capital it employs.

Commuters, reluctant to pay economic fares, are still boycotting the corporation in Soweto after a 17,5% increase in fares.

The boycott, which involved the destruction of seven buses and the burning of several others, has cost Putco several million rands and shows no sign of ending.

Deaf ears

While commuters refuse to pay higher fares, the Government continues to hold fare subsidies to the minimum.

Putco has tried for years to get commuters on its side without success.

It has tried to convey that it is a community asset, that without it the quality of life in country and town would be that much the poorer — but its arguments have fallen on deaf ears.

The United Democratic Front and black-consciousness organisations have labelled Putco an instrument of white power and have seen it as an ideal target in the quest to make the townships ungovernable.

Putco public affairs chief Pat Rogers says: "Black politicians and commuters seem to think the subsidies are cream for us. They do not realise the subsidies are for them."

Putco's costs have risen sharply recently partly because of the rand's decline which affects the prices of buses, spare parts and fuel. Bus destruction is a new operational expense running to millions.

Putco faces one other problem — piracy by black taxis on its bus routes. It claims combis do not operate as taxis, that they run Putco's

By David Carte

best routes at peak times, leaving the unprofitable runs to Putco.

It claims bigger buses are inherently more economical than mini-buses, particularly over long distances. It is confident it can compete with the mini-buses — provided it does not have to operate unprofitable routes as well.

Mr Rogers says: "We will have to consider rationalising services."

Many routes could be terminated and some shared with other bus companies.

Another attempt will be made through an advertising campaign in the media to persuade blacks that Putco is no villain.

Morale at Putco has not been improved by the recent departure of the son of founder Albino Carleo for the US where he is to complete a doctorate in transport studies.

"All the young men want to be doctors," says a despondent father.

Many Putco watchers were waiting for the younger Carleo to move firmly on the company's long-seated problems.

There is so little for a shareholder's comfort that the company has stopped encouraging its black staff to buy shares.

No fewer than 140 of Putco's 600 shareholders are blacks, but the drive to involve employees in ownership has ceased because of the company's predicament.

At 77c, the share is about an eighth of rea net asset value. Theoretically, Putco coul unlock value by ending services, selling it 3 000 buses and distributing the cash.

But extreme action is politically unthink able. It also seems out of the question for th Government to take it over, so one remainin solution is a sale, piecemeal, to black commu nities.

Bus service suspended after threat to driver

NIM
25/11/86

332

Mercury Reporters

THE Putco bus company has suspended its service to Umlazi, Umbumbulu and KwaMakuta after one of the drivers was threatened at gunpoint in South Coast Road at the weekend.

A spokesman for Putco said yesterday the service would be reintroduced when the company believed it was safe for its drivers to operate.

He said Putco was continuing to train drivers to replace the 260 who had been dismissed after a dispute at the Durban South depot two weeks ago.

Striking Putco bus drivers will meet at the Executive Hotel in Umlazi at 10 a m today to consider their next move in the industrial dispute which has virtually crippled the company's operations on certain routes.

Meanwhile a spokesman for Chennells, Albertyn and Friedman in Durban said yesterday an application would be made to the Industrial Court, probably today, seeking a temporary reinstatement of all Putco drivers who were dismissed.

Boycott in 4th week

332

SOWETAN 26/11/86

AS THE Putco bus boycott entered its fourth week this week, commuters yesterday said they would continue using other means of transport until the company lowers its fares.

The Soweto Bus Boycott Committee, which claims to have met senior Putco officials before the boycott, said it was determined to pressurise the company to resolve the dispute.

It also said that it wanted Putco to refrain from retrenching about 270 workers in Soweto because of the bus boycott.

A spokesman for the Transport and Allied Workers Union (Tawu), which is organising Putco workers, said they had been informed about the proposed retrenchment of their members.

"Our executive committee is to meet soon to discuss the matter with members who will decide what line of action to take," the spokesman said.

A Putco spokeswoman said they have held talks with the Azanian People's Organisation and the United Democratic Front and exchanged views on a number of issues, including fare hikes.

"Our doors are open to everybody who wishes to come and discuss with us. We are inviting the boycott committee to talk to us about their problems, including the proposed retrenchment of workers," the spokeswoman said.

She said there was nothing the company could do to reduce the fares.

Welcome

"We will welcome anybody to meet us, but I hope in as much as we will be sympathetic towards their views they will also understand our problems," she added.

A spokesman for the boycott committee has appealed to private car and taxi owners to reduce their tariffs in the wake of the bus boycott.

All-cargo movement is halted

27/11/86

US shipper's bankruptcy cuts SA link

BUSDAY 332

ONE of SA's strongest shipping links with America, US Lines Africa, has halted all cargo movement to SA and filed for bankruptcy in a US court.

Its weekly relay from the US to Cape Town via Rotterdam has been terminated along with its entire transatlantic service, but the company is promising to make every effort to ensure cargo already at sea reaches its destination.

Shipping sources said yesterday SA Transport Services (which has a huge outstanding bill for railage), truckers on the Malawi route and depot operators who have stored US Lines containers, will be hurt by the bankruptcy.

The massive shipping line, which handles 20% of SA's trade with America,

Industrial Staff and
SIMON BARBER in Washington

posted losses in the first six months of this year of close to $150m.

US Lines' parent company, McClean Industries, seeks protection from creditors under Chapter 11 of the US bankruptcy code. The company filed on Monday for bankruptcy under Chapter 11 liquidation regulations and all further services to SA have been suspended.

While 1 200 employees — almost half the workforce — has already been laid off, US Lines spokesman Gina Bonacci said yesterday she had "no idea" what

● To Page 2

Bus. Day 332 27/11/86

US shipper cuts SA link

● From Page 1

was to become of Johannesburg-based US Lines Africa Ltd.

There were fears that creditors, including Citibank and Bank of America, might try to seize US Lines vessels in port. Bonacci said: "We are doing our best not have our ships arrested."

Safmarine, which handles about half of the SA-US trade, is already considering putting a sixth ship on their direct line to America — which is shared with Bank Line.

A Safmarine spokesman said: "We are actively pursuing their cargo."

The first signs of the impending bankruptcy surfaced earlier this year when US Lines began talking to creditors about rescheduling loans.

It is understood the weak rand dropped cargo flow from the US to SA by 40-50% in 1985, compared with 1984. Against this background, US Lines ended its direct service between the US and SA late in 1985.

Cargo is expected to continue to move in and out of SA without problems, as US Lines' competitors have already begun to scramble to pick up the trade.

Previously, US Lines operated a weekly relay service to SA through Rotterdam.

A US spokesman said in the US yesterday all goods now on the high seas would reach SA.

But US Lines has no idea what will happen to its SA operation.

A spokesman in the firm's SA head office in Durban would say only a statement was expected today.

Shipping analysts attribute the bankruptcy to a general downturn in global shipping trade and US Lines over-ambitious Korean ship-building operation.

To finance the purchase of the 12 largest container ships ever built by Korea's Daweood shipyard, the company borrowed $303m from a variety of institutions in 1983. These are now owed $1,2bn.

Safmarine will shortly announce a new European-US operation to replace a previous deal with US Lines.

It is expected Safmarine and Bank Line will pick up most of US Lines' 20% share of the American trade. Some of US Lines' business with America's Gulf Coast should be taken over by Lykes Lines Agency.

FM MAY 28/11/86

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BUS BOYCOTTS

Putco's hot seat

The boycott of Putco buses, which started on November 1, appeared to intensify this week. In Soweto, Putco services seemed particularly hard hit. But a company spokesman said: "We don't really want to say precisely what the position is because talking only increases our problems. All I want to say is that the passenger load was below normal."

Deterioration in the volume of passengers suggests that the trouble which was caused by commuter opposition to Putco's new fare increases of 15% in Natal, and 17,5% in the Transvaal, has not abated.

Putco's spokesman tells the *FM* that the service at Durban South has come to a standstill because of threats to drivers. "A driver was shot dead by a passenger on November 20 and another was threatened at gunpoint while on duty on November 22. The service has come to a standstill as drivers are now unwilling to work," he explained.

In Johannesburg, Putco officials are still locked in talks with worker representatives over the proposed retrenchment of at least 270 employees in three Soweto depots — Baragwanath, Ikwezi and Putcoton at New Canada. The bus company has said it was retrenching workers because of the continuing bus boycott.

The company's problems at Durban South started on October 24 when drivers, without the authority to do so, failed to collect fares from passengers. The company took disciplinary action by dismissing 200 of them. It immediately sought new drivers. The affected areas are Umlazi, Umbumbulu and Kwa-Makhutha.

"After dismissing the drivers, we ran a skeleton service. But, because of the violent threats against drivers, the service has come to a standstill. Although we have no proof, we believe the two incidents are connected with the dismissal of the 200 drivers," said Putco.

Police are still looking for the gunman and the company has offered a R5 000 reward for information on the gunman who fled from the bus after the shooting.

In a statement last week, Putco said the boycott had been accompanied by violence. As a result, they suffered losses of about R500 000 in damaged property and lost revenue from poor ticket sales. The implications for staff and passengers, because of the actions of others (boycotters), were regrettable, it said.

About 100 buses had already been pulled off the road, but everything was being done to meet the remaining commuter demand. The company also expressed fears that more buses might be removed and more drivers retrenched. It hoped to alleviate the situation through transfers and early retirements.

Apart from damage to buses, two Soweto depots were rocked by limpet mines, causing R10 000 damage to ticket offices two weeks ago.

Putco — which has asked government to decide whether or not the company provides a social service, in which case greater subsidisation is called for — maintains it would go out of business if it did not raise fares. But each time this happens, commuters invariably resist fare hikes. ■

PE taximen plan to get a 'fare' deal

W/E Post 29/1/86

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By RAYMOND HILL

PRIVATE taxi owners are planning a stepped-up campaign to attract more passengers — with the help of a Government grant.

A newly formed taxi organisation is to ask for a grant similar to that given to passengers using clipcards on Port Elizabeth's major bus company, PE Tramways.

It could result in fares being reduced, so increasing the already high number of people using taxis between the northern areas and city each day.

The move to make taxi travel cheaper for people seeking an alternative to the bus service has come from the Northern Areas Taxi Board of Control, whose members expect to be busier than usual in December.

A spokesman, Mr Hassiem Baboo, said this week that all members of the SA Bus and Taxi Association, the board's umbrella body, could be considered for a subsidy.

The association's membership includes taxi operators from PE's African townships, none of whom asked to be subsidised.

Taxi drivers in the northern areas each make 90 trips daily to and from the city.

However, PE Tramways does not regard their presence on the road as "stiff competition".

The company's managing director, Mr Carl Coetzer, said only clipcard users, people presumed to be workers, received a discount.

The balance of the fare was subsequently recovered from the Government.

The taxi and bus services, he said, were not comparable.

Buses, for example, carried more passengers at a time and taxi drivers did not issue tickets.

Mr Coetzer doubted whether any of the taxis concerned would carry as few as two passengers to St Albans on a Sunday, as buses sometimes did.

Taxi fares are 60c for a single trip from the Windvogel bus terminus, and a new direct taxi service will be introduced between Chatty and the city in January at 95c a trip.

The taxis only went as far as North End until bus fares were raised from 49c to 60c in August.

Mr Baboo said the bus fare increase had made it viable for taxi drivers to travel into the city centre.

"Now taxis have become more popular and more will be put on the road. The new service will make it easier for people in Chatty to travel to town."

Market stays on even keel

SHIPPING

THE SA freight shipping market remained steady last week.

There was little change in rates for handy-sized vessels, but larger vessels felt an easing in both demand and rates.

Afromar reports that with the holiday season approaching there is likely to be some last-minute bargaining as charterers clear out year-end requirements and owners try to avoid vessels standing idle over the holiday period.

In the coal sector, Korean charterers took two vessels out of SA last week. One was a 33 000-35 000-ton cargo from Richards Bay to Mokpo at $8,15 for a late December position, and the other a 35 000-tonner at $8,25 from Richards Bay to Inchon or Ulsan for a January cargo.

A trading house was talking of a 50 000-ton cargo from Richards Bay to Iskenderun, Turkey, with loading during December.

SA charterers arranged a 40 000-ton cargo of maize to South Korea, for loading in the first half of December, at $12. London traders had an inquiry for lifting 17 500 tons of bulk sugar from Maputo or Durban to London for mid-December, at a likely rate of about £12,50.

Turkish charterers were seeking indications for the movement of 250 000 tons of steel slabs from Port Elizabeth to Eregli, in the Black Sea, in 25 000-ton lots, with shipment during 1987.

There was interest in several other cargoes to both the Mediterranean and Japan. Local operators came into the market for a Panamax-sized vessel for a trip from SA to the Continent, with delivery on a mid-December position.

Putco and the case of the vanishing profits

THE managing director of Putco, Gaetano Carleo, who came to South Africa in 1927 as a poor immigrant, now lives in luxury in Italy.

His company and the holding company of Putco, Carleo Enterprises, was paid a "management fee" of R344 000 by Putco in 1986 alone. The previous year it was R328 000.

The stock exchange of the shares owned by the Carleo family, including 52 percent of Putco, is worth R10,5-million. The book value of the company is nearly R200-million.

The Carleo family's rise to financial power is, in the words of Putco's own annual report, "the sort of rags to riches story that salts Johannesburg history".

Why then have fares gone up 17,5 percent, provoking bus boycotts which are spreading through the Transvaal and leading to the retrenchment of Putco workers?

Putco replies that it is running at a loss. This is what it told the Local Road Transportation Board (LRTB), a government institution that has to approve all bus fare increases. However, community organisations have argued that Putco never consulted the community about the fares and it is unlikely that Putco's two black directors, MN Maponya and MM Peta, did.

The bus fares have gone up for two reasons. Firstly, the government has decided to decrease its subsidy of black commuters. Secondly, Putco may claim that it is running at a loss, but closer inspection of its highly complex financial statements calls this claim into question.

Since 1957, when the subsidy of black transport was introduced, it has increased from less than R5-million in the early Sixties to well over R200-million today.

Numerous commissions of inquiry have tried to eliminate this rising cost, but as the 1983 Welgemoed Commission noted, "it is an unfortunate fact that in South Africa public transport is highly politicised".

A recent report by the CSIR estimated that if subsidies were phased out, black commuters would find themselves spending about one third of their income on transport.

Nevertheless, the government has committed itself to phasing out subsidies. During his budget speech earlier this year, the Minister of Finance, Barend du Plessis, said he was satisfied that the "higher recovery of the losses from passengers — overwhelmingly urban commuters — is being phased in gradually". This is why the government has allocated R210-million for subsidies for 1985/86 — only 0,3 percent more than what was needed in 1984/85.

As inflation is running at 20 percent, it is clear commuters will be expected to carry the rest of the burden.

The fares that commuters are expected to pay are worked out by the LRTB and the Department of Transport in conjunction with Putco.

The process is as follows: firstly, the "economic fare" is calculated, *ie* what it costs Putco to transport the commuter plus a profit; secondly, what commuters can afford is calculated; thirdly, the state decides how much it is prepared to subsidise the fares to make up the difference between the economic fare and what commuters can afford. In the end, an agreement is reached about what fares the commuters should pay.

All these decisions are taken without consulting the commuters. Consequently there is always a huge gap between what Putco and the state estimate commuters can afford and what commuters say they can afford.

As far as Putco's financial position is concerned, it claims to have incurred a loss for the year ending June 1986. This was calculated by deducting the total operating costs of R310,4-million from the total income of R299-million, leaving a loss of R11,4-million. After various additional items were calculated, this left Putco with a bottom line loss of R5,7-million.

The crucial amount is the operating costs of R310,4 million. Included in this figure are two large amounts totalling nearly R30-million. These are firstly, the R14,7-million which is written off as "replacement depreciation", and the R14,4-million which is written off as "foreign exchange losses".

"Replacement depreciation" is calculated using a method known as inflation accounting. It means the costs of replacing buses and other equipment is calculated by working out what it originally cost to buy the buses, plus what it will cost to buy new buses. Inflation and the foreign exchange rate are taken into account because Putco imports most of its buses. This cost is added onto current operating costs.

This technique allows Putco to increase operating costs and hence decrease the size of its profits, whereas the amount written off as replacement depreciation has not been spent yet.

PUTCO has raised bus fares — and thereby prompted a bus boycott — because they say they are losing millions. Not so, argues MARK SWILLING, who has scrutinised the company's financial statements with the assistance of a chartered accountant

As far as "foreign exchange losses" are concerned, it is questionable whether these qualify as an operating cost. Instead, these losses were incurred because Putco management failed to take out forward cover on its foreign loans and credits.

If the costs of foreign exchange losses and replacement depreciation are removed from Putco's operating costs, as would be acceptable in more conventional accounting practices, operating costs would be R281-million, rather than R310,4-million, leaving Putco with an operating profit of R17,8-million.

Foreign exchange losses could then be reflected further down the income statement as a non-operating cost and deducted from profit. This would still leave Putco with a bottom-line profit of R3,4-million.

That Putco does not take its declared losses very seriously is shown in its declared net loss of R8,4-million for 1985, while it still paid out a dividend of nearly R800 000 to its shareholders.

If Putco acknowledged it was making a profit, it could never justify the massive fare increases it expects black commuters to pay. Furthermore, as Putco's income includes a state subsidy in excess of R80-million, Putco may well find it difficult to explain to taxpayers why it should make profits at their expense.

In the final analysis, black commuters are being expected to pay higher fares because:

- The state is no longer prepared to subsidise their long journeys;
- Government transport policy assumes that transport monopolies are entitled to make large profits which teams of accountants are adept at hiding.

It is also interesting to note that Putco's net assets are valued at the moment in excess of R200-million.

According to informed stock brokers, there are rumours that Putco is looking to sell out. If so, like the Frame and Rembrandt groups before it, Putco's owners will one day benefit enormously from all this accumulated value.

The question is, who will benefit? The millions of commuters, who have struggled for years to pay the fares, or the Carleo family?



AWB leader Eugene Terreblanche relaxes while two of his fellow commandos play *vingertrek* during a break in the AWB's four-day "devotional" horseride from Pretoria to Krugersdorp. The commando left Pretoria on Tuesday and are due to arrive at the Paardekraal Monument on Monday where they will commit themselves to a new covenant.
Picture: Anna Zieminski, Afrapix

South African Journal on Human Rights November 1985

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Applicants are considered irrespective of sex, race or religion.

Bates Wells Recruitment 040R

N/M 4/12/86 (332)

Give us assurance first, says Putco

Mercury Reporter

PUTCO, which suspended its bus services into three black townships two weeks ago following the killing of one its drivers, yesterday said services would remain suspended until such time as the company was assured that there would be no further harassment of drivers.

The suspension of services into Umbumbulu, KwaMakuta and Umlazi has resulted in serious transport problems for commuters.

Last week the Umlazi Township Council decided to convene a special meeting to discuss the transport problem.

A Putco spokesman said yesterday there was continuing consultation with the Council over the issue.

'We have met the mayor of the township but there has as yet been no solution to the problem,' said a spokesman.

The transport problems in the three townships arose from the dismissal of more than 200 drivers by Putco.

The drivers were dismissed for allegedly giving passengers free trips.

Putco pulls out of three townships

6/12/86 Mercury Reporter N/M (332)

THOUSANDS of black commuters from three Durban townships yesterday suffered a major transport setback when Putco shut down its operation into KwaMakuta, Umlazi and Umbumbulu.

The move, which is likely to result in the loss of jobs for scores of drivers, followed what a company spokesman said was labour problems and intimidation experienced by the staff.

Mr A Milanese, Putco's operations executive in Natal, told the Mercury yesterday that the company would try to alleviate the situation wherever possible by transfer and early retirements.

The closing down of the operation into the townships dates back to incidents in October where drivers allegedly carried passengers without collecting fees.

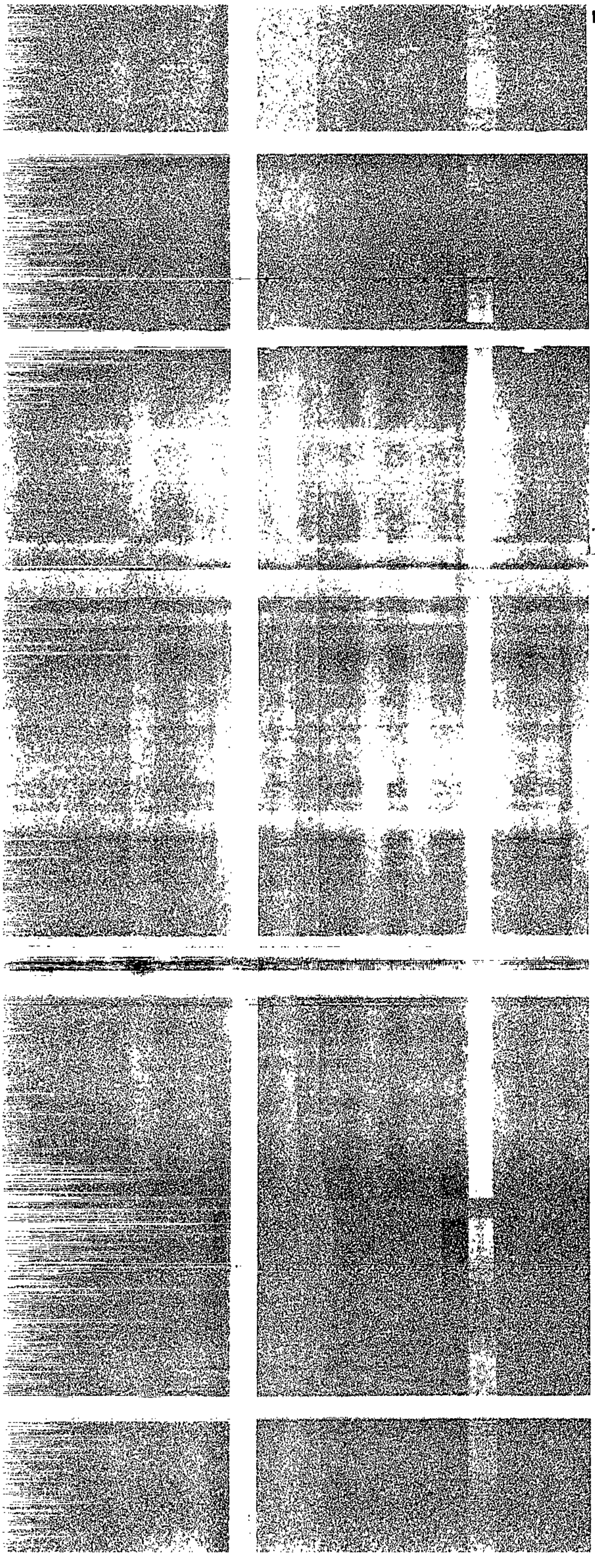
As a disciplinary measure Putco dismissed more than 260 drivers.

Other Putco drivers were then threatened with their lives if they continued driving.

Mr Milanese said the company had held meetings with black councillors and the police but it was not convinced that the safety of its employees was adequate.

Mr Marshall Cuthbert, general manager of the Durban Transport Management Board, said yesterday that the DTMB had always operated its service up to Umlazi and it had no plans of extending the service into the township.

KwaMakuta and Umbumbululu commuters fear they will be hard hit by the Putco decision as there is no train service to these two townships.



PE buses hit after rumours

CP Correspondent

RUMOURS that the month-old consumer boycott in Port Elizabeth has been lifted has this week led to the petrolbombing and stoning of the city's only white-owned bus company operating in the townships.

The attacks have imposed yet another hardship on the city's hardpressed black commuters.

In the attacks, three buses were gutted, causing damage estimated at R48 000, according to PE Tramways MD Carl Coetzee.

Three other buses were partly destroyed after being petrolbombed, causing damage of about R20 000, while another three were slightly damaged during stoning incidents. This is the second attack on PE Tramways buses this year.

The incidents followed a widespread rumour that the month-old consumer boycott had been lifted from December 1.

According to New Brighton residents men drove around the township announcing the lifting of the boycott through a loudhailer, while in Zwide they allegedly went from door to door.

Meanwhile, the PE Consumer Boycott Committee said in a statement that one of the boycotters' demands had been met by the authorities. Pensioners will now receive their monthly pension payments through savings accounts or in the post.



Mr PAUL Ngobeni . . . TTO's vice-chairman.

Thokoza taximen in dispute

THE Thokoza Taxi Organisation has accused a rival body, the Thokoza Taxi Association of waging a smear campaign against it in the township.

By NKOPANE MAKOBANE

The accusation stems from allegations by TTA recently that TTO was collecting R110 from residents through a white council official with a promise that they would be helped to obtain public motor permits.

The TTA chairman, Mr Piet Mbele, has reportedly said members of the public had claimed to his association that they had paid R110 to an official.

Because of these reports, TTA had made an application in the Supreme Court which sought to stop the official from applying for taxi permits on behalf of residents.

Mr Paul Ngobeni, TTO's vice chairman, has denied that the council official had been given R140 to apply for taxi permits. He said the official was only helping them to process the applications after an agreement was reached between the council and the TTO.

The R100 went to the coffers of the organisation for membership and running its affairs and only R10 was sent to the Local Transportation Board with the application form.

"We broke away from TTA in 1983 because we were dissatisfied, particularly about applications for taxi licenses. Many people who wanted licenses could not get them because of favouritism in the association.

"The TTA is a stumbling block for many people who want to obtain permits. At the October sitting of the board, 28 licenses were withheld. This was after the TTA objected to them being issued and said there were enough taxis in the township.

"This is all untrue, because Thokoza with a population of 104 000 has only 85 taxis. Right now 4 000 houses are to be made available and with the population increase, present taxis will not cope," he said.

Jacaranda bus fares go up

Sowetan 10/12/86

332

DUE to rising costs the Jacaranda Bus Service is to increase its fares as from January 1, 1987.

According to the manager of the company Mr J P Basson the company increases its fares only when absolutely necessary. He said that fares were reduced on May 1, 1986.

Mr Basson said that since previous fares increase in March 1986, general costs excluding fuel have escalated by a further 25 percent. The company needed 260 buses for its service to cope with conveying a total of 1,6 million passentgers over 1,5 million kilometres a month.

The company also offers job opportunities for 850 people of whom only 45 are whites.

The cash fares between Thaba Nchu and Botshabelo were increased from Monday, December 1, while fares for the workers will increase on January 1, 1987.

The fares (with existing fares) are expected to be detailed as follows:

From Thaba Nchu and Botshabelo to Bloemfontein — five-day ticket R5,40) to R5,90.

Six-day ticket — R6,59) to R7,10.

Seven-day ticket — (R7,55) to R8,30.

Twenty-two-day ticket — R23,75) to R26,00.

Twenty-six-day ticket — R28,10) to R30,70.

Thaba Nchu and Botshabelo to Bloemfontein white suburbs:

Five-day ticket — (R8,00) to R8,70.

Six-day ticket — (R9,60) to R10,40.

Seven-day ticket — (R11,20) to R12,20.

Twenty-two-day ticket — (R35,20) to R38,30.

Twenty-six-day ticket — (R41,60) to R45,20.

Bloemfontein internal routes:

From black and coloured suburbs to Bastion Square:

A ten-trip ticket (R3,00) to R3,30.

Fourty-four-trip ticket (R13,20) to R14,50.

Fifty-two-trip ticket R15,60) to R17,20.

From black and coloured suburbs to white suburbs:

Ten-trip ticket (R4,00) to R4,30.

Fourty-four-trip ticket (R17,60) to R18,90.

Fifty-two-trip ticket (R20,80) to R22,40 scholars.

Ten-trip ticket (R2,00) to R2,30.

Commuters interviewed by the *Sowetan* said the hikes were ill-timed. They unanimously said the increases came at a time when they were hard hit by the economic situations. "The decision shows lack of concern by the authorities," said one commuter who did not want his name published.

Commuters hit by Putco withdrawal

Mercury Reporter

THE fate of thousands of passengers left without any reliable form of transport when Putco withdrew its service into three Durban townships, is still in the balance.

Passengers from Umbumbulu, Umlazi and KwaMakuta, said yesterday the withdrawal of Putco had severely inconvenienced them.

Putco withdrew from these townships last week because of 'intimidation and threats on the lives of drivers'.

Putco believes that problems faced by the company in operating in these township is directly linked to the dismissal of more than 260 drivers, who failed to charge passengers about a month ago.

A spokesman was unable to provide figures of passengers transported daily.

But the company recently said it transported 1 000 000 passengers monthly in the Durban South Division — which includes KwaMakhuta, Umlazi and Umbumbulu — alone.

Scrambling

The withdrawal of service has caused overcrowding and made scrambling for taxis a daily occurrence for the commuters.

Taxis are doing a booming business but many passengers remarked that taxis were unable to cope with the rush-hour influx of workers to and from city centres.

'One cannot buy a monthly or weekly ticket now. It means paying daily and spending more,' said a commuter in Umlazi yesterday.

Umlazi's Mayor, Mr Sipho R Mfeka, said yesterday that something needed to be done about this problem. He said he would know in a week's time what could be done to resolve the situation.

Before Putco shut down its operation to Umlazi and the other two townships, it said it had met township councils but was not convinced about the safety of its drivers.

Passengers in Isipingo said without Putco they had to wake up earlier than usual to get to town.

KwaMakuta and Umbumbulu, unlike Umlazi, have no train service.

Transport for growing population

Demand for bus services rises

CM Times 12/12/86

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By AUDREY D'ANGELO
Deputy Financial Editor

THE expanding population of greater Cape Town — particularly that of Khayelitsha — means an increasing demand for bus services, shareholders in Tollgate Holdings were told at the annual general meeting yesterday.

Tollgate, which owns City Tramways and other local bus companies, also has a 40% stake in the Greyhound inter-city luxury coach services.

Fully booked

Chairman M D Marais said the service between Cape Town and Johannesburg, which started in November with three journeys a week in each direction, had proved so popular that from December 1 the number of journeys had been doubled to six in each direction.

"All the departures in December were fully booked some time ago. We anticipate that these services will continue to expand into a country-wide network and we look forward to a successful joint venture with United Transport Holdings in what we believe is an exciting development for the group."

Marais said there had had been an improvement in the results of the tourist coach business, Springbok Atlas Safaris. Though there had been a drop in bookings by foreign tourists, "domestic travel has increased substantially and visitors to Namibia have exceeded all expectations".

Marais said there had been some growth in the economy, although from a very low base. "There is some justification for having a more optimistic view of the economy in the year ahead."

Port Elizabeth was still an area with very little prospect of higher employment levels "and we do not anticipate any growth in passengers carried there in the near future".

"In Cape Town, however, City Tramways is experiencing increased passenger demand which is due mainly to the growth of the new area of Khayelitsha."

Marais said Tollgate Holdings' borrowings were still reducing and "the results for the first four months of the financial year are on target".

However, when a shareholder pointed out that last year's dividend of 20c (15c) a share was "hardly keeping pace with inflation", Marais said he believed SA was faced with a year of high inflation.

The group was faced with rising costs and, in this situation, the board could not be more liberal in paying dividends.

MD J Barnard, answering another question, said that though the cost of imported buses had risen steeply, there were cheaper vehicles available from other companies faced with less passenger demand, and from importers who already had some in stock.

After the meeting a senior executive of Tollgate said the group's marketing division kept a close watch on expanding populations in all parts of greater Cape Town, including areas like Table View, Noordhoek and the planned Blue Downs development.

More bus services would be provided as demand became apparent.

"But the key to it all is more employment. As more jobs are provided there will be more people travelling to work and more buses will be needed."

Phased out

Discussing the demand for the coach service between Cape Town and Johannesburg, he said that though it was only slightly cheaper than the budget price night flights, and the journey took 18 hours compared with two hours by air, many people found it more convenient.

"The coach travels through the night, stopping only for dinner and breakfast, and arrives at a more convenient time. We believe that passenger trains will be phased out and these services will replace them, as has happened in the US."



Taxi service under fire

By SANDILE MEMELA

RUMBLES of discontent were heard this week from Diepkloof commuters over their taxi service.

Scores of commuters are complaining about overcrowding and being packed like "sardines" in mini-buses as overworked taxi drivers battle to cope with the demand for their services.

Some passengers also complain that certain routes followed by taxi drivers leave them far from their workplaces.

On-the-scene observations has shown that an increasing number of taxi operators have resorted to taking as many as 13 passengers in 10-seater minibuses – leaving commuters disgruntled.

Some commuters refuse to travel in taxis because they are dissatisfied with travelling conditions and facilities.

"There is no reason for taxi operators to bundle us into cars. They seem afraid they will not make enough money at the end of day," said Irene Malati, of Diepkloof Extention.

Malati, a shop assistant in the city, said most taxi drivers overloaded their vehicles.

Motorists have come to the rescue of many people by picking up stranded commuters on their way into the city.

A NEW programme of British government scholarships for black South African undergraduates, to begin in the new year, was announced this week by British ambassador Sir Patrick Moberly.

He was speaking during a visit to Alexandra Clinic where a R32 000 waiting room, funded by the British Embassy in a move to improve health services in the township, was officially opened. – Sapa.

Khayelitsha bus service extended

Staff Reporter NEWS 18/12/86 (332)

KHAYELITSHA residents are now able to take the bus to and from Monwabisi holiday resort near Strandfontein and have had their existing Somerset West link extended to Nyanga.

Buses to Monwabisi start at Site C and pass through Village Three and J Block, along Spine Road, Swartklip Road and Baden-Powell Drive. Fares are 80c from Site C and 60c from Khayelitsha.

The extended route to Nyanga passes through Crossroads and on to Site C, through Village Three to J Block, and then from Khayelitsha terminus to Somerset West.

Cash fares (no clipcards) are R2,72 from Nyanga and R1,96 from Khayelitsha. However, clipcards are available for the Nyanga-Khayelitsha part of the run.

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Pirate taxis should be legalized — report

By BARRY STREEK
Political Staff

PIRATE taxis had to be accepted as an essential and important component of South Africa's commuting system, Dr Aubrey Redlinghuys of the University of the Western Cape has concluded after a study of transport patterns in the Crossroads squatter camp.

He said it was "of cardinal importance that the total integration of pirate taxis into the transport system of South Africa is looked at".

Dr Redlinghuys, whose study was published recently by the Institute of Social Development at the University of the Western Cape, found that the overwhelming majority of taxi and bus commuters favoured the legalization of pirate taxis.

"The adjustability, the greater availability and the quicker service of pirate taxis means that there is no shortage of passengers, in spite of the higher tariffs.

"Where respondents had problems with pirate taxis, the problems are of such a nature that they can be eliminated," he said.

Dr Redlinghuys said unsatisfactory bus services for blacks had been the basic reason for the flourishing existence of the minibus-taxis.

In his survey of Crossroads residents, which was conducted in 1985, 74 percent of the pirate taxi users cited quicker service as the reason for using them while 16 percent gave greater availability as the reason.

In the case of bus-users, 36 percent cited the coupon system, 25 percent the lower tariffs and 13 percent quoted their experience as victims of action by traffic police and the fact that bus drivers were safer and friendlier.

He also found that 23,4 percent of bus-users and 19,2 percent of taxi-users said the reason for the illegality of the pirate taxis was the selfishness of the government, while 4,3 percent of the bus-users and 7,7 percent of the taxi-users blamed apartheid.

Although many taxi-users said the taxis were not usually in good condition, the government lost money because of them and that the taxis were illegal because they pirated, "the perception is that the illegal position of combi-taxis was due to the government's position".

"The position is described in terms of selfishness, exploitation, apartheid and a favouritism to bus companies."

Dr Redlinghuys said in view of the experiences and perceptions of the inhabitants of Crossroads "there is a strong case to be made for the legalization of pirate taxis".

Putco offers 60 buses for sale

20/12-18L
332
NIM

Labour Reporter

PUTCO had suffered losses totalling nearly R1 500 000 since its bus services to the south of Durban were disrupted because of unrest, according to a senior spokesman for the company.

Mr Ashely Milanese, Putco's operations executive in Durban, yesterday confirmed the losses and said the closure of its Durban South operations on December 5 had resulted in the retrenchment of 380 employees.

He also confirmed that the company had discussions with the South African Black Taxi Association (Sabta) over a possible takeover of its Durban South operations.

'We are not selling our business. All we've done was to relinquish our carrier permits for Durban South and handed them back to the Local Road Transportation Board (LRTB).

'We told the association they could apply to the LRTB for the permits and if successful they could purchase our surplus buses at R20 000 each. We have about 60 buses available for sale.'

Putco suspended its operations in Durban South in October after more than 200 drivers had been fired for allegedly giving commuters 'free' lifts by refusing to collect fares. It finally shut down the operation following 'intimidation and threats on the lives of drivers'.

The move to take over part of the giant bus company's operations is seen as the first positive step by blacks to make an inroad into the thriving black community industry, which for many years had been controlled by the State and white-owned companies.

Mr T J Ngcoya, president of Sabta, could not be reached for comment yesterday.

Township bus services may be resumed

29/12/86 Ev Post 33

By KIN BENTLEY

THE bus service to Port Elizabeth's black townships of New Brighton, Zwide and Kwazakele will "hopefully" be resumed this afternoon.

This was said today by Mr Carl Coetzer, managing director of PE Tramways.

Following a meeting of the Consumer Boycott Committee (CBC) last night, acting spokesman Mr Mzimasi Mangcotywa said the consumer boycott in PE — re-imposed on November 3 after a brief break — had been suspended indefinitely from today.

He said the decision to suspend the boycott was coupled with a plea for the return of the bus service, which was withdrawn for the third time this month after arson attacks in which three buses were destroyed.

Mr Coetzer said PE Tramways, through himself, had been "in constant communication with civic people".

He said the return of buses hinged on sorting out practicalities such as people on leave being recalled, the re-introduction into the service of a number of buses and "certain other small assurances" about which he declined to expand.

Jimmy Matyu reports that Mr Mangcotywa called on Mr Adriaan Vlok, Minister of Law and Order, to work towards "normalising" the situation in the country to the satisfaction of all.

The CBC hoped the PE Chamber of Commerce would forge ahead with negotiations to bring this about.

One of the demands of the CBC — for the release of detained community leaders and pupils — is being addressed by the chamber, which is awaiting moves from the Government, according to Mr Coetzer, who is president of the chamber.

He said the moves were part of his East Cape option in which the inclusion of detained community leaders would be an integral part.

Mr Mangcotywa said: "Our decision to suspend the boycott must not be viewed as a sign of weakness.

"It must be treated as a challenge to work with haste in normalising the situation in the country."

He said the decision was taken to give people some relief because they had sacrificed a great deal during the festive season.

"We feel traders in the townships are not ready to cope with all the needs of the people, especially as we move towards the re-opening of schools.

"They do not have enough stock to meet the needs of pupils."

He said the CBC also called on Mr Vlok to implement his promise to improve the image of the police by removing roadblocks and the wire sealing off New Brighton.

TRANSPORT - PRIVATE - GENERAL

1987

JANUARY — DECEMBER

Taximen under fire from Soweto Lift Club boss

332 Sowetan 21/1/87

THE Soweto Lift Club president, Mrs Martha Taylor, yesterday hit out at the Thokoza Taxi Organisation for warning illegal taxi operators to stop operating in the township by the end of this month.

This follows an announcement by Toto's vice-chairman, Mr Paul Ngobeni, that pirate taxis and lift club members were using the Southern Africa Black Taxi Association emblem on their vehicles.

Mrs Taylor, a former Soweto councillor, said it was true that 10 kombis belonging to her club were operating as taxis in Thokoza.

She said these vehicles had been operating as lift club vehicles since her club was formed in 1974.

But in the last three years, they had been granted full taxi status after joining the Thokoza Taxi Association.

"It is an open secret that there is rivalry between the two taxi bodies. I find it strange that Mr Ngobeni's organisation is now looking for scapegoats when it cannot fight its own battles with TTA.

"I have information that this Mr Ngobeni is a new man in the business. It appears to me he has been influenced by some quarters to cause trouble," she said.

According to Mrs Taylor, her club pioneered the introduction of kombis as taxis when taxi operators were still using sedan cars. She said she fought "fierce battles" in courts, with police, traffic and transportation board officials to get her club recognised.

She even held meetings with the then Minister of Transport Affairs, Mr Hendrik Schoeman, she said.

"Mr Ngobeni and his recently-formed organisation should be thankful to my club that today they can use kombis. Let him leave us alone and concentrate on building his organisation," she said.

Mrs Taylor added that her club was still operating in some townships on the East Rand and Soweto. They were trying to get their members full taxi status.

Cape Times 3/2/87

Taxi curbs to be cut?

332

Political Staff

HOUSE OF ASSEMBLY. — Substantial amendments to the restrictions on black taxis which could lead to "the legalizing of the bulk of illegal taxis" have been published in a White Paper on National Transport Policy tabled in Parliament.

The White Paper is the government's response to the National Transport Policy Study (NTPS) completed last year.

In a dramatic departure from present policy, once enabling legislation has been passed by Parliament;

- Vehicles which can carry up to 15 passengers will be allowed to operate as taxis;
- Permits will be given to taxis in such a way as to be generous enough not to act as an economic restraint for the protection of existing taxi or bus operators.

Until enabling legislation has been passed, local road transportation boards have been asked by the Department of Transport to consider applications for permits for vehicles

From page 1

able to seat up to 15 passengers.

The White Paper also accepts the need for an investigation into taxi services at venues such as airports and stations for vehicles for up to five passengers.

Motivating the change in the present system, the NTPS report states that the black community — the majority of public transport users — are unhappy about aspects of public transport.

The White Paper says there are good reasons for promoting the use of public transport through subsidies: the alleviation of traffic congestion in urban areas; reducing the need for new infrastructure; energy conservation; environmental considerations and the overall reduction of transport costs.

The government has also accepted that Regional Service Councils will be responsible for passenger transport policy decisions with the department of transport fulfilling this function until RSCs are functioning.

Where bus services need a subsidy, contracts for the tender of the service will be placed and, while it is accepted that there will be a lack of competition on the road, there will be competition for the contract.

Putco gives 242 the boot

332

Sowetan 14/1/8

ABOUT 242 Putco employees have been paid "reasonable retrenchment packages" estimated at thousands of rands by the company, amid protest from the trade union representing them.

Putco's industrial relations executive, Louis Meyer, yesterday confirmed that retrenchments took place last month and warned: "We might lay off more workers if our economic position does not improve in future."

The workers were retrenched because of the three-month old bus boycott sparked as a result of a 17 percent increase in fares which came into effect as from November.

As far as he was concerned, Mr Meyer added, the retrenchment package was "reasonable", although he did not give details of how much each worker received.

The package was given after the company negotiated with the Cusa-Azactu affiliate, the Transport and Allied Workers' Union (Tawu).

Tawu's acting general secretary Mr Mesh Ramela said although an agreement was reached after the company had consulted with the union, they were unhappy with the package and the threat by the company that it would retrench more workers.

Ntutela funeral

Putco ad barred

THE Government has stopped the *Sowetan* from using an advertisement which was placed by the Putco bus company in connection with its service to Soweto commuters.

On the advice of its lawyers, the *Sowetan* decided to send the advertisement to the Inter-Departmental Press Liaison Committee (IPLC) for approval. The IPLC told the *Sowetan* that the advertisement could not be used.

Putco was advised in this regard and in a statement yesterday the bus company said:

"We confirm that we tried to place a half-page advertisement with the *Sowetan* on Tuesday, January 13. We can confirm that we were subsequently advised we could not run the advertisement.

"The advice came from the Inter-Departmental Press Liaison Committee of the Bureau of Information.

"It was not clear whether the objection was based on a section or on the whole of the copy submitted, but it was understood to centre on mention of a boycott . . . oops. We did not submit the advertisement to the Bureau for approval and presume this was done by the *Sowetan*.

"We have been in touch with the Government to question the decision, but as yet have had no response. We believe in communication with the community we serve and with our staff and we do not think the decision is helpful in this regard."

332 SOWETAN 15/1/87

SPEAK OUT!

Two city councillors have called for a legal "red-light" district in Johannesburg. They believe that by legalising brothels, better control could be exercised over prostitution and sexually transmitted diseases. What do you think? Let us know your views this evening between 5.30 and 7 pm in Speak Out! by phoning 834-7747. Readers' views will appear in The Saturday Star.

SPEAK OUT!

Taxi body bids for 60 Putco buses in takeover

Transport Reporter

Putco was negotiating to sell 60 buses to the South African Black Taxi Association (Sabta) in Umlazi, Durban, the company's public affairs manager, Mr Pat Rogers, said today.

Mr Rogers said Putco was selling the buses because it closed its Durban South division last month as a result of labour problems. The company still operates in Durban North.

He declined to disclose the value of the buses.

Sabta intended to start its own bus service in the Durban South area, said Mr Rogers.

The taxi association could not be reached for comment at the time of going to press.

Banned Putco ad examined boycott

Own Correspondent

JOHANNESBURG. — The Putco advertisement banned yesterday by the Inter-departmental Press Liaison Committee (IPLC) of the Bureau for Information made an attempt to put forward Putco's position on the boycott being waged against the company.

The advertisement explained why Putco's fares are constantly rising and employees are being retrenched. It also described the company's services to commuters.

This advertisement was submitted, unsuccessfully, to the IPLC on the advice of lawyers for the Sowetan.

Putco said in a statement yesterday: "We believe in communication with the community and with our staff and we do not think the decision is helpful in this regard."

TTA threatens to expel members linked to 'rival organisations'

(332) Sowetan 20/11/87 -

THE Transvaal Taxi Association (TTA) yesterday threatened to expel members found to be linked with rival organisations.

In a statement released by its chairman, Mr Paradise Mahlangu in Pretoria, the organisation said tough action had to be taken to stop the mushrooming of "secret committees".

He added that a number of the Southern Transvaal Black Taxi Association (Sabta) members — of which TTA is an affiliate — were involved in such practise in the past.

By ALINAH DUBE

The warning comes a week after the executive committee was elected. Mr Mahlangu is the only member of the previous committee to return to office.

"Sabta members have been having a tendency of forming unconstitutional committees and later making damaging Press statements. Tough action awaits such people," he said.

He also urged the TTA regions "seen not to be prepared" to hold elections to do so as soon as possible failing which "appropriate action will be taken".

AL

Dividend 25% ahead of forecast

Laser profits up 107% to R3,1m

Cutt Tmps 22/11/87

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By AUDREY D'ANGELO
Financial Editor

LASER Transport Holdings, listed on the Johannesburg Stock Exchange last September, has lifted after-tax profit for the year to December by an impressive 107% to R3,1m.

This is 34% above the figure forecast in the pre-listing prospectus.

Turnover was up by 38% to R63,6m (R46m) and the maiden final dividend is 5c a share, 25% ahead of forecast.

Laser's JSE listing last year was preceded by a public offer of 3m ordinary shares of 10c each at an issue price of 145c a share.

This offer, which increased the number of shares in issue to 10m, was 33 times oversubscribed.

The share was priced yesterday at 360c and the year's low was 180c.

Laser is a furniture removal group including Stuttafords Van Lines — one of the largest international removal firm in the world — Pickfords removals, Frasers International and Jack Wellstead.

MD Denis Kaye said yesterday that he was "delighted" by these results.

Emigrations 'helped'

Although the number of families emigrating from SA had helped to swell group profits, most of the growth had come from domestic business.

"We operate over 700 removal vehicles in SA. Improving our market share means that we can get optimum use of these vehicles and improve our margins."

Kaye said he thought Laser had 20% of the domestic market and 40% of overseas removals from SA.

"I believe we have been taking business from all our competitors."

He was confident that 1987 would be "a good year".

Its year-end has been changed from June 30 to December 31. Pro-forma consolidated results for the 12 months to December 1985 and December 1986 have been presented as the directors consider these to be more meaningful than the comparative results for the financial year to June 1985.

Profit growth

The directors report that the trading period under review was "extremely successful, with the impressive profit growth resulting from an improvement in gross margins and the continued implementation of effective cost controls."

● Laser subsidiary Stuttafords Van Lines has consolidated its position as as the world's leading international removals company, according to figures released by Co-operative d'Enterprises de Transports Internationaux (CETI), the international removals oreganization based in Belgium.

In the 10 months to October the company shipped 1,5m kg of household goods compared with a total of 1m kg for the whole of 1985.

Its director of international operations, David Bradford, said about 40% of shipments were going to Australia. A similar amount was going to Britain and "the balance split between the US, European countries and Israel."

FM Mar 23/11/87

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BUS BOYCOTT

Score for Putco

If a company faces a boycott of its services as well as savage competition, the chances are its profits will suffer. But in the distorted world in which black bus giant Putco operates, the reverse is true — these adversities are pushing the struggling group into the black.

Cancellation of uneconomical operations — like the Durban-Umlazi route, which was also hit by the unrest — and frequency cuts on other loss-making routes have helped reduce Putco's losses. Indeed, the company could go into profit for the first time since 1984. Ironically, the SA Black Taxi Association is now negotiating with Putco to buy some 60 of its mothballed Natal buses.

Putco's profitability has declined progressively over the past two years, notwithstanding hefty State subsidies. After a R6,1m profit in 1984, Putco ran up a R8,4m loss in 1985 and then slumped to a R18,4m loss in 1986. In the same period, passengers fell from 1984's 353,3m to 323,2m in 1985 and a low of 278,2m in 1986. This could fall further in 1987.

While gross revenue increased in the period — R230m in 1984, R269m in 1985 and R299m in 1986 — this reflects the impact of higher annual fares.

And boycotts could change even this inflated trend. The Soweto boycott followed a 17,5% fare hike from November 1 last year.

"We have already taken about 280 unused buses off our Soweto route," Putco public relations executive Pat Rogers tells the *FM*. "This means drivers have lost jobs, running costs are reduced and the remaining fleet of 370 buses can be more economically managed. With occupation levels on the Soweto route still close to 50%, further rationalisation is being considered unless the boycott ends or government helps out."

In the short term, black commuters are the certain losers in the equation. Taxi fares can be as much as 2,5 times higher than Putco rates. Furthermore, heavily subsidised services, such as those for black schoolchildren, could suffer if Putco is forced to scale down Soweto services.

Rogers says Putco does not blame taxis for exploiting the lack of control which has now become "apparent policy." But it would have preferred to see a more ordered development of their role.

"We are not against competition but we believe that control, or lack of control, should be applied equally. We were forced, for instance, to withdraw our profitable Shoshanguwe-Pretoria service in favour of Sats, but about 400 taxis now freely operate that route. And we have, until very recently, been denied access to the Johannesburg and Pretoria CBDs and we still have no access to the Durban CBD."

Rogers says Putco accepts there is a place for taxis in an integrated transport system — "but they cannot meet all the needs of urban and rural passengers."

Putco, he adds, will begin selling off unproductive assets by June unless government promises higher subsidies on unprofitable services or takes a more direct hand in running the services.

The central question, he adds, is whether there is an obligation to provide low cost mass transport for workers and scholars. "We believe there is, that it properly belongs with government, and that it can best be discharged through private enterprise by the subsidy system."

That Putco faces the possibility of profitability in its present circumstances — a boycott and tough competition — suggests that the market has been so distorted by official interference that unless the forces of supply and demand are allowed to operate, the public subsidy, which certainly reflects a cost of apartheid, will represent a growing misallocation of resources. ■

Curfin to oversee R48m new listing

JOHANNESBURG. — Confirming strong market talk recently, the Curries Finance (Curfin) group says it is to oversee a R48m new listing on the Johannesburg Stock Exchange (JSE) via a share "freebie".

In the first deal of its kind since Abercom "gave away" Primrose shares in the early 70s, Curfin is to dish out shares in its 84%-held freight subsidiary, Safcor, to Curfin shareholders.

Safcor annual turnover has climbed to R300m, its pre-tax profit to R10,2m and its taxed profit to more than R5m.

For every two Curfin shares, holders will get one free Safcor share.

Also, Curfin will sell to Safcor its properties and to Currie Motors all its motor activities except those involving General Motors products.

The transaction will reduce Curfin's stake in Safcor from 84% to 51%.

Another bonus for Curfin holders is a 30c special dividend to be added to the 18c interim.

Curfin will "for the time being" become purely an investment holding company with two major interests — its controlling stakes in Safcor and in Currie Motors.

The company, which showed cash assets of R23m in its balance sheet at 30 June 1986, says it will now "be free to develop its investment policy into opportunities as they present themselves".

When the group reconstruction is completed with Safcor's listing (hopefully in April), the group will comprise three free-standing and independent listed companies:

● **Curfin:** A finance and investment holding company under the management of Mackie Brodie as executive chairman.

● **Safcor:** Managed by CE Peter Desilla.

● **Currie Motors:** Managed by CE Harold Bromberg.

The main purpose of this reconstruction is to permit Safcor to enjoy its independence. Another purpose is to sharpen investor perception of Curfin as a major investment holding company with interests in freight, finance and leasing, furniture, property and motors.

Approval given for 80 ranks for black taxis

A demand for black taxi ranks in the Randburg area was given a boost last night when approval was granted by the town council for 80 ranks and storage space for 120 vehicles.

After numerous interviews and meetings with taxi associations, the council established there was a need for 289 taxis. After much deliberation, it was decided to provide facilities for 300 taxis.

The total cost of providing the facilities will amount to about R300 000. Of this, R35 000 has already been approved by the council. The balance will be referred to the 1987/88 estimates for consideration.

The ranks will be provided in Fabriek Street (10) and Tungsten Street (10) in the industrial area, in Sentrum Avenue (20), the municipal site adjoining the magistrate's court (10), and in Hilltop Street (30) in the central business district.

Investigations are being conducted into de-regulation of government control over black taxis and control at local government level.

Star 29/1/87 (332)

Pirate taxi men still a big problem

Minibus smash driver in court

Pietermaritzburg Bureau

A 21-YEAR-OLD Durban taxi driver appeared in the Camperdown Magistrate's Court yesterday in connection with Tuesday's accident involving a minibus and a car on the N3 near Ashburton in which two people were killed and 15 others injured.

No charges were put to Prem Singh, of Ilanga Road, Newlands, when he appeared before Mr P S M Nel. He was not asked to plead and the hearing was adjourned to January 22.

Mr Singh was released on R1 000 bail.

He is facing charges of culpable homicide, reckless and negligent driving and failing to comply with a traffic officer's order to stop.

Mr C A Olivier appeared for the State and Mr Singh was represented by Mr A Moore.

● A senior police spokesman said yesterday the names of the black man and a woman who were killed in the accident would not be released until their familes had been told.

Mrs L H Reynolds, who is eight months pregnant and who was a passenger in the car involved in the accident, is in Grey's Hospital for observation and a hospital spokesman said she was 'fine'.

Pietermaritzburg Bureau

PIRATE taxi operators continue to be a problem in the capital in spite of all efforts by the municipal traffic police.

The senior superintendent for the traffic department here, Mr M J Bekker, said a total of 4 578 taxi operators had been prosecuted for various offences between January and December last year.

Of these, 913 had been charged for moving violations such as reckless, inconsiderate and negligent driving, speeding, and driving through red robots.

A total of 1 404 operators were charged for stopping in no stopping or no parking areas, 1 103 for overloading vehicles and 792 for other less serious offences. More than 140 unroadworthy taxis were suspended.

A special squad consisting of four traffic officers has been established in Pietermaritzburg as part of the drive to control the surge of taxis since 1985.

The chairman of the Traffic Committee, Mr Harry Dyason, said yesterday the city council was still receiving regular complaints about taxis, particularly about reckless driving and speeding in built up areas.

Mr Dyason added that a taxi advisory committee was to be formed soon to advise the city council on the needs of taxi operators.

He said if controlled pick-up points were established it would be easier to stamp out illegal operators while protecting legal taxi drivers. It was also an essential facility for taxis, he said.

Mr Bekker said it was the illegal or pirate taxi operators who were to blame for most of the problems. Most of these were freelance operators trying to compete with the controlled taxi operations.

These taxis were frequently driven by unlicensed drivers; were unroadworthy, driven recklessly, parked illegally and were overloaded.

He said licensed operators who were generally affiliated to an association, on the whole obeyed the rules of the road and their vehicles were subjected to roadworthiness tests and issued with certificates.

Illegal

Freelance operators were only able to compete with the bigger organisations at peak times when taxis were in great demand. This meant the drivers were always in a hurry and attempted to ferry as many passengers as possible in a short time, he said.

Mr Bekker said he believed about half of the taxi operators in the capital were 'illegal'.

He urged the public, for their own safety, to use only legal taxis which can be recognised by white number plates.

Argus 3/2/87 332

ECONOMY

Road transport permit system to be scrapped

THE country's road transport permit system is to be scrapped at a saving of millions of rands a year.

This is disclosed in a White Paper tabled in Parliament in which the Government backs a recommended overhaul of South Africa's national transport policy which would result in a freeer transport sector.

But licence fees and diesel fuel could increase to raise an estimated R250-million a year as all road users are forced to pay for the provision and maintence of roads.

Tougher standards for drivers and vehicles could also be on the way.

The White Paper, submitted by the Minister of Transport Affairs, was welcomed by the Progressive Federal Party's transport spokesman, Mr John Malcomess, who said the move away from regulation would save the country millions of rands.

While the proposed new system was to an extent a compromise between the vested interests of the SA Transport Services, those in the private sector with transport permits, and the principles of the free market system, "it is nevertheless an important departure point from which one can build a much more efficient and less costly transport system", he said.

Mr Malcomess called on the Minister, Mr Eli Louw, to ensure the necessary legislation was introduced and approved this year because failure to do so would cost the country millions of rands.

The main recommendations are:

- The free market system should apply with market demand determining services and costs;.
- Financial inequities and cross subsidisation of services which favoured the South African Transport Services (SATS) should be scrapped;
- Public stafety in travel should be protected and improved; and
- The quality of transport operators should be improved.

To implement these principles the Government intends to embark on a major legislative programme this year. This includes:

- The establishment of a Transport Advisory Council;
- Establishing a National Roads Board and phasing out the National Transport Commission;
- Unifying all four provincial ordinances into one Road Traffic Act;
- Giving South African Transport Services (SATS) the freedom to decide on services and tariffs;
- Scraping the road transport permit system; and
- Permitting vehicles with up to 15 passengers (plus a driver) to operate as taxis.

The White Paper also provides for the abolition of local road transportation boards, the Civil Aviation Advisory Committee, the National Marine Advisory Council, and the SA Shipping Board.

Taxi owners, Tramways in showdown

CHC Trones 4/2/87

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Municipal Reporter

FIVE angry taxi-owner associations are contesting a City Tramways application for permanent permits to enable the company to keep running 15 minibuses as conventional buses.

The matter came before the Local Road Transportation Board in Bellville on Monday. Taxi-owner associations in Somerset West and District, Stellenbosch, Atlantis and Durbanville opposed the Tramways application, as did Western Cape Passenger Transport Association.

The hearing was postponed until Friday, when the taxi owners intend to show a video which purports to show Tramways minibuses operating in direct competition with their vehicles.

Mr Basil Nagel, chairman of Western Cape Passenger Transport Association and spokesman for the SA Black Taxi Association (Sabta), said yesterday that his association was "fighting Tramways tooth and nail".

'Used as taxis'

He confirmed that the video would be shown, but added that while the hearing was in progress, he could not comment on the merits of the case.

Another spokesman for the taxi owners, who declined to be named, said the Tramways minibuses should be used only on scheduled routes as buses, but were instead being used as taxis.

A City Tramways director, Mr F Potgieter, denied this. He said in a statement yesterday that the company had applied in July last year to modify 20 of its bus permits to allow the use of minibuses instead.

Temporary minibus permits were granted, and five of these were later made permanent. The present application was for the remaining temporary permits to be made permanent.

'Conventiona buses'

"The company does not operate its minibuses as kombi-taxis, and cannot be regarded as competing in any way with the activities of kombi-taxi operators," Mr Potgieter said.

"Minibuses are run as conventional buses. Generally they stop only at bus stops on scheduled routes, and run according to timetables and a tariff. They are also used on some routes unsuited to conventional buses.

"Kombi-taxis, on the other hand, operate wherever they like, including along established bus routes, and generally leave only once they have a full load," he continued.

"They are supposed to charge a laid-down fare but they are actually fairly flexible, with marked variations between peak-hour and off-peak tariffs."

Argus 4/2/87 332

Khayelitsha now served by three new bus services

Tygerberg Bureau

THREE new Khayelitsha bus services have been introduced by City Tramways.

They are from Khayelitsha Cite C to Blackheath and Kuils River, from Khayelitsha to Monwabisi beach resort and from Nyanga to Somerset West through Khayelitsha.

The new service from Khayelitsha Site C to the industrial areas of Blackheath and Kuils River was introduced on January 19, said Mr Francois Potgieter, a City Tramways spokesman.

"This service was introduced to accommodate workers and industrialists in what can be considered the Peninsula's fastest-growing region," he said.

A new Sunday and public holiday service has been introduced from Khayelitsha to Monwabisi resort (Swartklip Cove) in both directions; The route to Monwabisi — on Sundays and public holidays only — starts at Site C, runs through Village 3 and J Block, along Spine Road, Swartklip Road and Baden-Powell Drive.

The Nyanga to Somerset West route, introduced in August last year, has been expanded to include Nyanga and Crossroads, travelling through Khayelitsha to Somerset West.

For timetables, telephone ☎ 934 0540.

PCA pulls out of NT study group

Hauliers rebel against govt white paper

By JULIETTE SAUNDERS

SOUTH AFRICA'S representative body of private hauliers, the Public Carriers Association, yesterday announced its withdrawal from the National Transport Policy Study group with immediate effect.

The PCA is to meet the Minister of Transport Affairs, Eli Louw, within a week "to discuss our problems with him", its CE, Ian Moss, said yesterday.

The withdrawal, Moss said, was in protest at government's failure to address critical issues or make any worthwhile progress on matters of vital importance to the transport industry since the NTPS began its work.

The government's response to the study was contained in a government white paper tabled in Parliament earlier this week.

Several changes to the transport regulations have been proposed, including the scrapping of road freight permits and a general easing of the restrictions on the issue of taxi licences. However, rises in licence fees and the levy on diesel fuel are expected if the proposals are implemented.

Yesterday, Moss said the government's plans to change the existing regulations contained nothing of major significance and hardly began to address the PCA's main points of concern.

"The draft white paper on transport policy contains certain laudable goals such as less government involvement in transport and fair and equitable competition. The attainment of these goals is of critical importance for a successful new transport dispensation.

"Unfortunately neither of these critical pre-conditions has been attended to or resolved. It is the contention of this association, and always has been, that the road transport industry must be privately held."

Individual Sales Personality — Pricing for May ... put

tration of their own affairs as to how this would meet ... Stresses Sell ...

La Mercy airport costs R23,9 m so far

Parliamentary Correspondent

CAPE TOWN—The proposed airport at La Mercy near Durban is already the second most expensive in South Africa — but has not yet got off the ground.

The Auditor-General, Dr J H de Loor, said yesterday that R23,9 million, in terms of capital expenditure, had already been spent on La Mercy where not a centimetre of runway has yet been laid.

Only Jan Smuts near Johannesburg, where R80,9 million capital expenditure has been incurred, has cost more than La Mercy.

La Mercy, to the north of Durban, has already cost more than D F Malan, Louis Botha and P W Botha near George.

The land for La Mercy was bought during the early 1970s, and the site was twice cleared in preparation for construction works, but the Government then shelved the project.

Although there was no capital expenditure at La Mercy during 1986, it remains, in capital terms, the second most expensive airport in South Africa.

d after mother

... the UDF's Mawazulu, Chief Mangosu-

CAPE FLIGHTS

In the air

Air Cape, an important feeder airline linking the outlying communities of Knysna, Oudtshoorn and Plettenberg Bay with Cape Town, George and Port Elizabeth, has withdrawn its application to suspend its southern Cape service (*Business* December 5).

"Loss of this service could dramatically affect the tourist development in the area," explains Michael Schultz, secretary of Southern Cape Tourist and Development Association (SCTDA) and director of Regional Development Advisory Committee.

Last year, Cape Air, a D F Malan-based Safmarine subsidiary, applied to the National Transport Commission for permission to suspend the service on the route from February 1 because of "unacceptably high losses" and route duplication by SAA.

GM Jon Hemp says he discovered from SAA's latest revised timetable that six of its flights overlapped Cape Air services."And we have no assurance that more overlapping services will not be scheduled."

But last week representatives of SAA, SCTDA and Air Cape met to appoint a subcommittee to identify the "aspirations" of the affected communities on passenger, freight and mail services.

"We hope a compromise will be reached between SAA and Air Cape through which they can complement each other," says Schultz.

The Air Cape service began operating in 1969 when it replaced SAA's Dakota DC-3 service. There was strong growth to a peak of 37 000 passengers in 1976, but in 1977 traffic declined dramatically after SAA's jet services started landing at P W Botha airport in George.

The George-Port Elizabeth route has also been particularly hard-hit by the increase in bus services. Sats operates 11 services a week between Cape Town and Port Elizabeth and Intercape runs twice daily.

Yet Cape Air is keen to hang in, particularly with the Mossel Bay project promising to generate greater passenger flow. But the parties will not speculate on potential passenger distribution.

Meanwhile, the airline has tailored its operations to keep flying. It has introduced an additional Cape Town-Walvis Bay run on its west coast service and negotiated a number of special flight concessions for stops at Alexander Bay and Luderitz. ■

Putco gets subsidy, cuts fares for pupils

Star 6/2/84

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By Rich Mkhondo

Putco is to reduce bus fares for schoolchildren from next week.

A Putco spokesman said fares would be reduced because of a partial government subsidy awarded to the company.

Pupils' season tickets, giving reductions on adult rates, would be on sale again in Soweto this weekend.

The spokesman stressed the fare reduction had nothing to do with the decreased use of Putco buses since last November's 17,5 percent fare increase.

Putco had not sold season tickets in Soweto at the start of the school term because of the reduced number of passengers.

"Reduction in passengers meant reduction in the number of buses. We were not prepared to put buses on the road simply to cater for pupils when we carry them at a loss anyway," said the spokesman.

"It was our intention throughout our operation to stop doing this unless government assisted with a subsidy and recognised its social obligation. This they have now done."

Since the beginning of school this year, pupils up to the age of 12 have been paying half the adult rate, and those over 12 the full fare.

The spokesman said Putco had started increasing the number of buses on the road because people were beginning to return to buses.

He could not say how reduced Putco's service was because there were "a number of complicating factors accounting for the decrease in the number of passengers".

These factors included unemployment and competition by minibus taxis.

Anger at fares hike

CAPE TOWN — Township residents are angry about a R10 increase in bus fares from Cape Town to Ciskei and Transkei.

A spokesman for the Transport Co-ordinating Committee said residents felt the increase of R10 on trips to their homelands was unjustified. The fare to Ciskei is now R40 and to Transkei R60.

The owner of Motale Bus Services, Mr R. Motale, said fares were last increased four years ago. He said he had met a UDF delegation and explained his need to increase fares. — Sapa

6/2/87

(332)

Bus fares back to old prices

Cape Times 7/2/87 Staff Reporter 332

A TOWNSHIP bus company is to reduce its fares between Cape Town and Transkei and Ciskei to previous levels after a R10 increase led to protests from the community.

A spokesman for Transkei Blue Line said yesterday that the return fare had gone up by R10 early in December after increases in costs. Other bus companies then followed suit.

A committee elected by Western Cape community organizations protested at the increase and Blue Line this week agreed to revert to the original prices, pending negotiation with the committee.

Mr Welcome Zenzile, a spokesman for the committee, said this week that Blue Line and Railway buses were now the only buses still offering fares at the old prices.

BARA-CITY TAXIS CUT FARES

(332) 9/2/87 Sowetan

TAXIS operating between Baragwanath Hospital and Johannesburg City dropped their fare by 40 percent on Friday, the *Sowetan* established yesterday.

The feeling among commuters and some taxi operators was that the City/Baragwanath Hospital Taxi Association had set an

'Example for other operators'

example to be followed by other associations countrywide.

The association's chairman, Mr Joe Sibiya, is out of town but members confirmed yesterday that the single fare was dropped from R1,30 to R1.

They said the reasons were that hundreds of people were unemployed and the rest were hard hit by inflation and other economic woes.

"It has been my wish and I am happy now that the association I belong to take into consideration the economic plight of the people," said one member.

He said he had a strong belief that the other taxi operators in the country will follow "a good example".

Comfort

Mr Thabo Makoa, chairman of the Soweto Taxi Association now registered as the Soweto Transport Services, said his group has for the past six years kept its fares down.

"We have always thought of the commuters low wages and salaries and about their comfort and safety in our vehicles," said Mr Makoa.

A commuter, Mr Joseph Mnguni of Zola yesterday said: "I wish taxi operators could think alike, sympathise with us and know that we are poorly paid and therefore cannot afford high fares."

Another commuter, Mrs Christina Moloi of Naledi, said: "Perhaps 1987 has given the taxi operators a new spirit. Let them think of us, and we will also think of them."

SPECIAL REPORT

Are South African cars really that expensive? Why don't manufacturers make a cheap, no-frills runabout? Motoring Editor HERMAN FOURIE looks at personal transport and comes up with some sobering answers.



As fast as a Ferrari...



As many wheels as a Rolls...



Roomier than a Porsche...

Why the man in the street can't afford that new car

THE man in the street, faced with the prospect of spending his life savings on buying a new car, is increasingly and understandably reluctant to do so.

In fact, the private new car buyer is a disappearing phenomenon. Recently company (so-called "fleet") purchases of new cars have touched 90 percent of total sales.

"Why do the manufacturers build such complicated, expensive cars? I don't want all those luxuries and extras, just a simple, basic car without the frills — one that I can afford!"

At first sight the concept of a "People's Car" — along the lines of cheap models produced in Europe and the Far East — seems so simple. Find a suitable design to produce a

Argus 9/2/87

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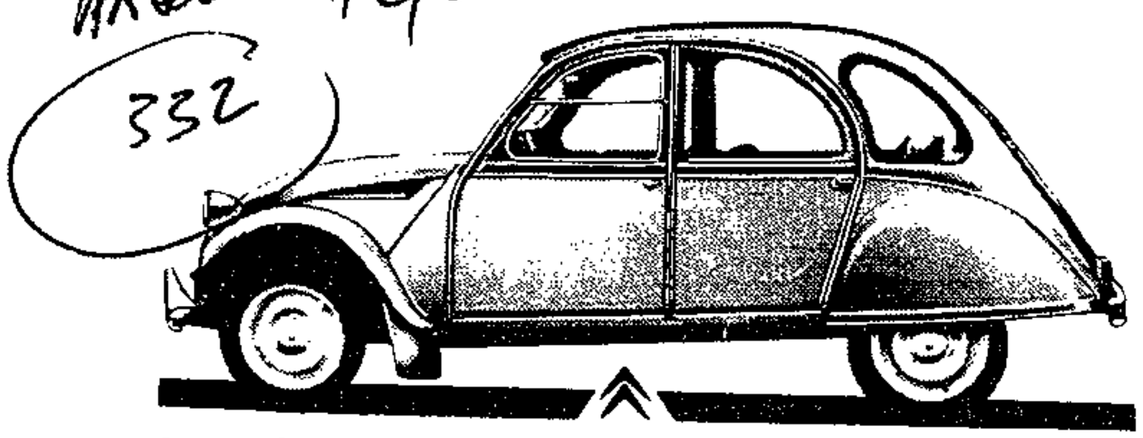
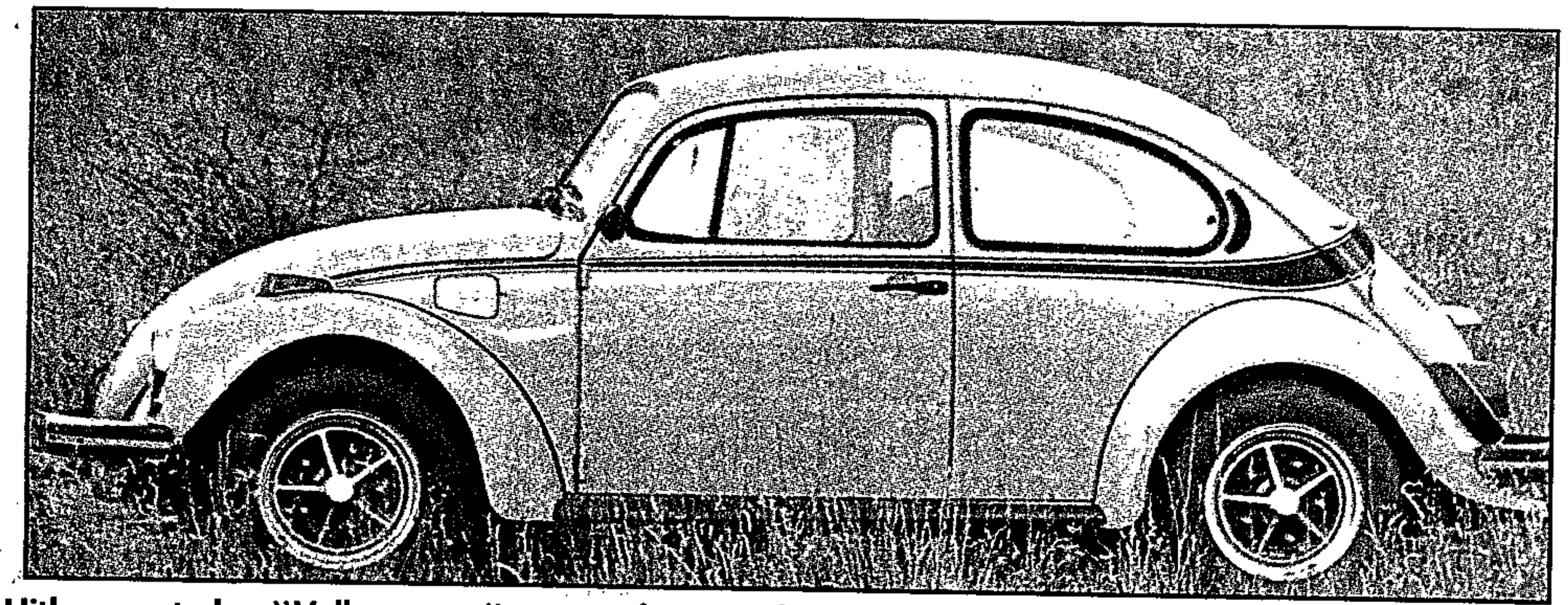


At 80km/h the 2CV Citroën (which has four wheels like the Rolls, and can carry a grand piano unlike the Porsche) is just as fast as the Ferrari. It sells in Europe for R9 000 — is the 2CV the People's Car we need?



Hitler wanted a "Volkswagen", a people's car, but it only started selling in large numbers after WW2 when people could afford

What a car costs

In an average medium-sized car, in this case a Toyota Corolla 1600, the cost of the car is broken down as follows:

- **Local content — 31,2 percent.**
- **Imported content — 44,4 percent.**
- **Other costs — 24,4 percent (freight, royalties, import duties, assembly costs).**

foreign currency behind the Iron Curtain.

The most successful "People's Car" was undoubtedly the Model T Ford, of which 15 million were made between 1908 and 1927.

A remarkable fact of this car was that its price dropped, from R1 980 ($950) to R750 ($360) by 1916, due to Henry Ford's innovative production-lines and the large US car-buying public.

Other reasons

The prospective car buyer lamenting the fact that he is unable to replace his ageing sedan, should try to seek the reasons for this outside the industry.

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basic car and sell it to an enthusiastic public in need of basic transport at rock-bottom prices.

The cold facts of car-making in South Africa show that this is a remote and unworkable proposition.

One can look at the high prices of our cars (average price realised last year on each sale: R20 000) in two ways — the first is to find out why cars cost so much, and the second, which may be less obvious, is why our money will no longer buy them.

A weak currency

To deal with the first reason. It can be convincingly argued that our cars are expensive because two-thirds of the value of each car — the high-tech parts such as engines, gearboxes and carburettors — are imported from overseas and bought with a weak currency.

However, our cars are not that expensive. Although inflation and international exchange rates obscure the issue, it is sobering to discover that our locally-made cars are often cheaper than their overseas counterparts.

A model-for-model comparison of locally-assembled cars with their European or Australian counterparts will show that our cars are competitively priced.

The reason our cars are "cheap" is because our local manufacturers are able to buy vast quantities of components made by the car giants of Japan, the United States and Germany.

Manufacturers say they cannot sell their cars for less under present conditions.

After the rand plunged they have done their utmost to limit price increases by ruthless streamlining, pencil-slim profit margins or losses and efficiency drives to remain competitive.

If imported parts are the bugbear, what about producing the expensive imported parts locally?

Far more expensive

The technology exists, but the volume of sales in South Africa is so small compared with major industrial countries that engines and gearboxes made here would be far more expensive than the imported article, unless they can be limited to a few designs.

Rationalisation is another catchword. A radical restructuring of the motor industry, whereby the proliferation of makes and models is pruned and large numbers of a small range are made, is certainly possible, but it implies the kind of control over the industry that is only possible in State-run socialist countries.

If it is decided to rationalise designs, whose engine and gearbox is going to be made?

The history of the car shows there have been many attempts at building a "People's Car," and likewise at building any other kind of car.

With a few exceptions,these have been dismal failures, often because the designers tried to economise on the wrong things, or because the expected buying public did not materialise.

If technological and economic problems could be sorted out, there must be many people who want to buy a basic car.

In South Africa those who can afford cars don't want basic cars, and those who want them have no money for them.

Many want a basic car

The VW Beetle is the first car which springs to mind when talking of a "People's Car". Interestingly enough it wasn't Hitler who made it into a "People's Car," but post-war free enterprise which made cars for people who had money to buy them.

In 1933 Hitler instituted a State protected *laissez-faire* economy which was welcomed by industrialists like Krupp, because it sanctioned cartels and monopolies and wiped out all small enterprises in one blow.

Faced with the prospect of competition for their own products, the large German manufacturers fought the "People's Car" tooth and nail until the outbreak of war.

The success of the VW came after the war, not because the car was cheap, but because the disposable income of its potential buyers had increased by leaps and bounds.

Another "People's Car," which celebrated its 50th birthday last year is the "Ugly Duckling" Citroën *Deux Chevaux*, which was never marketed in South Africa.

The basic concept of the car has hardly changed during its lifetime and its small air-cooled engine, FWD, lack of instrumentation and "corrugated-iron" bodywork have not unchanged since 1936.

It is still being sold for about R9 000 (£2 985) and recently sales have shown a small increase.

The 2CV is not the cheapest car in Europe, the Fiat Uno at R8 500 (£2 431) and some Russian Ladas, Yugoslavian Yugos, and Polish Polskis (all dated Fiat 124 designs) are being sold for about the same price as the Fiat.

The East bloc cars have recorded steady sales in the West, but their ultra-competitive prices are due to heavy State subsidies applied to lure

In the final analysis economic and political factors will prove to be the most decisive. There is also a strong racial aspect to it. For the prospective Guguletu or Belhar buyer, a new car would be considerably more expensive than a house, whereas for most whites a house is still the bigger transaction, if only just.

What motorists should be asking themselves is not why cars are expensive (which in a sense they are not) but why they have so little money in their pockets with which to buy cars.

People driving battered old cars, or buying used cars, are paying the price for the squandering of our national wealth on unworkable social experiments, bureaucratic bungling and long-term economic mismanagement. You are driving an apartheid car, to put it crudely.

If the rand had not slumped so dramatically (clearly a matter of politics) the cars available to our buyers could have been half the price they are now.

Fears for capital black bus service

Pietermaritzburg Bureau

THE black municipal bus service in Pietermaritzburg, which serves 70 000 commuters daily, faces closure within the next few months unless private enterprise comes to the rescue.

The service has incurred a loss of R10 300 000 over the past two years which ratepayers will have to bear.

At a Press conference yesterday called by Mr Peter Miller, MEC in charge of local government, and the Mayor, Mr Mark Cornell, it emerged that unless something could be done to revive the failing bus service, or it was taken over by private enterprise in the very near future, it faced closure.

Mr Cornell said three months' notice would be given of intention to close the service down.

A decision was likely to be taken by the end of the financial year in June.

Ratepayers could no longer be asked to pay for an uneconomic service.

The estimated loss by the department in the past financial year was R3 600 000, but the actual loss amounted to R6 000 000, he said.

Mr Cornell said to date no one in the private sector had shown interest in taking over the service as a result of the volatile political situation. Representations had been made to the Government, to no avail.

He agreed the closure of the bus service would cause extreme problems. He estimated 700 kombi-taxis would be needed to replace the service.

Mr Miller said the City Council had asked for authority to place the deficit from the bus service over the past two years into a suspense debtor account.

The deficit would then be written off at an annual contribution of R2 000 000 from the rate and general services operating account, commencing in the 1986/87 financial year.

He said the social responsibilities of the council had to be tempered with 'good financial common sense'.

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Safmarine out of cargo service

The Argus Bureau

PORT ELIZABETH. — Political pressure has forced the break-up of Safocean, South Africa's only direct scheduled cargo link with Australia.

Safmarine withdrew yesterday from Safocean, a joint venture with Nedlloyd for 16 years.

Nedlloyd would, however, continue to operate a container service to Australia.

SANCTIONS

Sanctions are believed to have caused Safmarine's withdrawal. The service had previously encountered problems with dockers in Australian ports.

Last year Safocean introduced a 10 percent surcharge to cover the expense of delays caused by Australian trade unionists.

Two container vessels, each with a 500-container capacity, ran a monthly service between the two countries.

Safmarine owned the Safocean Nederburg and Nedlloyd the Safocean Mildura.

Mr Joop Weddepohl, head of Nedlloyd in Southern Africa, said the Nederburg would continue to operate for a month on charter to Nedlloyd and the service itself would continue unchanged.

He said: "Safocean ceases to operate as from now. Basically the reasons are political."

He declined to elaborate but said "sanctions didn't help" and when asked if union activity threatened the venture, said: "That is one of the reasons, but not the main one.

"There are a variety of political reasons. I would rather not comment, but the way things are going it's better to disband the joint venture."

UNION DELAYS

Asked if the association with Safmarine had been threatening other Nedlloyd operations in Australia, he said it had not.

However, he said, ships of all nations were encountering problems in Australia if they were carrying cargo to or from South Africa. The unions were causing delays.

Mr Weddepohl said Safocean had been the only dedicated return service between the two countries — other lines operated a one-way service or incorporated the crossing in other sailings.

He was unable to say what would happen to the Nederburg, its officers and crew.

Quit Govt bodies — taxi boss

THE Southern African Bus and Taxi Association has withdrawn from all Government-related bodies, the organisation's president, Mr James Ngcoya, has announced.

In a statement released in Pretoria Mr Ngcoya said.

SOWETAN Reporter

Ngcoya urged other "responsible" black leaders "to cut ties with the Botha administration".

The taxi boss said a recent published White Paper was likely to cause disorder and chaos in the taxi industry.

"The Government has betrayed the black taxi industry. As a result, the taximen no longer have any faith in the Government," Mr Ngcoya said.

The White Paper recommends that the financial inequities and cross subsidisation of services favouring the South African Transport Services be scrapped and public safety be improved.

Bus strike called off after agreement

CAPE TOWN — A strike, of bus companies operating from Cape Town to Ciskei and Transkei was called off after demands made by township residents were agreed to by the bus companies, a spokesman for the bus companies, Mr Fareed Chilwan and spokesman for the Transport Co-ordinating Committee, Mr Welcome Zenzile, said in a joint statement in Cape Town yesterday.

Mr Chilwan of Chilwans Bus Service said a Bus Owners Committee had now been formed to communicate with the Transport Co-ordinating Committee regarding future increases and community issues.

The companies involved included: Chilwan's Bus Company, Motale's, Transkei Blue Line, Elite, Broadway, Koncoshe and Transkei Express.

Agreements were signed in Cape Town yesterday that these companies would revert to the original fares, that is R50 to Transkei and R30 to Ciskei.

In addition to the reduction in fares the following demands were also met:

Children and scholars will pay half price; excess baggage will be weighed and paid for accordingly; passengers will be insured; lost tickets will be reissued free; bus owners will discuss future fare increases with representatives of the Transport Co-ordinating Committee and buses will not be overloaded. — Sapa

Putco to curtail Alex bus service

Transport Reporter

Putco has announced a partial withdrawal of services to Alexandra following attacks on buses and drivers by "criminal elements" in the township.

A spokesman, Mr Steve Mashile, yesterday said most services would operate only to the outskirts of the township.

However buses would enter the township between 3.30 am and 8.30 am, when most passengers used season tickets and there was little cash on the buses to tempt criminals.

The decision to withdraw temporarily from Alexandra was due to "the recurring and escalating rate of attacks on our drivers by robbers, particularly at the No 2 Square bus rank".

Since the resumption of services to the township on November 17 last year, there had been 41 attacks on drivers.

One driver had been shot and seriously injured. Others had been assaulted, stabbed, threatened with firearms and had petrol bombs thrown into the cabs. Further attacks occurred last weekend, he said.

No arrests had been made.

Mr Mashile said the severity of the attacks had been intensifying, necessitating the decision to withdraw from Alexandra. "We cannot continue exposing our drivers to such dangers."

"We are pleading with the community of Alexandra, who have been patient and sympathetic with the company, to assist in stopping these criminal elements within the township so that normal services can be resumed as soon as possible."

Putco regretted the inconvenience to passengers and asked for their understanding.

COASTAL SHIPPING

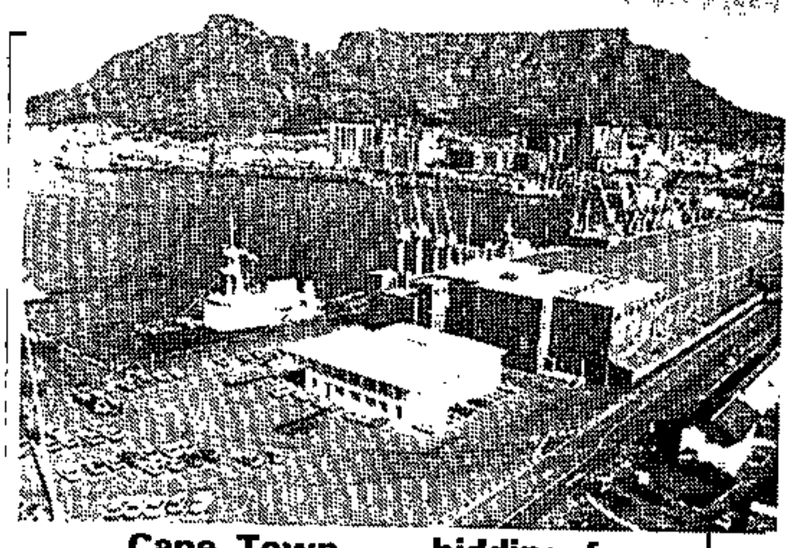
Ro-ro the boat

Shipowners have given notice that they are not about to take lying down the increased competition expected to result from deregulation of the road transport industry.

Unicorn Lines' (UL) answer to the National Transport Policy Study's recommendations that normal competitive forces be allowed back into the motor transport industry is the introduction to its fleet of two extremely flexible ro-ro (roll-on-roll-off) vessels on the Durban to Cape Town run.

Management makes it clear that it expects the two new vessels, the 13 000 t deadweigth *Border* and its sister ship *Barrier,* to win back much of the coastal cargo lost to road and rail hauliers over recent years.

The volume of coastwise domestic cargo carried by sea, they estimate, has shrunk by some 26% in five years. High *ad valorem* wharfage, generally slower sea transit times, cargo handling hassles and complex documentation has tended to induce shippers to look for alternative transport.



Cape Town ... bidding for a bigger share

But UL MD Mike Meehan says this should all change when the two specialised cargo vessels come into service later this month. With UL offering three sailings a week out of Durban and Cape Town, transit times between the local ports are expected to be improved by 18%-45% and the frequency of port calls by 60%. In addition, the intention is to simplify documentation and offer clients a door-to-door through rate which "will easily be competitive with road transport."

While the sea carrier now effectively has the means to compete, it is essentially seeking co-operation rather than confrontation with road hauliers. Through the Grincor structure it has its own freight company, Grindrod and Co, and will be able to put its new ro-ro vessels to good effect using the latest concept of inter-modal transport.

Group chairman Murray Grindrod says he envisages fully laden road trailers being driven aboard the ship at the load port and off at the destination — delivered directly to the consignee's premises with a minimum of cargo handling.

This unique service is to be offered to all hauliers, not only those within the Grindrod family. Also a special concession has been granted for private hauliers to enter the port area to drop mobile, palletised cargoes at special ro-ro staging areas for loading directly onto the vessels.

However, as with most innovations, there is a downside. The introduction of the two ro-ro vessels will displace three of UL's now dated container carriers, the *Nahoon,* the *Kowie* and the *Mkuze.* Fleet rationalisations and the sale of surplus vessels should yield around R4m which will go a litle way towards offsetting the R30m cost of the new acquisitions.

The real challenge, however, is to find buyers in a heavily over-tonnaged shipping market. ■

SAA up for grabs

Political Staff

THE country's national airline, SAA, and its domestic and international routes are up for grabs if anyone in the private sector can come up with acceptable proposals, the new Transport Minister, Mr Eli Louw, confirmed yesterday.

In a press briefing before asking Parliament for R6 billion in bridging finance for SATS in the Part Appropriation Bill, Mr Louw declared that SAA was a definite "applicant for privatization".

However, he doubted whether, in the current political and economic atmosphere, there would be any takers.

The decision to relinquish State control of SAA apparently flows from recommendations made by Mr Wim de Villiers, a previous chairman of Gencor, who was appointed in 1985 to investigate SATS structures.

Stressing government's commitment to deregulation and freer competition within the transport sector, as set out in the White Paper on National Transport Policy released in Parliament last week, Mr Louw delared that SATS's present intrusive role in road transport was to be reversed.

As a beginning, it has been decided that SATS will no longer apply for any further road transport permits.

He stressed that it would not be realistic to expect SATS summarily to withdraw from road transport altogether. But its role will almost certainly be reduced as the private sector becomes more involved.

The decision was quickly applauded yesterday by organized commerce and industry.

In tabling SATS's mini-budget in Parliament, Mr Louw disclosed that the organization's financial performance had been radically transformed.

Indications are that instead of a working deficit of R98m a surplus of R139m, reflecting an improvement of R237m, will materialize.

Asking for an appropriation of R6 billion to tide SATS over, until its main budget is presented on May 26, Mr Louw indicated that account would be taken of this improved performance in determining future tariff, salary and pension adjustments.

A decision on these issues will be announced in the main budget.

Reviewing SATS activities over the past year, Mr Louw observed that trading conditions had generally reflected a decline, with overall revenue reduced by R23 million compared to the previous 12 months.

□ The transport mini-budget was geared at the election and there would be tariff increases afterwards, the PFP spokesman on transport affairs and MP for Port Elizabeth Central, Mr John Malcomess, said yesterday.

Proposing an amendment to the Part Appropriation Bill, Mr Malcomess said he was doing this because of continued racial discrimination both in the transport services and in SATS employment policy, because privatization and deregulation was being delayed and SATS had still not raised its level of business efficiency.

Welcoming the recent White Paper on National Transport Policy, Mr Malcomess said that perhaps the most important aspect of the recommendations contained in the White Paper was that it would help to "reduce the throttle-hold which SATS had had over transport affairs in South Africa for so many years".

□ Whites were being jostled on stations because segregation measures had been removed, Mr Ferdinand van Heerden (CP De Aar) said in the second reading of the bill.

The CP opposed the budget because it stimulated inflation, promoted integration and neglected white SATS workers.

CHR-TIMES 14/2/87

Healthy profit boost for Trencor

TRENCOR, the Cape Town-based transport group, nearly doubled after-tax income for the six months to December to R10,3m (R5,9m).

Attributable income rose to R9,1m (R5,8m) and an interim dividend of 30c (60c), has been declared.

The directors say trading conditions have improved and earnings for the current six months should be similar to those achieved for the first half of the financial year.

Turnover jumped to R178m (R135m). Income before taxation rose to R16m (R10m).

Chairman N I Jowell said results for the half year were very pleasing. All domestic divisions had exceeded budget.

Capital expenditure during the period under review was R3,4m and a further R4m has been authorized for the remainder of the year.

□ Mobile Industries, whose main investment is a 47,9% holding in Trencor, lifted attributable income to R4,6m (R3,4m). The interim dividend is 18,7c per share (14c).

Income before taxation rose to R1,2m (R1m) and income after tax to R900 000 (R700 000). — Financial Staff and Sapa

Taximen eager to take buses

By S'BU MNGADI

THE Maritzburg Taxi Association is ready to take over the area's bus service, should the African service of the city's transport department close.

This was confirmed by MTA president Alfred Hlophe, whose thriving taxi industry was said to be partly responsible for the department going bust.

This comes in the wake of an announcement by mayor Mark Cornell and local government MEC Peter Miller that, unless the government or the private sector came to its rescue, the transport department is set to lose R6-million this financial year – and could be closed by the end of June.

Cornell said that, while the transport department served 70 000 commuters, the City's 25 000 ratepayers could not go on absorbing huge losses.

He also said the present system of government subsidy was "archaic" and transport should be subsidized.

Miller said social responsibility should be tempered with financial sense.

The Chamber of Commerce and Industry and the local Sakekamer were to hold an emergency meeting to discuss the problem.

For the past three years taxis have been operating at 5c less than the buses. This week saw another increase in bus fares by between 3 and 5 cents.

Hlophe blamed the government for "extremely poor management".

He said the MTA would discuss the matter as soon as the municipality made an offer.

Last month the Ntokozweni Taxi Association concluded a preliminary bill with Putco to buy 60 buses for operation on the Umlazi-Ntokozweni and KwaMniandu routes.

Swartland	27 918
Table Mountain	18 091
Upington	24 344
Vredendal	15 554
Wuppertal	16 338
Prov. Total	1 329 980

Natal

Durban Suburbs	9 403
Greenwood Park	11 896
Natal Interior	9 981
Natal Mid East	10 885
Wentworth	17 668
Prov. Total	59 833

Orange Free State

Heidedal	4 844
Eastern Free State	5 232
Opkoms	5 339
Southern Free State	6 769
Western Free State	6 728
Prov. Total	28 912

Transvaal

Alra Park	10 404
Bosmont	10 130
Eersterus	19 940
Eldorado Park	24 150
Klipspruit West	18 899
Newclare	15 391
Northern Transvaal	3 565
Reigerpark	15 787
Rust Ter Vaal	12 200
Toekomsrus	13 761
Prov. Total	144 227
Rep. Total	1 562 952

Annexure C

Summary of voters' statistics from the Population Register 31 December 1986 House of Delegates

Cape of Good Hope	19 368
Natal	487 871
Transvaal	85 598
Total number of voters registered in the Republic on 31 December 1986	592 837

Remark

The number of voters registered in each electoral division in each of the various provinces is furnished hereunder.

Number of voters registered in each constituency of the Republic House of Delegates Province of the Cape of Good Hope

Malabar	6 336
North Western Cape	5 192
Rylands	7 840
Prov. Total	19 368

Natal

Allandale	15 062
Arena Park	15 446
Bayview	14 343
Brickfield	16 833
Camperdown	14 354
Cavendish	19 306
Chatsworth Central	16 649
Clare Estate	16 034
Durban Bay	11 427
Glenview	16 522
Havenside	14 278
Isipingo	15 150
Mariannhill	11 089
Merebank	18 028
Montford	16 015
Moorcross	16 598
Natal Midlands	16 454
Newholme	21 057
North Coast	16 571
Northern Natal	17 162
Phoenix	41 718
Red Hill	15 596
Reservoir Hills	14 795
Springfield	17 057
Stanger	16 831
Southern Natal	14 291
Tongaat	14 587
Umzinto	15 349
Verulam	19 269
Prov. Total	487 871

Transvaal

Actonville	9 728
Central Rand	15 839
Eastern Transvaal	8 822
Laudium	11 954
Lenasia Central	8 083
Lenasia East	8 138
Lenasia West	9 494
North Western Transvaal	13 540
Prov. Total	85 598
Rep. Total	592 837

HoA

Jan Smuts Airport

113. Mr P G SOAL asked the Minister of Transport Affairs:

(1) Whether, with reference to his reply to Question No 1018 on 13 May 1986, tenders for the improvement of the existing terminal buildings at Jan Smuts Airport have been called for; if not, *(a)* why not and *(b)* when will tenders be called for; if so, (i) when, (ii) from whom were tenders received and (iii) what was the amount of each tender;

(2) whether any tender has been accepted; if not, when is it anticipated that a decision will be taken in this regard; if so, *(a)* which tender and *(b)* when will work commence?

The MINISTER OF TRANSPORT AFFAIRS:

(1) No.

(a) Although the Capital Priority Committee of the Treasury approved the project funds could as yet not be made available.

(b) As soon as funds are made available.

(i), (ii) and (iii) Fall away.

(2) Falls away.

Sea: pollution by oil

141. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

(1) How many cases of pollution of the sea by oil occurred in 1986;

(2) *(a)* what was the cost of combating such pollution in that year and *(b)* what amount was recovered from the owners of the vessels concerned?

The MINISTER OF TRANSPORT AFFAIRS:

(1) 135.

(2) *(a)* R2 324 742,00.

(b) R 89 214,00.

For future reference the attention of the honourable member is drawn to the fact that duties and functions associated with the combating of pollution of the sea by oil was entrusted to the Minister of Environmental- and Water Affairs with effect from 20 May 1986 by Government Notive No 1646 of 8 August 1986. Salvage and the prevention of oil pollution, however, remain the responsibility of the Department of Transport.

Air traffic controllers

211. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

Whether there is a shortage of air traffic controllers in his Department at present; if so, *(a)* how many vacancies are there and *(b)* in respect of what date in this information furnished?

The MINISTER OF TRANSPORT AFFAIRS:

No.

(a) Falls away.

(b) 9 February 1987.

Bus companies 332

231. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

What total amount was paid to bus companies in respect of subsidies for the transport of passengers in the *(a)* Vaal Triangle, *(b)* Cape Town/Peninsula, *(c)* Port Elizabeth/Uitenhage en *(d)* Durban/Pinetown areas in the 1986-87 financial year?

Hansard 17/2/87

HoA

The MINISTER OF TRANSPORT AFFAIRS:

The attention of the honourable member is drawn to the fact that the 1986/87 financial year will only terminate on 31 March 1987 and that the figures indicated below represent payments for the period 1 April 1986 until 31 January 1987:

(a)	Vaal Triangle	R 2 018 514,89
(b)	Cape Town/Peninsula	R23 580 894,35
(c)	Cape Port Elizabeth/Uitenhage	R 8 456 209,69
(d)	Durban/Pinetown	R46 540 327,265

Public Service: employees

236. Mr S S VAN DER MERWE asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services:

(a) How many (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks were employed in the *(aa)* A Division and *(bb)* any other specified division of the Public Service, and *(b)* what total number of persons in each race group were there in the Public Serivce, as at the latest specified date for which figures are available?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES:

Information in regard to persons in the Public Service, as defined in section 7 (1) of the Public Service Act, 1984 (Act 111 of 1984), excluding the National Intelligence Service, as at 30 September 1986 is as follows:

			(i)	(ii)	(iii)	(iv)
(aa)	A Division		71 074	4 517	3 596	1 214
(bb)	B Division		51 636	20 344	3 304	35 805
	Services		64 023	8 522	2 735	29 239
	Non-classified		5 831	29 669	1 487	109 849
(b)	Whites	192 564				
	Coloureds	63 052				
	Indians	11 122				
	Blacks	176 107				

Television licences

249. Mr D J DALLING asked the Minister of Communications:

(a) How many television licences were issued in 1986 and *(b)* what was the amount collected in licence fees in that year?

The MINISTER OF COMMUNICATIONS:

(a) 1 818 002;

(b) R108 677 955,41. This amount includes penalties for late payments.

HoA

Mines

308. Mr B B GOODALL asked the Minister of Economic Affairs and Technology:

(a) How many mines received financial assistance in terms of the Gold Mines Assistance Act, No 82 of 1968, *(b)* how many persons were employed by each of these mines, and *(c)* what was the amount of the assistance in respect of each such mine, in the 1985-86 financial year?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

(a) Five

17/2/87 Hansard

(b) (i) Balmoral Gold Mining Co Ltd — 470 as at 31 December 1985

(ii) Stanhope Gold Mining Co Ltd — 410 as at 31 December 1985

(iii) Durban Roodepoort Deep Ltd — 11 780 as at 31 December 1985

(iv) ERPM (East Rand Proprietary Mines Ltd) — 21 458 as at 31 December 1985

(v) Witwatersrand Nigel Ltd — 1 911 as at 31 December 1985

(c) (i) R 203 376

(ii) R 4 400

(iii) R 1 258 902

(iv) R21 430 793

(v) R 5 489 039.

Telephones

406. Mr D J DALLING asked the Minister of Communications:

(1) How many telephones were installed in Alexandra Township for *(a)* private and *(b)* business purposes in 1986;

(2) how many applications for telephones for *(a)* private and *(b)* business purposes were received in 1986 from (i) residents and/or (ii) business persons in this township?

The MINISTER OF COMMUNICATIONS:

(1) (a) 634, and

(b) 18;

(2) (a) 1 601, and

(b) 32.

17/2/87

HoA

WEDNESDAY, 18 FEBRUARY 1987

†Indicates translated version.

For written reply:

General Affairs:

Potgietersrus: meeting

1. Mr J H VAN DER MERWE asked the Minister of Law and Order:†

(1) Whether any members of the *(a)* South African Police and *(b)* other specified security organisations were present at a meeting held at Potgietersrus on or about 16 October 1986; if so, (i) why, (ii) how many in each case, (iii) what was the nature of the meeting and (iv) who was the main speaker at this meeting;

(2) whether any *(a)* vehicles, *(b)* weapons, *(c)* ammunition and *(d)* other specified equipment were made available by the South African Police in view of this meeting; if so, (i) of what type, and (ii) in what quantities, in each case;

(3) whether the South African Police made use of barricading devices on this occasion; if so, *(a)* of what type, *(b)* in how many cases and *(c)* why;

(4) whether the South African Police made use of helicopters; if so, *(a)* for what purpose and *(b)* to whom do these helicopters belong;

(5) what was the *(a)* total cost and *(b)* cost per item in respect of the police activities in this connection?

The MINISTER OF LAW AND ORDER:

(1) *(a)* Yes.

(i) To ensure the necessary security in the vicinity visited by the State President be-



Taxis a boost for business

CAPE TOWN — Deregulation of transport would result in hundreds of garages and panel-beating businesses springing up to cater for the increase in kombi-taxis, the Minister of the Budget, Dr J. N. Reddy, said yesterday in the House of Delegates.

Speaking in the third reading debate of the Transport Services mini-budget, he said the increase in the number of kombis would help develop a strong capitalist class among blacks.

The chairman of the Ministers' Council, Mr Amichand Rajbansi, warned of the chaos that could result from the deregulation of transport.

Replying to the debate, the Minister of Transport Affairs, Mr Eli Louw, said while there would not be total control of kombi-taxis, "I will take a strong stand on quality control."

If licences were to be easily available, he would see to it that drivers adhered to the rules.

The fact that there were 35 000 Indian, coloured and black Sats employees on graded jobs proved there had been a "very, very big improvement" in the situation.

Collapse of 'grey permit' transport

Finance Editor

THE work and incomes of at least 1 000 workers were at stake in the collapse of the 'grey permit' transport system, the Public Carriers' Association executive director, Mr Ian Moss, said yesterday.

Last week, following a Supreme Court ruling, the wide-ranging interpretation of what could be carried by road transporters using 'grey permits' was curtailed.

The PCA is surveying its members to discover the extent of what it labels a ludicrous situation in which the recently published White Paper on Transport advocates the removal of the road transport permit system.

Mr Moss said they had found 28 firms with turnovers ranging from R18 000 to R750 000 a month were affected, the value of the vehicles halted in their work was between R40 million and R100 million and the value of the goods shifted was an 'astronomical amount'.

He pointed out that the grey permit issue was the 'tip of the iceberg' of the whole permit system which caused endless problems.

They were getting the sympathetic ear of the Minister of Transport Affairs and his department and hoped a solution would be found soon.

Bankruptcy

Commerce and industry has not started to complain about the collapse of the grey permit system.

The PCA met the minister last week and is giving the issue 'urgent attention'. It says the heavy haulier industry is in serious financial difficulties and companies are facing bankruptcy.

Mr Moss said the problems had arisen after the court judgment against the vague wording of certain transport permits.

He said that since 1978 vaguely worded permits had been issued for the transport of certain goods, and transport undertakings had built their businesses on this kind of transport.

It was a pity that the matter could not have been resolved through accepted administrative channels.

The legal situation had forced established concerns to a standstill, without the economic effects of such a step being taken into consideration.

A plan of action for the transport industry had become a vital necessity, Mr Moss said.

Laepple opening will also be an anniversary

(332) 19/2/87 DD

Business Editor

EAST LONDON — A wide range of government and motor industry VIPs will be brought to East London on Friday for the official opening of the August Laepple factory at Berlin.

Laepple provides toolroom and press shop facilities to the motor industry at Rosslyn outside Pretoria and at the Berlin plant, which first came into production about 10 months ago.

Laepple's contracts manager, Mr Denes Toth, said yesterday that the official opening of the plant here would also serve as a 15th anniversary celebration for Laepple, which in that time has built its Rosslyn operation up from one to four plants and a total of 60 presses with a replacement value of R60 million.

Among the 100 guests which the company is bringing to East London will be representatives from the Board of Trade, which is currently reviewing the motor industry's local content programme, the Department of Trade and Industries, the Decentralisation Board and the Northern Transvaal Chamber of Industries.

The motor manufacturing industry will be represented by executives from Mercedes Benz in both Pretoria and East London, BMW, Samcor, Toyota and Volkswagen.

Laepple's German shareholders and the South African shareholders, Volkskas, will also be represented.

Mr Toth said the Berlin plant, established at a cost of R15 million, was intended to serve both the East London and Port Elizabeth car manufacturers. It is still building up to full production and currently employs 120 people with this figure likely to rise eventually to 200.

The commissioning of a fifth plant has been described by the National Association of Automotive Component and Allied Manufacturers (Naacam) as "a major development, especially for the Eastern Cape, and evidence of the company's strong faith in the future of the country".

It has been welcomed by the executive director of the Border Metropolitan Development Corporation, Mr Ted Walsh. "August Laepple are constantly expanding and have proved to be a wonderful catalyst for industrial development in the area. With their opening ceremony they will be doing a wonderful promotional job for us," he said.

BU

Truckers face bankruptcy

MICK COLLINS

THE heavy transport industry is in serious financial difficulties and a number of companies are facing bankruptcy, the Public Carriers Association (PCA) said yesterday.

PCA executive director Ian Moss said the problems arose after a Supreme Court judgment against the vague wording of certain transport permits.

Moss said a White Paper tabled in Parliament to declare government policy on transport showed the system was no longer in line with economic realities.

Quoting from the Paper, Moss said some points of intent included:

- ☐ Reduction of administration costs and unnecessary government interference;
- ☐ Privision of employment opportunities for all;
- ☐ Encouragement of small business development.

He said at the request of the Minister of Transport Affairs, the PCA is at present giving the matter urgent attention.

Bus boycott costing commuters money

Commuters in the black community are being hit with big additional expenses because of the continuing Putco bus boycott.

The boycott began in November when Putco announced 17,5 and 15 percent fare increases in the Transvaal and Natal.

Some members of the black community immediately opposed the increases, and announced buses must be boycotted from November 1.

So far the boycott has resulted in a loss of work by several hundred Putco employees, and an even heavier financial burden for the average township commuter.

Drivers and other workers have been retrenched, the latest batch being some 240 employees in the Transvaal.

And, said Putco's director of public relations, Mr Pat Rogers, speaking in a televised interview, it was likely more employees would be retrenched if the situation did not improve in the New Year.

Although Putco has lost hundreds of thousands of rands since November, commuters did not save the money, but spent it on taxis which have enjoyed unprecedented takings in the past three months.

There are more brand-new minibuses on the road nowadays than before. Transport is costing the commuter more than if he paid the increased bus fares.

The Pimville-city route is an example.

A Pimville resident working in Doornfontein would, paying the new increased bus fares, spend R7,50 on a season ticket valid for five days. He would use the ticket for going to work and coming back.

Since he must now use a taxi in compliance with the enforced boycott, he must pay exactly double in taxi fare what he would for a bus. This is because taxis do not sell season tickets and charge a standard fare for each trip.

From Pimville to Doornfontein a taxi charges R1,50 for a single trip. In the evening when the worker returns home he must pay another R1,50 — meaning every weekday he must put aside R3 to be spent on travelling to work.

A five-day week at work, therefore, means he will pay R15 in taxi fares — double the increased bus fares.

SOME MUST USE TWO TAXIS

In certain sections of Pimville there is no straight taxi service to town, which means the worker must pay for at least two taxis before he reaches the city. He will pay 70c from his township to the Baragwanath taxi rank and hop into another cab, which then costs him R1,30 to travel to the city. He will pay R20 for a week's travel.

People living in townships like Protea North pay R1,70 a single trip to town and those in Naledi pay R1,80 for a similar journey.

Buses normally run as far as Randburg and Sandton to the north of Johannesburg and Roodepoort and Krugersdorp in the West Rand, while taxis operate only as far as End Street in the city and turn back into Commissioner Street to begin the return trip to the townships.

For Soweto residents working in Roodepoort and Krugersdorp, Sandton and Randburg as well as distant suburbs like Rivonia, Wynberg, Steeledale and Rosebank it sometimes means at least three different modes of travel before reaching their jobs.

But commuters who complain about the large sums of money they must now pay in taxi fares blame the organisers of the boycott.

Says one man: "What these guys should have done was study the implications of the boycott before announcing it. After that they should have approached the taxi people and asked them to lower their fares since there would be many more passengers using their service.

"As it is, bad organisation has now resulted in our paying extra sums of money to the taxis. Whatever the bus boycott was intended to save us has been lost."

A woman, who also refused to be named, said the taxi operators themselves should have noticed long ago that the boycott meant a bonanza for the minibus operators.

"They should have decided without being prompted that it was in the passengers' interests to lower fares. That way they could have demonstrated their solidarity with us and showed they were not interested in profits only."

The organisers of the bus boycott could not be contacted for comment.

UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has answered); leave columns (2) and ink.

Internal	External
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52	

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

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Bop transport workers held

(269) (333) Sowetan 18/2/87

By ALINAH DUBE

MORE than 200 Transport and Allied Workers' Union (Tawu) members were arrested in Pretoria yesterday following work stoppages at five of the Bophuthatswana Transport Holdings bus depots.

Mr Esau Rankgolo, Tawu's general secretary told the *Sowetan* that the arrests took place at a Pretoria West depot where trade union members had gone to announce their decision to boycott work in protest against management's refusal to recognise Tawu as their representative body.

A spokesman for the SAP public relations division in Pretoria yesterday confirmed that a number of people were taken in and questioned by police. He said they were later released.

"Workers said they were disillusioned with BTH and felt they had to apply other methods to pressurise the company into recognising Tawu. They said they would not accept claims that foreign trade unions were forbidden from representing workers in homelands," Mr Rankgolo said.

Police

Some of the workers told the *Sowetan* that they stopped working after morning shifts and went to Pretoria West to present their case to management.

"On arrival at the depot, we found a number of police vehicles parked near the company premises. Some of our colleagues were already in the police vans when we arrived at the premises," the workers said.

Mr Slatter Rawlings, BTH public relations manager, aid the current Bophuthatswana Legislation did not allow workers employed in the homeland to be represented by foreign organisations. His company, he added, could therefore not contravene the law by recognising Tawu.

ION Annual Education

Thousands stranded as bus drivers strike

Sowetan 19/2/87

332

THOUSANDS of commuters were stranded in Pretoria and neighbouring areas over the past two days when scores of bus drivers employed by Bophuthatswana Transport Holdings stayed away from work in protest against the company's refusal to recognise their union.

A BTH spokesman yesterday confirmed the stayaway by its employees, saying contigency plans had been made to ensure that thousands of daily commuters were transported to workplaces throughout the Bophuthatswana and Pretoria areas.

The BTH bus drivers involved in the work stoppage demand recognition of their union, the Transport and Allied Workers' Union (Tawu).

A Tawu spokesman told the *Sowetan* that the company had steadfastly refused to grant the union recognition, "despite the fact that a number of the company's employees have joined our union".

To Page 3

VALID FROM 19TH FEBRUARY TO 21ST FEBRUARY

Bus strike

From Page 1

Tawu officials and BTH management were locked in a meeting in Pretoria yesterday.

A BTH spokesman, Mr Slater Rawlins, said: "Although relief drivers had been arranged, passengers from GaSeabe, Winterveldt and Mabopane areas probably experience difficulties in reaching their destinations on time".

Arrangements had been made with the South African Transport Services to transport BTH passengers from Winterveldt and Mabopane to Pretoria suburbs by train, said the company spokesman.

The work stoppage at BTH started on Monday when the company's maintenance staff stayed away from work. The bus company has blamed "foreign South African unions for disrupting" the homeland's transport.

Trade unions are banned from operating in the homeland.

BTH management has indicated that it is not prepared to contravene the homeland's law prohibiting unions from operating there. On the other hand, Tawu has accused the company of unfair labour practice for refusing to recognise the union.

"Many of our union members employed by BTH live in South Africa and in addition the bus company is operating in this country as well," a Tawu spokesman said.

332
Sowetan
20/2/87

Putco boycott called off

THE 16-week-long Putco bus boycott in Soweto has been called off indefinitely.

The decision to suspend the boycott was taken by the Soweto Area Committee.

Mr Pule Thathe, publicity secretary of the committee, said at a Press conference yesterday that the suspension would take immediate effect.

"We plead with all community organisations, particularly the Soweto Civic Association (SCA), the Soweto Youth Congress (Soyco) and the Soweto Students Congress (Sosco), to assist in normalising the situation.

"Parents and workers must be able to use buses without fear of being harassed," Mr Thathe said.

Mr Thathe gave reasons why the boycott was called off, but these cannot be published because of emergency regulations.

Unionists arrested

MORE than 200 Transport and Allied Workers' Union members were arrested this week after they downed tools at five Bophuthatswana Transport Holdings bus depots.

According to Mr Esau Rankholo, Tawu's general secretary, the arrests took place after workers went to the Pretoria West depot to protest management's refusal to recognise the union.

A police spokesman confirmed that a number of people were arrested and later released. He would not give further details.

Mr Rankholo told the *Sowetan* that two trade union members were arrested by the Bophuthatswana Police in Hammanskraal and Brits on Wednesday afternoon. The two are Mr Lucas Kekana and Mr Joseph Mashilo.

Bophuthatswana Police could not confirm the arrests. 20/2/87

Bank denies practising 'commercial racism'

Supreme Court Reporter

THE Cape of Good Hope Bank cancelled the lease of an office to the Southern Africa Bus and Taxi Association (SABTA) when it realised that it was a black organisation, it has been alleged in the Supreme Court, Cape Town.

However, the bank has denied that it practised "commercial racism", saying that no contract was concluded and that if a contract existed the bank was entitled to cancel it because SABTA was late with rent payments.

SABTA maintains that an agreement arose when it signed and returned a draft lease supplied by the bank.

The bank cancelled the deal because it did not want a black tenant, SABTA claims.

The dispute, the subject of an urgent application, arises from negotiations in September last year between SABTA and an estate agent about renting offices in the Cape of Good Hope Bank Building, Toffee Lane, Claremont.

DRAFT LEASE

SABTA received a draft lease and a letter from the agent instructing the association to pay R1 088,80 for deposit, October rent and lease charges.

The association replied enclosing a cheque, saying it could sign the draft lease only after an executive meeting at the end of October.

The cheque was deposited by the bank.

On November 4 the draft lease was signed by a SABTA representative and sent to the agent with a cheque for the November rent.

SABTA was then told that the bank was not prepared to continue with the lease.

Mr James Chapman, a member of SABTA's executive committee, said in papers that he was told by Mr Michael Simpson, the bank's assistant general manager, that the bank had realised "it is dealing with the SA Black Taxi Association whereas they thought they were dealing with the SA Bus and Taxi Association and there was therefore no agreement of lease".

Mr Simpson added that the October rent payment was late.

Mr Chapman said he explained that the association's name had been changed from "black taxi" to "bus and taxi" but that it was the same organisation.

However, Mr Simpson persisted in calling off dealings with SABTA.

Mr Chapman says he concluded that the bank's "real reason for attempting to renege on the agreement of lease was commercial racism".

Mr Simpson said in papers that his decision "did not stem from any racial prejudice".

The bank was not a racist institution and had granted the first mortgage bond to a "non-European person" in South Africa, he said.

His reason for ending dealings with SABTA was that the premises were unsuitable for the association because it had small entrances and were not soundproof.

(Proceeding)

Cape Times 20/2/87 332

'Commercial racism' by bank, court told

Supreme Court Reporter

THE Cape of Good Hope Bank is trying to back out of an agreement to lease premises in Claremont to the Southern Africa Bus and Taxi Association Association (SABTA) because of "commercial racism", the Supreme Court was told yesterday.

The allegation was made in papers filed in support of an application for an order interdicting the bank from reletting the premises until a court has ruled on the validity of the lease, and ordering it to hand over the keys to the taxi association.

SABTA used to be the Southern Africa Black Taxi Association but changed its name on January 22 last year. It claims the bank tried to back out of the lease when they discovered this.

According to the papers, SABTA sent a cheque for R1 038,80, which included October's rent, in favour of the bank to the letting agent for the premises on the first floor of the Cape of Good Hope Bank Building in Toffee Lane, Claremont, on October 8 last year. The bank deposited the cheque.

On November 4, SABTA signed the lease agreement and posted it back with a cheque for November's rent.

They were then told that there was no agreement of lease because "it came to the bank's notice that it was dealing with the SA Black Taxi Association whereas they had thought they were dealing with the SA Bus and Taxi Association".

SABTA offered to pay a year's rent in advance. This was refused.

The assistant general manager of the bank, Mr Michael Simpson, denies the charge of "commercial racism" and said the premises in question were not suitable for a tenant that would have a substantial number of visitors.

The bank claims that because it did not sign the lease agreement no lease exists. The case continues.

Putco welcomes end of boycott

332
Star
21/2/87

RICH MKHONDO

Putco has welcomed the end of the Soweto bus boycott but emphasised that workers retrenched during the height of the boycott would not necessarily be reinstated.

A company spokesman said: "We welcome the decision to call off the boycott and believe it is in line with the feelings of the people of Soweto.

"We have also welcomed the opportunity of holding discussions with various committees. It has, however, not been possible to meet requests for the re-employment of retrenched staff."

A spokesman for the Soweto Area Committee, an alliance of several organisations, said on Thursday Putco had met a demand for the workers' reinstatement.

Putco spokesman Mr Pat Rogers said the company had met demands made by the SAC but denied the reinstatement of workers was one.

"We met frequently with various groups representing Soweto commuters. In line with requests by these groups the company has been looking at concession travel for pensioners and the disabled and trip tickets which provide for a set number of trips in a set period."

He said these would replace current season tickets and added that Putco had agreed in principle to free travel for pensioners and the disabled between 9 am and 3 pm, as long as there were no more than six on a bus at any time and that they had identification.

"This will depend in part on the input of community representatives. There are control problems related to trip tickets. Management has undertaken to come up with the answers to be able to introduce them later this year."

Putco is to discuss scholar season tickets and subsidies with the Government.

MOURNERS at Saturday's funeral in Bophelong for four victims of a taxi accident

Taxi-men to probe problems

337
Sowetan
23/2/87

THE Vanderbijlpark Taxi Association is to investigate problems between taxi drivers and passengers, in the wake of an accident involving a taxi and a bus last week, which left six dead.

Addressing more than 2 000 mourners on Saturday at the joint funeral of four of the victims, Mr E Pukwane, the chairman of the association, said the probe was going to be based on the causes leading to the death of the victims.

He said: "We are particularly worried because of the number of problems passengers report to us every day. Every member of the community is invited to give us details of problems they face with taxi drivers."

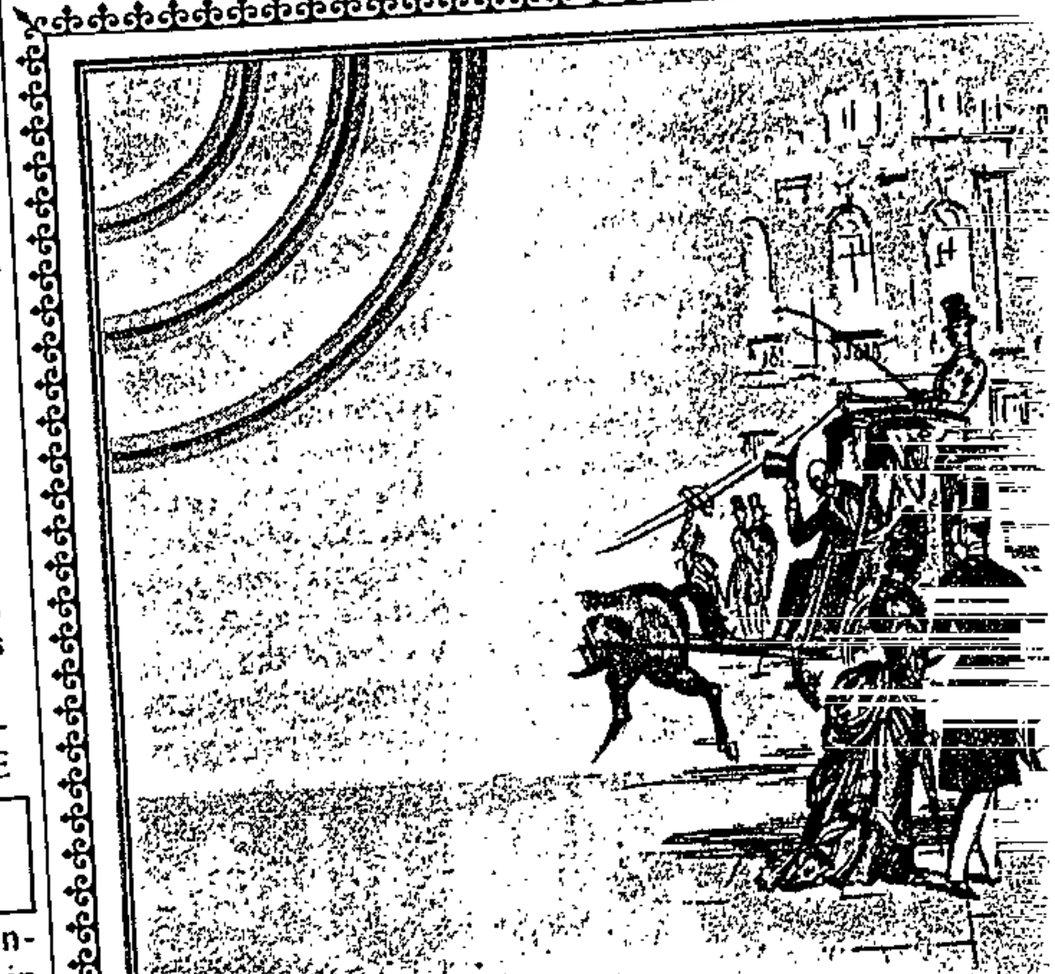
Those who were buried were Mr John Buti Toko (42), Mr Johannes Pitso Mahlaloko, Mrs Evelyn Nonjolo and Mr J Masike, all of Bophelong. Two other victims, Mrs Gladness Matseeba (27) and her four-month-old baby, Sindiswa, will be buried in the Transkei this week.

By JOSHUA RABOROKO

Mr Pukwane said they were worried about the number of accidents involving taxis.

Between 12 noon and 3.30pm on Saturday taxi operators stopped in the Bophelong, Boipatong and Vanderbijlpark areas in honour of the victims.

As the funeral procession continued to the graveyard, two taxis were involved in an accident. However, passengers travelling in both vehicles did not sustain serious injuries.



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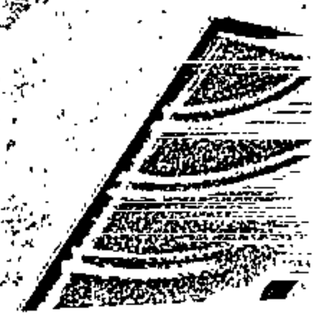

Easing of taxi permit system

Cape Times 3/2/87

Political Staff

FAR-REACHING changes to South Africa's transport regulations will see a general easing of the restrictions on the issue of taxi licences, and the "legalizing of the bulk of illegal taxis".

The revision of the transport regulations are contained in a white paper on the National Transport Policy Study (NTPS) tabled in Parliament.

The NTPS states that current transport policy is contrary to the principles of national economic policy, and that intervention either by Sats or as a result of the permit system leads to considerable distortions and inequities in the transport market.

With regard to a passenger road policy, the NTPS noted that blacks — the main users of commuter travel — see bus companies as being white-owned monopolies unwilling to face competition from black-owned taxis, as it is the bus companies who usually object to the issue of taxi permits.

The white paper states that the government is in favour of a more laissez-faire approach to permits for taxi and minibus operators.

It accepts that taxis able to carry up to 15 passengers — now four is the maximum, irrespective of vehicle size — should be licensed and that guidelines be laid down for the issue of permits.

These should consider the demand for such services and "be generous enough so as not to act as an economic restraint for the protection of either existing taxi or bus operators".

As the amending legislation, involving 17 Acts, is unlikely to be passed before the second half of this year, instructions have been given to local transportation boards (LTBs) in the interim.

The LTBs have been asked to consider such applications on merit, without the requirement that the need for such a service be proved, and to allow supply and demand to determine the number of permits issued.

The white paper also supports the contention that subsidization of commuter services should be done away with, but states that it cannot see this happening in the near future.

Road freight permits to go

Political Staff

THE road freight permit system, currently costing the country in excess of R60-million a year in direct expenditure relating to applications for permits, is to be abolished.

An increase in licence fees and the levy on diesel is likely to result.

The announcement is contained in a White Paper on national transport policy tabled in Parliament as the government's reaction to the National Transport Policy Study.

The government also accepts the recommendation that internal cross-subsidization within South African Transport Services (SATS) be eliminated although this might lead to increases in tariffs for some users.

It accepts, too, that SATS be either relieved of, or compensated for, the financial burden of providing uneconomic service, with compensation from Regional Service Councils in the case of urban transport, and subsidization in the case of uneconomic mining, industrial or agricultural freight.

In addition, the White Paper states that private road hauliers and other road users will have to contribute their relative proportion to the provision and maintenance of roads.

The Department of Transport has calculated that an additional R235-million will have to be recovered annually from road users.

The government accepts that tariffs and fares of all types of transport should become aligned to the true cost of providing the service, and that SATS be given time to do this.

While all operators will have to pay full taxes, levies and licence fees, all types of transport will be allowed greater freedom of movement.

New bus-building plant for Bophuthatswana

24/2/87 - Sowetan 332

By SY MAKARINGE



Mr KOBUS Vosloo ... general manager of Comark Holdings.

A BUS manufacturing plant, described as the first of its kind in southern Africa, has been officially handed over to Durabuild — a subsidiary of Bophuthatswana Transport Holdings — at a ceremony at Temba, near Hammanskraal.

Built at a cost of R12,5-million, the new plant will produce at least 40 buses a month — about double the number being built at the existing plant in Mabopane.

It will also produce 18 major chassis rebuilds a month and about 20 new models a year.

A spokesman for Comark, a marketing arm of BTH, said the plant would create more than 300 jobs for people living in the homeland.

Competitive

General manager Mr Kobus Vosloo said the decision to expand BTH's production facility was because the public transport field was becoming increasingly competitive with operators requiring bigger payloads, greater comfort and reliability.

He said this was coupled with threats to cut supplies from overseas sources.

"As a result of these factors, southern Africa will increasingly need to look at supplying its own needs with large-scale production such as that envisaged at the Temba plant," Mr Vosloo said.

Since it started, Durabuild has supplied BTH with more than 500 new buses.

It has also carried out all major chassis rebuilds.

Cape Times 27/2/87

332 269

Tollgate net profits up 59% to R3,3m

Financial Editor

TOLLGATE Holdings, whose interests include the Cape Town bus services, lifted net profit for the six months to December by 59% to R3,3m (R2m).

Earnings rose to 18,3c (11,4c) a share and the interim dividend is unchanged at 10c.

The directors say more passengers are using the buses in Cape Town, contributing to "an overall improvement in the operating results of City Tramways".

But passenger numbers are continuing to fall in Port Elizabeth, which is still an economically depressed area.

Springbok Atlas Safaris and Multimech both improved profits.

And the reduction in the interest charge from R2,5m to R623 000 "made a major contribution to the increase in profit before taxation", the directors say.

"Current indications are that the improved results will continue in the second half of the financial year."

The company does not publish the results of Cape Town bus services separately.

Operating profit before tax from all its activities came to R10,6m (R7,5m) on a turnover of R69,5m (R61,4m).

Pre-tax profit nearly doubled at R6,2m (R3,2m). Retained profit was R1,5m (R308 000).

Capital expenditure commitments at the end of December were R4,3m (R2,8m).

Threat to SA flights

33 W/m 28/2/87

ADDIS ABABA—Kenya has said it will stop all planes landing in Nairobi on their way to and from South Africa if it gets an assurance that other African countries will not step in to fill the gap.

Seven airlines — KLM, El Al, Iberia, Olympic, Swissair, Lufthansa and British Airways — run a total of 16 round trips a week to Johannesburg, stopping in Nairobi on the way, bringing Kenya's economy about R50 million a year.

A Foreign Ministry official made the offer at an Organisation of African Unity (OAU) foreign ministers meeting in Addis Ababa after Ghanaian accusations that Kenya had failed to implement OAU resolutions on landing rights.

'We are in favour of putting an end to these European planes going to and from South Africa ... (but) there will be no desired result if a certain airport is closed to European flights only to see another airport not too far away welcoming those same flights,' the official said in a statement.

The statement was read by Mr Omar Fakih, head of the Africa desk in the Foreign Ministry, on behalf of Ezekiel Mweu, assistant Foreign Minister and head of the Kenyan delegation to the five-day OAU conference.

The official Kenya News Agency KNA released the full text of the statement in Nairobi.

The Kenyan statement said the leaders of the states in East and Central Africa had discussed the flights and agreed in principle that they should stop. — (Sapa-Reuter)

Big muscles and hefty bills

Mercury Reporter

A VRYHEID doctor who helped a bodybuilder put on 34 kg by prescribing more than R8 000 worth of steroid drugs over 23 months has been recommended for a two-month suspension.

Dr P J J Hancke was found guilty of disgraceful conduct when he appeared before a disciplinary committee of the South African Medical and Dental Council in Durban yesterday.

He was reprimanded for improper conduct on an alternative count of prescribing medicines to his patient, Mr M W Viljoen, without examining him.

Evidence before the committee was that between October 1983 and September 1985, Dr Hancke prescribed steroids, a schedule-four drug, for Mr Viljoen.

Mr Viljoen, who was employed by the South African Police at the time, took the steroids continuously for 23 months, increasing his weight from 61 kg to 95 kg.

But as his body expanded, so did his medical bills. Officials of the Polmed Medical Scheme, which had been footing the bills, reported his doctor to the Medical Council.

Mr Graham van der Spuy told the hearing that Dr Hancke had neglected to keep control over the issuing of the medicines.

Dr Hancke was granted leave to appeal.

DIPLOMAT HELD AFTER PROSTITUTES SLAIN

LONDON—A Mexican diplomat has been held for questioning about the killings of two London prostitutes, both of whom were strangled last month, police said.

A Scotland Yard spokesman said the 42-year-old man, who was not identified by name or embassy rank, had full diplomatic immunity. He was arrested after offering police information about the killings, which were featured in an anti-crime television programme.

The Foreign Office said the Mexican charge d'affaires, Raphael Steger, was summoned by junior Foreign Office minister Timothy Eggar and told that police were questioning a member of the embassy staff.

The Mexican representative was told that Britain would ask that the man's diplomatic immunity be waived if any charges were brought.

Police are investigating the killings of Marina Monti, 27, and Rachael Applethwaite, 24, both convicted prostitutes, who vanished from a London red-light district and were later found dead. — (Sapa-AP)

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Zimbabweans grounded?

HARARE — Landlocked Zimbabweans have been dismayed by news of skyrocketting air fares.

They will be paying 45 per cent more for a flight to a foreign destination from April 1, travel industry sources confirmed yesterday. Internal air fares will rise by ten per cent on the same date.

The cheapest return fare to London will cost about R1 650 while an Apex return ticket from Harare to Perth, Australia, will cost nearly R3 000.

The price of a Harare-Bulawayo return ticket goes up from R175 to R195.

The downward slide of the Zimbabwean dollar has been blamed for the sudden soar.

Taxi says white paper on transport 'trick'

CPT Times 2/3/87

332

Own Correspondent

PORT ELIZABETH. — The Southern Black Taxis Association (Sabta) is unhappy over the government white paper which it views as a "trick" and is mobilizing all its forces to oppose it.

This was spelt out by Mr James Chapman, Sabta's national adviser, at the association's monthly meeting here last week.

Mr Chapman said Sabta was now appealing to all black organizations and movements not to be misled by the "tricky" white paper and invited them to join Sabta in its fight.

In its white paper, the government made substantial amendments to the current restrictions on black taxis as a form of response to the National Transport Policy Study.

Mr Chapman said the white paper was all about deregulation, but it was necessary to examine what deregulation implied.

"This deregulation is being sold to our people as a wonderful thing but it is a trick. The reason is if one looks at deregulation the white businessman in South Africa started regulating the markets many years ago for a specific purpose — to exclude others from the markets so that he could build financial strength," he said.

Mr Chapman said this worked for white businessmen, including the large white-operated bus companies which are now financially powerful.

"Now when the black businessman uses the same regulations to build up his own financial foundation, the government says let us deregulate. We do not want this deregulation. It is nonsense and just a continuation of apartheid in a new guise," he said.

"We are not against legalizing the pirate taxis who are our brothers but to open the market to all when we have fought with sweat and blood is something we will never accept," he said.

... without representation".

Cape Times 10/3/87

Container cargo to SA down 40%

JOHANNESBURG. — The volume of European exports to SA carried by container lines has declined 40% in the last two years, British shipping executive Antony Butterwick said.

He said that despite the drop and low freight rates, the shipping conference he heads will increase trips to South Africa as a "very strong act of faith and confidence" in the country's future.

He is chairman of the Europe South and South-East African Conference Lines and joint MD of P & O Containers Ltd.

A statement said frequency of sailings by Southern Africa-Europe container services is being increased from nine to seven days.

Butterwick said container line trading activity was showing signs of a "slight pick up in certain parts of the world along with a minor upward trend in freight rates".

"Sadly, this is not happening in South Africa," he added.

The executive said the industry's fundamental problem was freight rates at "sub-economic levels".

The rates were being "forced down by competition, by independent operators who are good, bad and indifferent", he said. — Reuter

Sabta in bid to stop Alexandra taxi feud

Sowetan 16/3/87

332

THE executive committee of the South African Black Taxi Association is to supervise elections for the executive committee of the Alexandra Taxi Association in a bid to stop an ongoing feud among taxi owners in Alexandra township.

Sabta regional vice-chairman Mr Morris Nkosi this week told the *Sowetan* that his committee had ordered the chairman of the Alexandra Taxi Association, Mr Peter Manamela, to prepare the association for a general election of the executive committee.

The order was given after a meeting in Vosloorus last week where a group of taxi owners who had complained to the regional body about the "abuse of power" by the present executive and its chairman was to have attended.

The feud, sparked off by grievances relating to the alleged "abuse" of office by the chairman of the present executive has been going on for almost a year.

All complainants own and operate taxis on routes under the Alexandra Taxi Association. One of them is a former committe member.

Mr Nkosi said: "The dissatisfied group of taxi owners should rejoin the taxi association as they are no longer members. Their membership has expired and they have not renewed it. They can then campaign for elections and stand as candidates".

The chairman of the association, Mr Manamela, dismissed the allegations against him as "unfounded and untrue".

He said the dissatisfied group failed to attend the Vosloorus Sabta meeting which was called to settle the issue because they knew they were no longer members of the association and had no right to interfere with its running.

Full potential still to be realised, makers say

Black taxi market buoys up the sale of minibuses

NORMAN SHEPHERD

THE flourishing black taxi market is continuing to boost minibus sales.

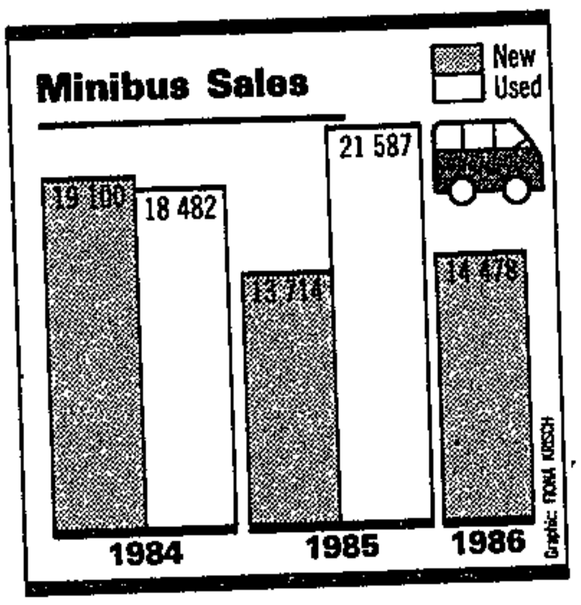
While the predicted boom in sales has not yet realised its full potential, manufacturers agree this market segment is still the fastest growing.

Sales of such vehicles rose 5,6% to 14 478 last year after dipping 28% the year before, says the National Association of Automobile Manufacturers of SA (Naamsa).

A Naamsa spokesman has urged government to implement draft laws on taxis and the privatisation of transport to overcome uncertainty. The result, he says, would be increased minibus sales.

Bakkies trail close behind minibuses in sales growth. In fact, sales of the light commercial vehicle (LCV) sector have not fallen as sharply as those of heavy vehicles and cars.

The Naamsa spokesman attributes this to people buying LCVs, instead of second cars, for business use.



Heavy commercial vehicles last year had the lowest recorded sales crash in 22 years — at 6 349 units.

Some buyers of minibuses are taking the used-vehicle route. Used minibus sales rose to 21 587 in 1985 (the latest figure available) from 18 482 in 1984 (see graph).

But Nissan, Toyota and Samcor expect sales of new minibuses to grow about 5% this year.

While the eight-to-16-seater minibus market is covered, there is a gap in the 16-to-30-seater midibus segment.

Mercedes-Benz claims a small interest in the midibus market, but will not provide figures.

Nissan marketing research and planning manager Peter Coetzee says Nissan stopped importing a 24-seater bus 2,5 years ago when the rand exchange rate made them too expensive.

He says people want more luxury in this line, which reduces seating. Nissan is investigating the market again and negotiating with Japan to see what midibuses are available.

Coetzee says 30-seater buses are used extensively on privatised routes in the UK and that such vehicles could solve SA's transport problems by proving more viable than half-filled 60-seater buses.

Comark is to build six 30-seater buses a month using ADE engines. GM Kobus Vosloo says his sales team has estimated at least 12 units a month could be sold.

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332 B/Dey

19/3/87

Putco workers to be retrenched

SOPHIE TEMA

HUNDREDS of Putco workers are to be retrenched as a result of the fall-off in the number of passengers carried by its buses.

Retrenchments will affect about 205 workers — including those who might leave the company for other reasons.

A first phase of retrenchments took place at the beginning of the year, when 242 workers lost their jobs after the Soweto bus boycott that resulted in about 100 buses being taken out of operation.

Most of the new retrenchments — which will affect workers in all categories — will take place in April.

In the southern division — Wembley and Alberton-Germiston — some workers will be affected in the immediate future. In this division the area fleet will be reduced from 902 to 820 buses.

In the eastern areas, 107 positions have been made redundant.

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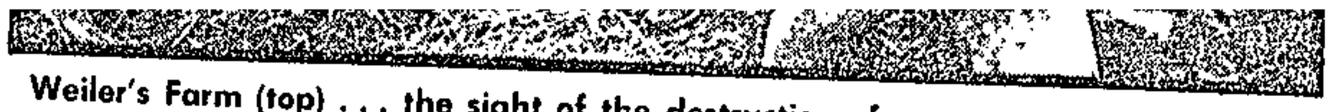

Weiler's Farm (top) . . . the sight of the destruction of new squatter shacks. Mrs Janet Mehlope (above) . . . her brick and mud home was badly damaged by the demolition squad.

More Putco retrenchments

Star 18/3/87

By Zenaide Vendeiro, Transport Reporter

Putco is to retrench hundreds more workers in all categories because of a fall-off in the number of passengers carried.

This follows the retrenchment of 242 workers at the beginning of the year, in the aftermath of the Soweto bus boycott.

A Putco statement, issued by public relations executive Mr Pat Rogers, said a "continuing study of operations had established the need for further rationalisation and retrenchments".

The monitoring had been carried out jointly by management and worker representative organisations.

There would be 205 retrenchments in the south western area, which included Soweto.

Putco said most of these retrenchments would take place in April but some would be effected in the immediate future with the splitting of the southern division into two — Wembley and Alberton/Germiston.

The area's fleet would be reduced from 902 to 820 buses.

The rationalisation measures planned in the south western area would include the amalgamation of the Dobsonville and Putcoton divisions, the transfer of the Diepkloof services from Putcoton to the Soweto division, computerisation of statistics in Soweto and the introduction of a ticket issuing system in Putcoton.

In the eastern area, 107 positions had been made redundant, said Putco. But there were 40 vacancies for drivers which would be offered to those suitable among the staff affected. Further rationalization measures would include the centralisation of the traffic inspectorate and computerisation of statistics.

"Putco views retrenchment as a last resort and not a first option. But the number of people employed must be related to the number of buses operated and this, in turn, is dictated by the number of passengers carried," the Putco statement said.

New shacks have been dem-
Farm, the spreading
south of Johannesburg.

The camp has caused alar
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Police and army entere
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and no attempt was made
shacks, they added.

Mrs Olga Lutu of the We
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ARGUS 20/3/87 CITY 332

Inter-city buses — competition hots up

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Staff Reporter

COMPETITION in inter-city bus transport is on the increase with new services being offered by private companies and South African Transport Services (Sats) — and the public could well be the winners as the battle for passengers hots up.

Sats started the ball rolling with their Translux and Transcity services from Cape Town to Port Elizabeth in March last year as well as to East London and Durban and from Durban to Johannesburg and Pretoria.

This set the stage for competition.

Three leading private companies, Greyhound Inter-city, Mainliner and Inter-Cape, have all announced successful operations as the popularity of their services increases.

Mr Luther Diedericks, Sats public relations spokesman, said the Translux and Transcity services would have been extended to include a Cape Town-Johannesburg run, but this plan was shelved when Mr Eli Louw, Minister of Transport, ordered Sats to curb their operations to allow private enterprise to enter the market.

The Greyhound service from Cape Town to Johannesburg through Kimberley was launched on November 30.

A bus leaves Cape Town on Tuesdays, Thursdays and Sundays at 6.30pm and Johannesburg on Mondays, Wednesdays and Fridays at 4pm.

A return ticket on this route costs R216, compared to a South African Airways return in the economy class of R460. A first class train ticket at peak season costs R394 and out of season, R334.

Apart from its Johannesburg-Durban service, Greyhound had been offering others between Johannesburg and Nelspruit via Pretoria and, since October last year, from Johannesburg to Cape Town through Bloemfontein.

Comfortable

The lengthy trips are made more comfortable with first class service including hostesses, air conditioning, a bar and snack service, videos, music, luxury reclining seats with footrests and toilet facilities.

The Translux line offers similar comforts, while the Transcity is a more economical "semi-luxury" line with more seats.

A second line might soon be launched on the Johannesburg-Cape Town route. Citiliner, owned by Safren, is to compete with Greyhound from the middle of April.

Mainliner, a Windhoek based company, is running a successful Johannesburg-Windhoek and a Cape Town-Windhoek service with ultra-luxury buses at competitive fares.

The Mainliner buses offer the same luxuries as the others, but also include hot meals, one of which is supplied by a hotel along the way to Windhoek.

● While cutting uneconomical rail passenger services, Sats will introduce an improved "fast-freight" goods service and an integrated accounting system to increase viability of services.

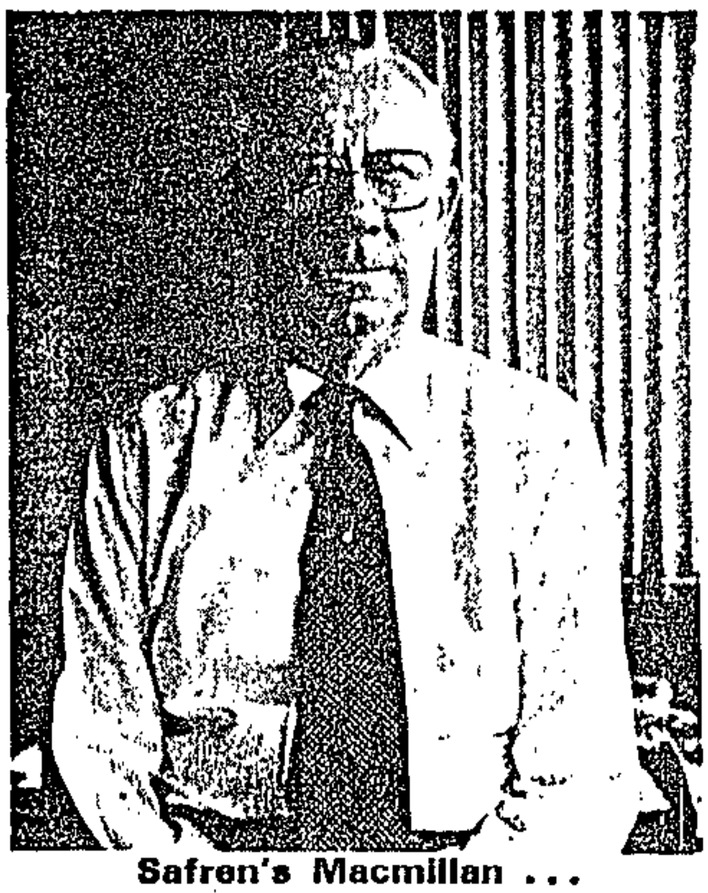
SAFREN

Full steam

After uncertain beginnings since the 1984 merger of Rennies and Safmarine, Safren is firing on all cylinders. The group has followed the 88% surge in its attributable income for the 1986 financial year with a 60% advance in the six months to end-December.

Although the growth rate has slowed, Safren looks structurally stronger than was the case when the accounts were published last October. Among the main factors behind the rise in attributable income are: better margins and efficiencies were achieved in all of the operating divisions, both Renfreight and the diversified interests showed good growth after their profits had fallen in the 1986 year, and net interest payable was slashed by 57,6%.

Reflecting the widening margins, group operating profit grew by 18% on an increase of only 6% in turnover (excluding associated companies.)



Safren's Macmillan ... expansion going ahead

The most consistent growth since the merger has come from 78%-held Kersaf, which has again provided about 40% of total operating profits after lifting its own contribution by 23%. Shipping group Safmarine provided 44% of Safren's operating profits after raising its contribution by 7,4%.

This time there were also good recoveries in Renfreight and the diversified interests, both being divisions which were the main targets of post-merger rationalisation, and where profits slumped in the 1986 year.

Renfreight — formed out of the merger of the Rennies shipping and freight forwarding operations and Freight Services — was a key area where synergistic benefits were expected once rationalisation costs were out of the way. In the 1986 year, Renfreight's operating profits tumbled from R48,4m to R35m; in the December interim they recovered from this low base, rising by 26% from R21m to R26,6m.

SAFREN GAINS PACE

Six months to	Dec 31 '85	Jun 30 '86	Dec 31 '86
Turnover (excluding associated companies) (Rm)	927,1	986,5	985,9
Operating results			
— Safmarine (Rm)	80,1	84,0	86,0
— Renfreight (Rm)	21,0	14,0	26,6
— Kersaf (Rm)	64,1	67,8	78,8
— Other (Rm)	0,1	3,3	4,0
Interest (net) (Rm)	27,4	23,9	11,6
Taxed income (Rm)	67,1	80,6	103,6
Earnings (c)			
— before extraordinary items	74	103	118
— after extraordinary items	61	162	117
Dividend (c)	26	62	33

Diversified interests, including Safren Trading and Willis Faber Enthoven, showed similar recovery. In the 1986 year, the division's operating profit dropped from R14,4m to R3,4m, but in the interim period it climbed back from the previous R100 000 to R4m. Chairman Alastair Macmillan says he expects that both these divisions will produce further efficiency improvements in future.

On these figures, Safmarine is now the division that is striking heavy weather. Shipping volumes have apparently remained under pressure on South African routes. Exports have shown little increase in real terms, while imports have shrunk owing to the recession and the weak rand. Indications are that agricultural exports will be beefed up by the maize surplus this year, but for the shipper this may do little more than replace imports of agricultural products during the drought.

However, local shipping conditions tell only part of the story for Safmarine. An undisclosed, but substantial, portion of its fleet is known to be operating in international shipping markets. This, says Macmillan, will not offset weak margins on local routes, but will provide additional volumes that should bolster profitability. Safmarine — which is, in any event, a high margin business — has expanded its international activities in recent years, and Macmillan says this should continue.

He makes the same point about Kersaf. Like other components of Safren, Kersaf now avoids revealing any information on its overseas expansion. Macmillan says that Kersaf has been quietly pushing ahead with its offshore thrust, and the results so far have "more than" matched the expectations of a couple of years ago. He believes that foreign interests should make a significant contribution to Kersaf's bottom line within about three years. Kersaf also hopes to fuel its growth with heavy investments being made in its home ground.

With indications being seen of an upturn in tourism, there are hopes that Southern Sun may also be in sight of recovery. While the timing of a dividend payment from Southern Sun remains problematic, Safren will receive 12% of any dividend eventually declared by the hotel group.

Safren's borrowings had fallen slightly by December 31; with shareholders' funds up to R974m (R869m), as well as the cash holdings of some R200m still intact, gearing on net borrowings has fallen to some 44%.

For the stock market, the interim figures should have confirmed the group's growth potential. After the release of the figures, the share price gained 125c, rising to a peak of R22,50c, up by more than 70% on the R13 level of last September. The stock yields 3,9% on dividend, which looks a fair rating.

Andrew McNulty

Moves to deregulate taxi trade criticised

THEO RAWANA

THE SA Black Taxi Association (Sabta) has come out angrily against proposed deregulation of the taxi industry.

Sabta vice-president Godfrey Ntatleng says the association feels it was "fooled" into believing it worthwhile serving on the National Transport Policy Study, only for government to prefer recommendations of the Competition Board.

He says deregulation as suggested in the Transport White Paper allows anybody — including individual whites and bus companies — to enter the taxi industry.

"We are opposed to this, as we see it as an attempt to hijack the black transport sector and resuscitate the power of the white bus industry," Ntatleng says.

Sabta had recommended that the number of taxi permits be doubled immediately to accommodate the pirate-taxi industry.

"Deregulation will not bring the 'pirates' into the fold but will destroy them, as well as us. What's more, why deregulate the taxi industry while the bus industry is still so strongly regulated?"

Azapo in bid to prevent expected bus fare increase

The Azanian People's Organisation (Azapo) says it will seek an interdict in the Pretoria Supreme Court next week to stop the implementation of bus fare increases in the area.

Bophuthatswana Transport Holdings said this week bus fares would go up on Monday. The manager of BTH's marketing division, Mr Slater Rawlins, said the increases would vary but the average would be 10 c a journey.

Azapo's regional publicity secretary, Mr Oupa Mpe, said the organisation was dismayed by the proposed increases and would take court action.

"The cost of living has rocketed and people living in the bantustans have been hit by inflation harder than everybody else.

"The increases also come at a time when South African-based companies are moving to industrial areas in Bophuthatswana and kwaNdebele."

He alleged workers there were paid below the minimum wage imposed by the wage determination board and the industrial council "which are being fought tooth and nail by the emergent trade unions".

SMR 27/3/87.

ROAD TRANSPORT

A tough new world

SA's road transport system will move ahead in the next few years with the abolition of the permit system. If we follow overseas patterns there will be a growth in owner operators and a decline of established hauliers — and at the end of the day the consumer will be the winner.

Since the early Thirties, SA's road transport industry has been a highly regulated and clearly demarcated sector of the economy. Government has now indicated its willingness to change its governing structures — but a lot of water will have to flow under the bridge before the new dispensation can become reality. It is also becoming clear that deregulation will not only hit at Sats's operations — private operators will also have to adapt.

Two major antagonists have dominated the debate on deregulating the massive transport industry. On the one hand there are the public carriers — the "professionals" as they like to call themselves — who need permits specifying the commodities they are allowed to carry, and their destinations. They represent about 20% of industry volume — or an annual turnover of about R1,7 billion.

On the other hand, Sats's road transport services — with a surprisingly low 2% of the market — have never required permits and originally acted merely as a back-up to the rail network.

The two sides have been at loggerheads for decades. Government originally got into road transport in the Twenties, at a time when the private sector could not provide adequate back-up to the railways.

Cross-subsidisation of uneconomic and "social" services now form a major part of the status quo. But with government paying lip-service to free markets, its participation in road transport in 1987 seems anomalous. And as long as Sats continues to enjoy exemption from permits, it undoubtedly benefits from unfair competition.

In the White Paper on the road transport industry — tabled in parliament in January this year (*Business* February 6) — government agreed in principle to abolish the permit system. But this will only take place after Sats is allowed sufficient time to phase out its cross-subsidisation structure and to introduce a new system, directly compensating it from the fiscus for lossmaking operations.

Apart from permit deregulation, privatisation is also a major issue.

Roy Marcus, group technical director of Cargo Carriers — the largest private sector haulier, with over 1 000 trucks on the road — says although government claims Sats is "run like a business," public carriers won't be happy until its road freight arm becomes part of the private sector.

He adds: "Meanwhile, we have to accept assurances from politicians that government would not give preference to its own operation — and politicians are notoriously bad at keeping to such assurances."

Marcus also sees no reason why Sats should remain one institution: "Road and rail are not part of the same family and are already run as two different entities within Sats."

Some observers say Cargo and the rest of the "big five" want to swallow up Sats's most viable routes — but that Sats may not be such easy prey.

Even after Sats has removed cross-subsidisation, it will still be an important force in the market — both on the road and rail side. Max Braun, transport consultant and publisher of *Transport Management* magazine, says unless public carriers adopt a positive approach and compete aggressively with Sats, they could suffer in the same way as their American counterparts.

"Railroads are winning markets there previously dominated by trucks," he says. "Ten years ago, US railroads were considered dead and an industry with little to look forward to. Since deregulation, they have thrived through greater efficiency and are getting to grips with what shippers want — a good example of shaking off the regulation mentality."

National Institute for Transport and Road Research economist Tom Kennedy says the state-run northeastern American freight system Conrail has gone back into the black since deregulation, and freight forwarders have started sending small packages by train.

"The best example of all is in Canada," he adds, "where whole trains on the Montreal-Toronto route are packed and unpacked with small packages by the freight forwarders. Sats might think of contracting that service out."

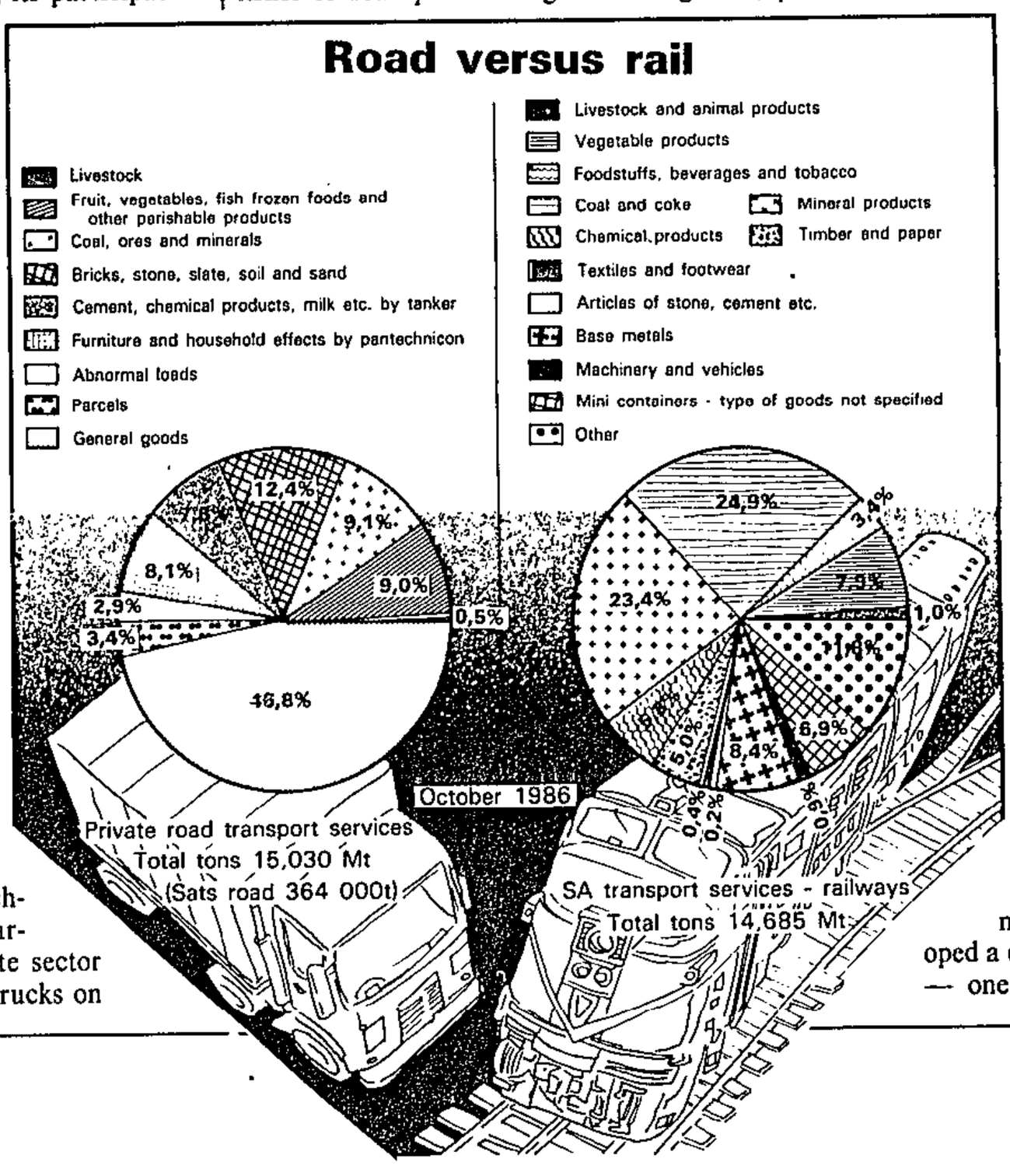
At the moment, rail transport is dominated by coal, minerals and base metals (see graph), which account for about 56% of rail freight. But the north American experience shows considerable scope for smaller freight packages.

While the public carriers, through the Public Carriers' Association, concentrate their efforts on Sats, another menace waits in the background. Over 70% of goods are carried by ancillary operators — SA Breweries and the supermarkets are notable examples — who don't need permits but are only allowed to carry their own goods.

Under the new, permit-free system they'll be able to carry goods for profit — and this is bound to affect the views of fleet managers, says Jackie Walters, senior lecturer in transport economics at Rand Afrikaans University: "Until now transport has been a cost centre for these managers, but it could become a profit centre. Often freight carried by ancillary operators only goes one way and trucks come back empty."

One company, Cargomatch, has already developed a data base with two registers — one for available truck space

Road versus rail



F/M 3/4/87 (332)

and the other for cargo. MD Brian Ruskin claims the data service could save the user 20% on transport costs once the new system is in operation — but that red tape currently remains a serious obstacle to growth. "Deregulation," he says, "would be a major lift for the business as permit applications can take months — and they aren't always successful."

André Jacobs, CE of the National Association of Private Transport Operators, the ancillary operators' body, says few of his members will compete head-on with the public carriers. In the US, only about 5% of ancillary operators entered the public market. But if these companies can make more efficient use of their fleets, this would be at the expense of public hauliers.

But the new system may not be a one-way street for ancillary operators — Braun believes public carriers will have the flexibility to bid aggressively for business across a wider cross-section of transport intensive industries.

"Ancillary operators, who are rapidly becoming disenchanted with transport and distribution costs, will be better placed to contract out all or part of their transport needs," he says.

Walters agrees, saying if SA follows the Australian pattern, many freight users will stop operating their own fleets. Instead, they will contract out their goods to freight forwarding companies, the transport middlemen.



Cargo's Marcus

For example, in Australia four freight forwarding companies control 35% of interstate road traffic and 71% of rail traffic, which led to complaints of monopolistic practices. However, the Australian National Road Freight Industry Inquiry found that the forwarders offered special services to the consumer, including:

- ☐ Relatively inexpensive transport with rates up to 30% below comparable ones in other developed countries;
- ☐ Levels of service superior to those offered by alternative methods;
- ☐ The ability to respond flexibly to a diverse range of customer needs; and
- ☐ A high degree of product innovation with some of the consequential cost savings being passed on to users.

And with freight forwarders carrying out much of their sales and marketing functions, owner-operators will be in a stronger position to concentrate on their real field of expertise.

For SA, the implications of such a new system could be considerable, with more opportunities for blacks, coloureds and Asians to enter the transport business. Braun says less capital intensive operations such as short and medium haul routes could provide ample opportunity for small operators. Jacobs adds that black entrepreneurs, for example, could make deliveries into the townships which established operators might consider too risky.

There are considerable entry costs to the industry (see table). But operators who can find the finance will be able to undercut the larger companies, whose considerable investment in training, marketing and personnel add to the cost of their operations. This is making the larger operators anxious, as Marcus admits: "We are stuck between a privileged Sats and the possibility of fly-by-night operators. There should be stringent quality standards to prevent shoddy operators from coming in."

This is a familiar note. However, Marcus doesn't object to small businessmen entering the market — it's just that he questions their ability to provide adequate service in specialised areas. "Customers are very cost-conscious and will be attracted by competitors able to undercut us. But what about hazardous goods?"

Other operators are sceptical about the "flood of new entrants." Mike Norris, MD of Hultrans — also one of the "big five" in SA — says there is 35%-40% empty capacity on existing routes. This, combined with the high cost of entry, would be a major disincentive to new operators.

In the US and Australia major operators increased in size over the long term in a deregulated climate. Braun says operators dominating activities that demand large fleets of sophisticated vehicles will almost certainly become bigger.

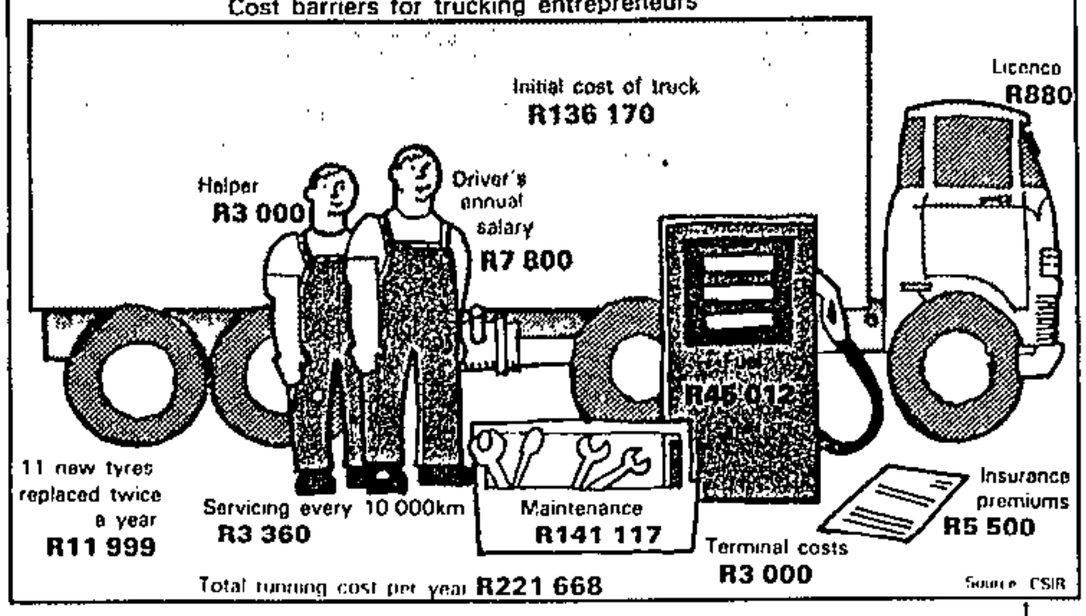
"As in other countries, public carriers tend to merge, buy out or co-operate to justify investment, improve expertise and do the job more efficiently," he notes.

Although the end of permits will mean an administrative saving of R65m a year, it also means an end to the status quo. It hasn't been easy for hauliers to cope with red tape, but at least the present system, as they see it, is "safe" and prevents competition. But overseas experience suggests there will be at least a four-year period of disruption for companies like Cargo and Hultrans — when they will have to show they can match any new operator on price as well as service.

They must also watch out for a revitalised railway system, should SA emulate the north American experience. But it stands to reason that increased competition is good for the consumer and, in the long run, good for the industry as well. ■

Not a cheap business

Cost barriers for trucking entrepreneurs



KROK BROTHERS

Mixing a new brew

F/M 3/4/87 (333)

In a two-year buying spree the Krok twins have built up major shareholdings in four listed companies. Chances are that more will follow.

Every economic scenario has its own set of actors, and the stars of a boom generally make way for a new cast once a recession takes centre-stage. Few have taken greater advantage of the recession than Solly and Abe Krok, whose major investment only two years ago was the joint shareholding, with the Premier Group, in pharmaceutical company Twins-Propan, which controlled the listed Alex Lipworth.

The twins began the Twins group in November 1953 when they put a £200 deposit down on a small chemist in Noord Street. That chemist shop registered sales of £192 in its first month — today the Twins pharmaceutical group boasts sales of some R160m and pre-tax profit of about R30m.

In the past two years the Kroks have put their strong cash flow to use in establishing controlling stakes in three listed companies whose joint market capitalisation totals almost R120m. The Kroks' share of this capitalisation amounts to some R66m, and rises to about R74m if the indirect stake in Lipworth is included. Lipworth is capitalised at R25m.

Their investments cross a spectrum from engineering to office furniture, to salt and

Strikers hope to meet management

By BARBARA ORPEN

STRIKING PE Tramways bus workers were hopeful that a meeting would take place today between shop stewards and management to discuss the dispute, now in its fifth day.

A spokesman for the three unions involved in the strike said a meeting scheduled to take place with management yesterday did not get off the ground because the company's managing director, Mr Carl Coetzer, had insisted the delegation meet him at his offices in Valley Road.

The workers, however, asked that Mr Coetzer come down to the Struanway plant, where workers from the depots in Uitenhage, Brickmakerskloof and Korsten had gathered.

"If we have a meeting here, it means that we can give a report-back to the workers immediately. That is why we are not prepared to go up to Mr Coetzer's offices," the spokesman said.

The company's deputy general manager, Mr Stan van der Merwe, said today a written letter had been sent to the strikers inviting a delegation to meet management at any time.

"We have made ourselves available, but we are under the impression that they want Mr Coetzer to address a mass meeting at Struanway. It is impossible to negotiate with 300 workers and therefore we cannot do that."

● Meanwhile, Mr Ronnie Kruger, public affairs manager at Volkswagen in Uitenhage, said production was back to normal today after work at two final assembly lines at the plant had been halted yesterday because of the bus strike.

Employees were unable to get to work.

"I don't know how it has happened, but all our workers are back today."

The manager of public relations at Goodyear, Mr Mike London, said production had not been disrupted at all as the plant had made in-house arrangements for transporting employees.

Transport strike disrupts PE life

TRANSPORT from Port Elizabeth's black townships was disrupted this week after workers at a bus company went on strike.

The strike by members of the General Workers Union of South Africa (GWUSA) also hit a major car firm in Uitenhage and disrupted city life.

Assembly lines at the Volkswagen plant came to a standstill as workers arrived late for work.

Long queues formed at taxi ranks and many workers were forced to walk to work.

According to a GWUSA spokesperson the strike was sparked off when the company's management rejected their demands for better working conditions.

Their demands included an across-the-board wage increase. The managing director of PE Tramways, Mr Carl Coetzer, said the demands were unrealistic.

Negotiations were deadlocked earlier this week after no agreement could be reached on a venue for the talks.

Earlier this week the company issued pamphlets apologising to commuters for the inconvenience caused by the strike.

It also issued notices to workers urging them to reconsider their strike action.

The union claimed that Coetzer had threatened to call in the PE-Uitenhage UDF branch to force the workers to co-operate. — ECNA

Putco 'is threatened with ruin by taxis'

(332)

Star 24/4/87.

By Shirley Woodgate,
Municipal Reporter

Putco, South Africa's biggest bus company serving blacks, faced ruin unless the Government subsidised losses incurred mainly by crippling competition from minibus taxis.

This claim was made by Putco's general manager, operations, Mr Jack Visser, at a press conference last night.

Referring to the 267 212 daily passengers on the Soweto route, he said numbers carried by Putco had been slashed by 47 percent since the taxis had appeared.

Mr Visser said that despite massive problems faced by Putco, "the central Government would appear to be insensitive to the plight of the black bus operator and encourages economic policies, which, in time, must drive him out of business".

The problem was the controlled and uncontrolled entry of taxis into the transport business, but he believed it was unlikely that the solution was to leave the operation to taxis.

In addition to the problems of competition and road congestion caused by taxis, pupils were carried by Putco buses at a loss, there were service disruptions due to violence and riots, and the destruction of assets and rising insurance costs.

Other negative factors were the intimidation of passengers, inflation coupled with the need to increase fares, which resulted in costly boycotts, and the political action of the trade unions.

"The entire Putco Soweto operation is unprofitable. Out of 513 route clusters operated mainly on the Reef, 291 are unprofitable.

"In respect of 204 of these route clusters, the revenue earned is insufficient to cover only the operating costs of the buses used to provide these services. If we should withdraw our buses, it would require 3 000 additional taxis to provide the service" he said.

During off-peak periods taxis carried more than two-thirds of all passengers and at peak hours more than a third.

If Putco withdrew from unprofitable areas, its losses could be reduced by R25 million a year.

Mr Visser estimated that in the process 100 million fewer pasengers would be transported annually, buses would be reduced by about 1 100 and about 3 300 employees would be sacked.

"The alternative is for the State to maintain all the bus services. Either this or Putco should maintain all services at a predetermined increase in subsidies."

Elections 'illegal'

332
So weetan
16/4/87

THE Transvaal Taxi Association and one of its regions are headed for a showdown after the provincial body allegedly interfered with the affairs of the region by calling for elections to be held in that region.

Mr Knox Matjila, chairman of Region One of the TTA, said in a statement yesterday that the elections — scheduled to be held at Katlehong next Wednesday were unconstitutional and illegal.

The region comprises the Oranje-Vaal, Thokoza, Katlehong, Vosloorus, Tembisa and Alexandra.

Mr Matjila said: "It is my honest belief that the local associations should first be forced to adhere to the disciplines of the constitution before they can be allowed the privilege of an election," he said.

Court

"As it stands at the moment, my executive committee is the only one worthy of recognition and I must insist on continued recognition by the TTA," he said.

He said if the TTA did not call off the elections immediately, he would request the Rand Supreme Court to intervene on his behalf.

Mr Matjila claimed that certain people whom the TTA was dealing with were under disciplinary suspension while certain committees were unrepresentative.

Putco asks govt for bigger subsidies

NORMAN SHEPHERD

PUTCO bus company — facing strong competition from black taxi operators — yesterday urged government to regulate the transport industry and increase subsidies to the company to prevent it having to scrap unviable services.

After running up an R8m loss for the half-year to December 1986 and an R18m loss for the year to June 1986, the bus company says it cannot bear increased competition from black taxi operators.

Putco asked the Transport Department to increase subsidies to it last December, Putco operations GM Jack Visser said at a presentation at the Johannesburg Civic Centre yesterday.

He said Putco's losses resulted from unrest-related damage to buses and the disruption of services, as well as a fall in the number of passengers because of increased unemployment.

Assistant to the MD Vic Coetzee said Putco needed full loads and high kilometres to operate efficiently, but carried 14% fewer passengers in the year to June 1986, compared with the year to June 1985.

The average number of kilometres each bus travelled a year had over the past few years dropped from 6 000km to 4 000km.

He said taxi operators were increasingly taking away Putco's profitable business — unsubsidised off-peak travellers who paid full fares — with the result that Putco would either have to raise fares or get increased government subsidies.

He said regulation was needed — in the form of dedicated bus lanes, vehicle licence fees for road-users, an off-peak subsidy system or law enforcement — to save the mass transport system and thereby maximise the use of scarce resources such as fuel.

Johannesburg City Council management committee vice-chairman and transport committee chairman Danie van Zyl said his council and Pretoria's had asked government to freeze licensing of taxis for three months as applications had been flooding in daily and the situation required order.

Sowetan
Page 6

Black travel firm opens

A NEW black travel agency, the first of its kind in the Johannesburg Central Business District, was officially opened at a lavish ceremony at a Johannesburg hotel this week.

Zamangomusa Travel Agency, which was started about four months ago, is the brainchild of former SABC-TV2 commentator, Mr Zama "ZZ" Masondo and his younger brother, Musa.

Mr Masondo, who is managing director of the agency, said although the agency was established about four months ago it had promoted a number of tours throughout the country.

He said he did not receive any financial backing when he ventured into the business.

"I just exhausted my own purse. But I have now applied for financial assistance from the Small Business Development Corporation as we plan to expand the business and buy our own luxury coaches," Mr Masondo said.

Already a branch has been opened at Emadadeni in Natal. Mr Masondo plans to open three more offices in Cape Town, two in Maritzburg and one in Bophuthatswana.

He said the promotion of overseas tours was also in the pipeline.

"I ventured into this business not only to improve the quality of black tourism, but to create job opportunities for our people. Already we have a staff of about 15. This could be increased to about 60 in the near future," Mr Masondo said.



MR ZAMA "ZZ" Masondo with his wife Zodwa, celebrating the opening of Zamangomusa Travel Agency at a Johannesburg hotel.

Struggle to get delivery permits

SUPPLIERS had told Checkers retail warehouse stores they could not get road transport permits for deliveries during the rail strike, the company's food director Paul Susan said yesterday.

Susan said Nestlé, Beacon and others had told him of their struggle to get permits to deliver goods to the Checkers-warehouse stores. Nestlé and Beacon spokesmen yesterday denied applying for temporary permits.

Susan said suppliers could be unwilling to speak out for fear of possible repercussions, and using one or two examples could cloud the issue.

The point was, as far as he understood it from suppliers, that the local road transportation boards had not relaxed their rules during the rail strike.

NORMAN SHEPHERD

"With the current situation on the railways, why can't the boards relax their rules completely and allow manufacturers to supply stores with the goods we desperately need without having to go through a whole lot of red tape?

"In view of the drama, why is it necessary to apply for a permit? If the road permit situation has been relaxed, this has been kept quiet," Susan said.

Transport Department deputy director-general "Boy" Claasens said in Pretoria yesterday he did not have a breakdown immediately available on how many temporary road transport permits were granted or refused since the start of the rail strike, but would investigate.

Warning on Mozambican border crossings

THE constant border crossings of Mozambicans could no longer be tolerated, deputy Minister of Constitutional Development and Planning Ben Wilkens said yesterday.

He said at the opening of the fourth session of the KaNgwane legislative assembly authorities would act against those abusing the leniency of the KaNgwane and SA governments.

It was estimated that 14 000 to 20 000 Mozambicans had entered KaNgwane illegally since September 1984. Only 8 070 temporary permits had been issued so far.

Wilkens said it was accepted that

GERALD REILLY

short-term assistance must be provided for humanitarian reasons.

"We have clear evidence, however, that not only is there an influx of Mozambicans, but also a constant coming and going across the border which can no longer be tolerated." There was evidence, too, that many Mozambicans used KaNgwane merely as a springboard to the interior, particularly to the PWV area.

They were part of an illegal work force, which deprived KaNgwane citizens of jobs in the PWV area, he said.

ENTS

0800 0900 SA501 Port Elizabeth to Johannesburg

For the

Business Report

Key position consolidated

Tollgate takes over Horizon

CAPE Times 30/4/87

332

By NEILL HURFORD

TOLLGATE HOLDINGS has consolidated its position as top SA private luxury-coach tour operator through the acquision of Johannesburg-based Horizon Tours and Safaris.

The take-over, for an undisclosed sum, was announced yesterday and is with immediate effect.

Horizon, with an annual turnover in excess of R3m, swells Cape-based Springbok Atlas Safaris (SAS), Tollgate's touring-arm fleet, to 58 vehicles.

"This move reflects our enormous confidence in the domestic tourism market," says SAS CE Paul Braun.

Enlarged fleet

Springbok had in the past month also bought six new luxury coaches worth R3m.

"Our enlarged fleet will comprise small to large luxury coaches strategically based in Johannesburg, Durban, Cape Town, Windhoek and possibly the Southern Cape," said Braun.

Traditionally strong in Cape Town and Durban, SAS has operated on a limited basis in Johannesburg, while Horizon has concentrated on the Johannesburg area.

No 2 in SA

The consolidation put Springbok Atlas second only to SA Transport Services as luxury-coach operators, according to Braun.

He said that while there were operators with larger fleets, none had as many luxury coaches as the Tollgate operator.

He said SAS would not compete on inter-city lines, but would concentrate on the tourism market.

Braun would not disclose SAS's investment in its fleet, but pointed out that the cost of replacement of a superluxury coach was in the region of R500 000.

Taxi owners set to collide over routes

(332) Apr 1993 15/8/1

By MARTIN NTSOELENGOE

A BLOODY confrontation is looming over routes and parking areas between the Mohlakeng Black Taxi Owners' Association, the Bekkersdal Black Taxi Owners' Association and the Toekomsrus Coloured Taxi Owners' Association.

Mohlakeng taxi drivers claim that coloured taxi drivers carried firearms in their taxis and had threatened to shoot if they were prevented from picking up Mohlakeng commuters.

An ugly scene was averted by senior Mohlakeng and Toekomsrus taxi owners last Saturday after Toekomsrus taxi drivers allegedly picked up Mohlakeng commuters regardless of objections by Mohlakeng taxi drivers.

Angry Mohlakeng taxi owners decided at a meeting last week that they would not allow Bekkersdal taxis at Randfontein Station and Toekomsrus taxis were to be prevented from picking up commuters in Mohlakeng township.

The outgoing chairman of the Mohlakeng association, Aaron Mabe, told the meeting that it would be difficult to stop Bekkersdal taxis from operating at Randfontein Station.

He argued that Bekkersdal taxis had certificates that allowed them a radius of 15 and 20km and they, therefore, had the right to pick up passengers at Randfontein Station.

However, secretary J Sihlangu said: "If Mabe's argument is correct, Bekkersdal taxis can go as far as Krugersdorp Station."

He added that Mohlakeng taxis had the right to operate on three routes – Mohlakeng, Randfontein Station and Leratong Hospital.

He said if Bekkersdal and Toekomsrus taxis did not heed their demands, the Randfontein Traffic Department would be approached abouth the matter.

So far the Leratong Hospital route has been used by M Tsereme, who has a fleet of combis.

"Bekkersdal taxis are allowed to operate between Bekkersdal and Westonaria only, and not between Randfontein Station and Bekkersdal," said Sihlangu.

The trouble for Mohlakeng taxi owners allegedly started after the Greyhound Bus Company was prevented from operating in Mohlakeng by comrades.

The reason was that the bus company did nothing for residents, it was claimed, but contributed R14 000 annually to white town councils on the West and far West Rand.

This was strongly denied by the bus company.

Bus patronage on decline, but . . .

Mini-bus taxi boom 'could harm economy'

B/Dev 18/3/87

332

CHRIS CAIRNCROSS

AN UNCONTROLLED proliferation of mini-bus taxis might seem to be a cheap method of solving some of SA's passenger transport problems but it could, in the long run, have negative cost-raising consequences for the economy as a whole.

And, the proposed deregulation of these taxi services will need to be co-ordinated adequately to ensure no harm is done to existing public passenger transport, Passenger Transport Association president J J van Staden warns.

Addressing the PTA's biennial conference in Cape Town yesterday, Van Staden acknowledged the valuable contribution made by taxis in the provision of transport, but stressed that their expanding presence was, at the same time, seriously eroding the patronage enjoyed by existing bus operators.

This, in turn, created further pressures for increased subsidies to keep bus companies viable, and would lead inevitably to higher demands on the finances of central government or on RSCs when they were finally in place.

Public transport should remain balanced, with as much co-ordination between the different modes as possible, Van Staden added.

There were numerous passenger services provided by buses that could be taken over by mini-bus taxis, but he cautioned that the level of demand should determined eventual capital expenditure.

□ Although government favoured the principle of phasing out passenger transport subsidises, this was unlikely to happen in the near future, Deputy Transport Minister Myburgh Streicher said.

Although legislation provided that RSCs would be held responsible for financing transport in their areas, it was foreseen they would be incapable of providing all the necessary funds from their own sources, and assistance would need to come from central government.

He said there were, in any event, several cogent reasons for promoting the use of public transport through the payment of subsidies.

It was conceivable that, with changing travel patterns likely to emerge as a result of government's urbanisation strategy and commuters' greater disposable income, phasing out of subsidies would become feasible eventually.

(332)

TRACTOR SALES F/M 11/5/87

Up to scratch

While lower maize prices could lead to reduced spending on farm inputs (*Business* April 24), the latest tractor sales statistics point to the first healthy upturn in years.

The South African Agricultural Machinery Association (Saama) reports that March tractor sales increased by a healthy 26% to 405 units — against 320 sold in March last year.

Further evidence of the improved conditions in the farming sector came with the 32,2% year-on-year increase in March light commercial vehicle sales. New cars sales were up by 20,4% over the same period (*Business* April 17).

Ford led the tractor pack with 115 units sold (75 last year), followed by Fedmech with 88 (71); Vetsak 72 (55); J I Case 53 (40); John Deere 37 (33); KHD 21 (11) and Malcomess 20 (13).

But while March sales were strongly up, first quarter sales of 1 144 units were only a marginal 1% better than last year's 1 131.

Ford is again the overall leader in quarterly sales with 321 units (218), followed by Fedmech with 289 (272); Vetsak 170 (down on last year's 208); J I Case 96 (down from 119); John Deere 128 (125); KHD 51 (down from 77) and Malcomess 74 (from 86 last year.)

Saama chairman Bill Hubbard says the market finally appears to be improving after five hard year.

He is hopeful that tractor manufacturers can look forward to a slow, but steady upturn in sales.

Cautious optimism now reigns in the industry, although the maize farmers' weakened financial position raises some question marks about the future.

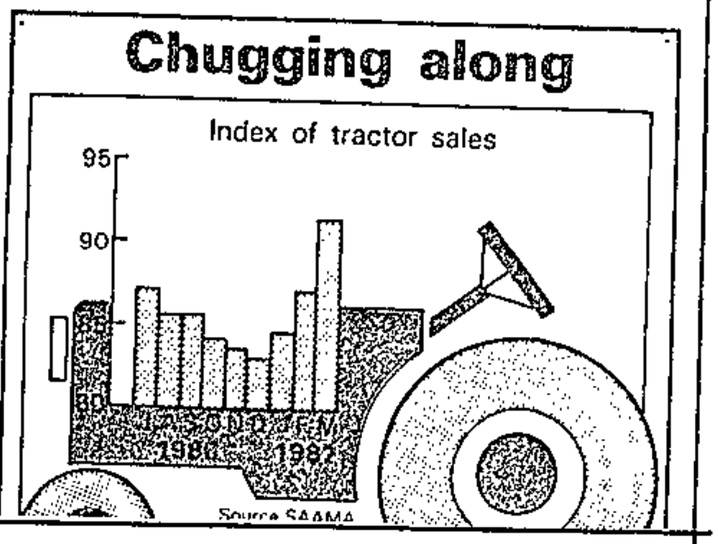
"We are not expecting dramatic changes in the short term. But the market is beginning to look better and we are grateful for that," says Hubbard.

There was also some good news for farmers. Tractor manufacturing industry marketing consultant Jim Rankin says April will be the first month in years with no price increases on any of the 200-odd tractor models sold in SA.

Rankin's statistics show that year-on-year price increases dropped from 34% in September to 12,6% in March — well below the inflation rate.

Hubbard says this demonstrates that the tractor industry is doing its best to relieve the farmer's cost burden. ■

Chugging along



AA shows R3,2m deficit

JOHANNESBURG. — A decline in membership — the first in decades — and an operating deficit of R3,2m were part of the price the Automobile Association (AA) had to pay for the collapse of AA Mutual Insurance last year.

The AA said it had a 42% shareholding in the company but no involvement in day-to-day management.

The AA's director general, Peter Elliott, said in the annual report membership fell from 675 064 to 672 702.

"The vast majority of members reaffirmed their support and loyalty to the AA but some, understandably, laid the blame at the association's door for the financial loss suffered," he said.

The R3,2m operating deficit — compared with a surplus of R896 120 in 1985 — was due to the loss of R2,5m in commissions, capitation fees and rentals derived from AA Mutual and membership subscriptions associated with insurance policies.

Legal and other costs were incurred in the events surrounding the collapse of the AA Mutual.

In addition, the AA has written down its investments in AA Mutual and the UK-based insurance company AA Mutual International.

The cost to the AA for the two events was R8m.

After allowing for investment income the deficit for this year amounted to R10 172 131.

After increasing fees from R20 to R28 a year and taking other steps, the AA expected to achieve an operating surplus in 1987.

Elliott said: "The events leading up to and following on the collapse of AA Mutual overshadowed every facet of your association's activities in the year.

"The impact of the debacle was hardest for policy holders, tens of thousands of whom were AA members."

To counteract the loss of revenue, several branch offices were closed, staff was reduced, expenditure pruned and projects shelved.

"It is of interest to note that in 1986 the AA emergency road service alone helped more than 140 000 members, saving them about R10m." — Sapa

Hunt Lascaris for Technics (Radio) and [illegible] than on any previous occasion.

Private transport riding high

MICK COLLINS

PRIVATE transport companies made a net profit of R118,6m last year, against the R74m achieved in 1985. The figures apply only to firms transporting goods.

This represents an overall increase of 60,2% for the year, says Central Statistical Services.

However, in the case of private passenger undertakings, the net loss experienced in 1985 rose by 32,4% from R46,2m to R61,2m for 1986.

Goods as well as passenger transport firms showed increases in capital expenditure on new assets when compared with the previous year.

The rises were 9,4% for private companies transporting goods and 7,4% for private companies transporting passengers.

The value of new vehicles bought in 1986, as a percentage of the total capex on new assets, shows 88,2% of total capex by firms transporting goods was spent on new vehicles. The corresponding percentage for companies involved in passenger transport was 67,5%.

The survey was carried out on the financial statistics of private firms, including public corporations that transport passengers and/or goods for reward.

Transportation of passengers includes private urban, suburban and inter-city bus and passenger coach lines, as well as safaris. It excludes taxis and school buses.



AIRLINE MOVEMENTS

Tuesday Air Schedule
Johannesburg to Cape Town

Dep	Arr	Flight
0100	0305	SA397
0730	0935	SA303
0955	1305	SA309
1000	1205	SA307
1400	1605	SA325
1600	1805	SA327
1800	2005	SA333
1810	2150	SA331
2030	2235	SA335

Cape Town to Johannesburg

0800	0955	SA304
1035	1230	SA310
1430	1735	SA338
1505	1700	SA316
1745	2100	SA324
1800	1955	SA326

Johannesburg to Durban

0700	0800	SA502
0800	0900	SA500
1000	1100	SA504
1300	1400	SA518
1500	1600	SA510
1715	1815	SA524
1915	2015	SA516
2050	2150	SA520
2215	2315	SA592

Durban to Johannesburg

0700	0800	SA502
0800	0900	SA500
1000	1100	SA504
1300	1400	SA518
1500	1600	SA510
1915	2015	SA516

Hunt Lascaris for Technics (Radio) and

Private transport riding high

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PRIVATE transport companies made a net profit of R118,6m last year, against the R74m achieved in 1985. The figures apply only to firms transporting goods.

This represents an overall increase of 60,2% for the year, says Central Statistical Services.

However, in the case of private passenger undertakings, the net loss experienced in 1985 rose by 32,4% from R46,2m to R61,2m for 1986.

Goods as well as passenger transport firms showed increases in capital expenditure on new assets when compared with the previous year.

The rises were 9,4% for private companies transporting goods and 7,4% for private companies transporting passengers.

The value of new vehicles bought in 1986, as a percentage of the total capex on new assets, shows 88,2% of total capex by firms transporting goods was spent on new vehicles. The corresponding percentage for companies involved in passenger transport was 67,5%.

The survey was carried out on the financial statistics of private firms, including public corporations that transport passengers and/or goods for reward.

Transportation of passengers includes private urban, suburban and inter-city bus and passenger coach lines, as well as safaris. It excludes taxis and school buses.

AND
ERMARKET

AIRLINE MOVEMENTS

BUSES AND TAXIS

A luta continua

The proliferation of black taxis, now said by the SA Black Taxi Association to number 70 000 and growing daily, is changing the face of the bus industry.

But while some bus lines see them as competitors as they tend to erode market share, others regard them as allies because they drop passengers at their door.

Putco, which once had a stranglehold on mass commuter road transportation, has its back to the wall because of taxis. Cape Town's City Tramways is also said to be losing passengers. Even taxi owners themselves, who pioneered the business, are advocating restraint in the increase in taxi numbers.

On the other hand, Johannesburg's municipal bus service has benefited from their spread. Some taxis operate between townships and municipal bus termini, where most passengers transfer to municipal transport. Others deposit their passengers in the CBD where those who need to get to the suburbs take municipal buses.

To its credit, Putco blames black taxis for many, but not all of its woes. 63 of its buses have been destroyed by mobs since the start of the unrest in September 1984 and April 1 this year. On average, each of its 3 500 buses has been stoned five times and has had two-and-a-half windows smashed.

Putco says due to the recession and increased competition, it will carry only 220m passengers in its current financial year. This is a 44% drop from a peak of 396m in fiscal 1982.

Not surprisingly, 500 of its buses are standing idle.

In spite of this, National Association of Automobile Manufacturers of SA (Naamsa) statistics indicate that black taxis will grow apace.

Naamsa statistician Costa Pierides says in 1983 there were 95 909 micro-buses on the roads. By 1984, which is as far as official statistics go, there were 110 580. Naamsa estimates that this grew to 127 495 in 1985, 146 997 in 1986 and now stands at 160 000.

For the first quarter of this year the sale of 16-seater micro-buses is already up 62,4% — from 707 in 1986 to 1 148.

The trend is having a deleterious effect on Putco which has put its surplus buses on the market. While it is negotiating with some buyers, PR manager Robin Duff refuses to say who. Word has it that some may eventually end up in countries further north — or even overseas.

Putco has compiled a 40-page report showing the possible consequences of allowing black taxis to increase at the current rate and how this could harm it and other bus operators. Copies of this "secret document" have been presented to the Department of Transport, the Minister of Transport Affairs and the Johannesburg City Council.

Putco's main gripe is that "the rules are not the same. Two ball games are being played on one field." Taxis can go anywhere and offer a door-to-door service, while buses are firmly controlled. Bus operators have to apply for routes, to which they are restricted. And if the services provided are not deemed adequate, they can lose their licences or be forced to share routes with other operators.

In all this there is something of a conflict of interest, however, because government apparently regards black taxis as an ideal means of creating a black entrepreneurial middle class. Bus owners allege it is not only granting more permits than it ever did through its local road transportation boards, but now also allows the use of 16-seater minibuses which were frowned on a few years ago.

Moreover, taxi ownership is made easy for newcomers through a number of schemes. Several are operated by motor manufacturers themselves who have a vested interest in increased sales.

The danger, however, remains that if black taxis are allowed to increase unchecked, they could force black bus companies out of business or even replace them. If that should happen, they could find that (like buses and commuter trains) they will only be busy in the mornings and evenings taking workers to and from work. In that event they could stand mostly idle in off-peak periods.

Moreover, with more than six fully laden taxis needed to replace one Putco bus, there won't be enough roadspace during peak hours. Such a situation could place a horrendous strain on a city like Johannesburg's infrastructure — not to mention its financial resources. ■

Bus drivers reinstated

DURBAN — The Industrial Court has ordered the reinstatement of more than 200 Putco bus drivers and found that their dismissal was both unjustified and unfair.

The Transport and General Workers' Union brought the application after a dispute between management and employees of the Durban South bus depot during October last year.

The men were dismissed after they transported passengers without collecting fares following management's failure to act on a union request to remove a member of management who had refused to attend a workers' grievance investigation. — DDC

(332) DD 21/5/87.

(332) S/Tan 22/5/87

Taximen unite

TWO rival East Rand taxi organisations have merged.

The Thokoza Taxi Association and the Thokoza Taxi Organisation merged at a meeting held in the township on Wednesday.

The meeting was held at the chambers of the Town Council. Toto was formed last year after more than 50 members of the TTA pulled out, claiming that the taxi organisation was not run properly.

Toto officials had also claimed that the TTA executive committee was against issuing new taxi permits, resulting in a number of pirate taxis operating in the township.

A spokesman for the new taxi organisation, still to be named, said the executive committees of the rival taxi organisation have resolved their differences.

A new executive will be appointed in the near future.

Row starts over fare rises

Clipper 24/5/87 332

THE CTC Bus Company has come under fire from East London commuters for unilaterally increasing bus fares by up to 50 percent from last Monday.

Mdantsane commuters forced the firm to drop an earlier increase by boycotting the service.

The boycott, which began in August 1983, became violent when Ciskei police and vigilantes became involved.

Many commuters died, but the company was ultimately forced to accede to a number of demands by the commuters' committee of 10.

Now some residents of Mdantsane are again suggesting calling a boycott, but others have cautioned that the state of emergency has made this impossible.

In the present increases, the minimum fare of 35c has been raised to 45c.

All other cash fares have been raised by 20c, while the prices of 10-trip tickets have been increased by between 4,5c and 10c per trip.

The committee of 10 has criticised CTC for taking the decision to increase fares without going through the transport committee of the Border Chamber of Industries, a forum created in the wake of the last boycott for negotiations between employers, commuters and the bus company.

A member of the committee of 10, Eric Mntonga, said CTC had called a meeting to inform several bodies about the increase, but the UDF, the committee of 10 and Cosatu had not been invited.

Only after inquiries were made was the committee invited.

"We asked why they had called a meeting to inform other bodies, instead of negotiating with the transport committee."

The bus company would not be budged, however, and the fare increase had been implemented.

The committee of 10 plans to hold talks with the UDF and Cosatu to decide on the next move.

Mntonga said he had already approached the transport committee to arrange a meeting. – Ei-

The big taxi coup d' etat



PUTCO is reviewing its operations throughout the country and may decide to pull out of several routes in the townships.

This was confirmed by a company spokesman who said stiff competition with taxis was one of the reasons which has led to some of the routes being run at a loss.

However, he denied that boycotts, stayaways and constant damage to the company's fleet – which is costing the company thousands of rands – were contributory factors in the move to prune Putco's operations.

The company, whose main operations are in black areas, is a constant target in unrest situations – because Putco is a wholly white- owned concern.

The company also holds a monopoly in most black areas and claims had been made that it has prevented others from entering the market.



REV NTOULA

Although Putco gets a government subsidy, it charges higher fares than taxis on certian routes, a situation which has caused many passengers to use taxis.

The recent large-scale licensing of taxis in densely populated metropolitan areas such as Soweto, townships north of Pretoria, the Vaal and the East Rand has reduced Putco's passenger numbers.

Among the reasons for the reduction is the fact that the bus service operates on a regular table and only stops at prescribed places, whereas the taxi service is more flexible and offers more comfort.

Already, Putco has pulled out of Umlazi towsnship near Durban where it was a constant target during unrests.

The company's present pull-out reconsideration comes at a time when a White Paper by a government-appointed transport commission is due to be presented to Parliament during its current sitting.

Some of the commission's recommendations include that of the complete deregulation of both passenger and goods transport in the country.

If the recommendations are accepted by Parliament, anybody with a roadworthy vehicle would potentially qualify to have it registered either as a taxi or goods carrier, without having to apply to the Transportation Board.

It already has become relatively easy to acquire a taxi licence. Hundreds of vehicles have been allowed to carry passengers for a fare over the last six months.

Putco's townships operations are bound to suffer heavy losses if and when deregulation takes place.

Refugee problem claimed

THE Mozambican ambassador to Malawi, Amos Mahanjane, says more than 200 000 Mozambicans are living in resettlement camps in Malawi without sufficient food, clothing and shelter after fleeing from the effects of drought and civil war in their country.

Mahanjane had just returned to Malawi from a six-day visit to Mozambique where he held talks with government officials and non-governmental organisations which are helping displaced Mozambicans.

Speaking in Lilongwe, Mahanjane said that, in addition to Malawi, there were many more displaced Mozambicans in other neighbouring countries.

He said his government was planning to repatriate the refugees by settling them in Tete province.

The success of the repatriation exercise would depend on co-ordination between the Mozambican government and the United Nations High Commission for Refugees. – Sapa.

Appeal dismissed

THE Bloemfontein Appeal Court this week dismissed the appeal of Geral Zinbonile Njilo, of Mhlangwini, Ixopo, against a finding that there were no extenuating circumstances for the murder of Nelson Mukela Malauli at Humberdale, Umzinto.

Malauli was killed on May 31, 1986. Njilo was sentenced to death for the murder and to seven years' imprisonment for robbing Maluali, by Judge B Law in the Natal Supreme Court on October 31, 1986.

Judge Vivier, with the concurrence of Judges Hefer and Smalberger, held that there were no grounds to interfere with the trial court's finding that there were no extenuating circustances. – Sapa.

Bop changes licences

BOP citizens holding driver's licences in the old SA book or Bop's book of life will be prosecuted if found driving with such licences from the July 1, SABC radio news reported.

New driver's licences will have to be applied for.

The move is to bring to justice people who bought driver's licences illegally in 1983. Those who obtained their licenses legally will not be retested by the traffic department. – Sapa.

TV 'motivated' Maki's murder

By SOL MORATHI

TELEVISION was the motivating factor in the brutal killing of Roseline Maki Skhosana – an alleged police informer – in Duduza two years ago.

This was calimed by several accused standing trial for the murder of Skhosana in the Pretoria Supreme Court.

Three of the accused – Linda Hlophe, 27, Daniel Mbokwane, 22 and a 17-year-old girl who may not be named told the court that they had contributed to the killing of Skhosana on July 20, 1985, as they wanted to appear on TV.

The three said the appearance of the SABC TV crew at the scene of Skhosana's death provided the catalyst. They told the court that they became excited and wanted to appear on TV so they beat the deceased.

And the only way to achieve that was to physically participate in the killing of Skhosana.

The deceased was beaten, kicked, stoned and burnt to death near the Duduza cemetery for allegedly being in love with a policeman and alternatively for being an informant.

Hlophe testified that he had twice dropped a stone on the chest of the deceased because he was excited by the presence of the TV crew. He said he was drunk at the time.

He is appearing with Matlakala Motaung, Sannah Twala, Jacob Tshaballa, Lydia Mokoena, Phineas Maseko, Maria Sobhuzi and a 15-year-old youth.

Skhosana, according to medical evidence, died of cerebral contution, fractured skull and haemorrhaging.

All have pleaded not guilty to the charge.

The case is proceeding.

Mswati money

THE first new Swaziland currency notes, in denominations of E2, E5, and E10 (Emalangeni), bearing the portrait of new King Mswati III, went into circulation this week.

The old notes will continue to be legal tender. – Sapa.

TAXI OWNERS PULL INTO THE GARAGE BUSINESS

THEO RAWANA

THE R1,8bn SA Black Taxi Association (Sabta) has changed gear and moved into big business with the establishment of seven garages in which members are shareholders.

Sabta, described by national adviser James Chapman as the biggest single black business group in SA, has oil giants Shell and Total to thank for pumping money into launching the garages and transferring them to Sabta members.

"The petrol companies went to great expense in procuring the sites, planning and setting up the infrastructure. A percentage of profits from petrol and oil is distributed among Sabta members, so that a taxi operator can make, on average, R100 a month," says Chapman.

"In addition, the companies donated R200 000 each to a "pledge pool" — a trust fund administered by trustees to finance the sites. Other companies are also assisting in this way to help the black taximan find his feet in a new area.

"Sabta, through its national bulk-buying facilities, is able to buy at reduced prices. For instance, we will be able to sell a pint of oil that would normally sell at R2,50 for R1. The idea is to help the black taxi-owner hold back fare increases."

The garages, one each at Pretoria, Springs, Benoni, Soweto, Rustenburg, Umlazi (Durban), and Zwide (Port Elizabeth), will be followed by eight others soon, says Chapman.

"Black small businessmen — other than taximen — are going to benefit from these garages by running the workshops, steam-cleaning, spares shops and tyre sales."

Sabta, with 45 000 members affiliated to its 45 regions nationally, has a scheme with motor manufacturers and spares companies whereby members can buy minibuses at a 15% discount and spares at 25% off, says vice-president Godfrey Ntlatleng.

"We also have arrangements for lower interest rates with one financial house and discount arrangements with tyre and oil companies," he says.

Membership is R15 a year.

The organisation, which gets a "small percentage" from each car sale, stands as surety on purchases.

Elaine Vorster of Toyota's public relations office says Sabta has a fleet-discount arrangement with the company, although the discount rate is left to the discretion of individual car dealers.

"Toyota also contributes a small sum to a cash fund administered by Sabta for every vehicle sold."

Alfred Manyaka of Nissan's special market department says his company sells no less than 100 units a month to Sabta.

"We were the first to sponsor Sabta's 'Driver of the Year' competition to foster good driving skill and discipline," says Manyaka.

He adds that Nissan also has a business-management training programme for taxi-owners.

African air uplift

(332) SMM 8/6/89

DURBAN — There are 90 African-owned airlines operating at present, according to *World Airlines*.

The magazine's "Airline directory" says most are restricted to scheduled carriers and many are "shopping around for aircraft".

Lesotho Airways recently sent a delegation to the United States and West Germany looking for additional equipment for its domestic fleet and the possibility of buying one or two more Boeing 727s.

"Others are facing major crises. Air Afrique (jointly owned by the Central African Republic, Benin, Burkino Faso, Chad, Congo, Ivory Coast, Mauritania, Niger, Senegal and Togo) is a typical example.

A meeting was held in Niger recently to save the airline from ruin. Austerity measures are to be introduced to cut a R122 million loss.

The situation of Ethiopian Airways is brighter. This organisation recently ordered a third Boeing 767, two 737-200s and two Aerospatiale ATR-42s at a total outlay of R214 million.

Other airlines on a "re-equipment process" include Kenya Airways and Air Mauritius.

Rumours are rife that the Kenyan airline may soon place an order for four of Airbus 200s. — Sapa.

New bus service to PE soon

MICK COLLINS

GREYHOUND will start another long-distance, overnight coach operation between Johannesburg and Port Elizabeth on June 23.

The company, which has become a force in passenger transport in the past three years, will initially operate three times a week each way, on the route via Bloemfontein and Colesberg.

A Greyhound spokesman said the fare would be R110 single and R198 return. Johannesburg to Bloemfontein would be R48 single and R87 return.

He said: "As awareness and passenger demand increases, Greyhound will schedule additional departures."

The coaches will leave Port Elizabeth on Mondays, Wednesdays and Fridays and depart from Johannesburg on Sundays, Tuesdays and Thursdays.

At the time of its launch of the Durban/Johannesburg service three years ago, Greyhound ran three scheduled services a week. The service has expanded and the company now operates 50 scheduled departures a week.

In October, Greyhound launched a three-times-a-week service between Cape Town and Johannesburg. It now operates a daily service in both directions.

The new service will be express with stops at Bloemfontein and Colesberg.

Each coach has a hostess service and is luxuriously appointed with individual air-conditioning, reclining seats, reading lamps, a cloakroom, video and four stereo music channels.

Cosatu challenged on Sats strike

Sitm 12/6/87 332

Political Staff

The Congress of South African Trade Unions has been challenged to issue another advertisment revealing what it intended doing about reimbursing the R40 million lost by South African Transport Services workers during the recent strike.

Minister of Transport Services Mr Eli Louw, replying in the third-reading debate of the Sats budget in the House of Assembly yesterday, said Cosatu had spent thousands on advertisments proclaiming its victory but "there was not a word in the advert about what happened to workers".

"I challenge Cosatu to place another advert in which it addresses the R40 million lost by workers during the three-month strike and in which it indicates who is going to reimburse them. Let Cosatu show its real colours."

Members in opposition benches burst out laughing and retorted: "What about the State President during the election?"

There was a less jovial response from the official Opposition when the Minister asked whether the CP intended solving all problems with "the bullet". Earlier in the debate the CP had proposed "bullet trains" to deal with transport problems.

"The CP should tell us what else they are going to solve with the bullet," said Mr Louw.

Retorted the **CP's Mr Frank le Roux**: "What are you insinuating? What are you insinuating?"

Mr Tom Langley, CP MP for Soutpansberg, criticised the Minister in the course of debate this week for handling the strike "without guts".

"He said we weren't hardline (kragdadig) enough," replied Mr Louw.

"Many Sats workers brought their bedding to work and spent the night there in order to carry on working and gave in finally to intimidation and threats of murder.

"And he wants me to 'have guts' and be 'kragdadig' to those people."

Mr Louw said he could have been unsympathetic and, when those workers found themselves trapped between pressures from both sides and reacted violently, he could have ordered the police to open fire.

"That's that party's idea of guts," he said, stabbing a finger at the CP Opposition. "I chose to be judged for reasonableness and on the results that I achieved, and I say that takes guts."

Major shipping companies merge

IN a major shipping move, Grincor has announced the merger of a main operating division, Grindrod & Company, with the Mitchell Cotts group in SA.

In a statement released in Johannesburg yesterday, chairman of the JSE-listed Grindrod Unicorn group, Murray Grindrod, said the merger of the shipping and transport divisions would be effective from July 1.

The move follows a recent cautionary statement issued by the board of the Grindrod Unicorn group and is expected to have a significant effect on Grincor's earnings in the medium term.

While the merger will have no impact on earnings in the current year, Grindrod says it will have a significant effect on earnings in the medium term.

"The merged operations will be managed by Grindrod Cotts Limited with Grindrod & Company holding two-thirds of the capital and Mitchell Cotts the other third."

Grindrod said the merger was in keeping with Grincor's strategy to increase its role in SA's national and international transport infrastructure.

MIEK COLLINS

"The merged group will continue to provide a full range of shipping and transport services including ships agency, international sea and air freight clearing and forwarding and domestic groupage and freight distribution."

Grindrod also said the merger would provide the opportunity for major rationalisation of the two groups with a resultant improvement in customer service levels and reduction in costs.

Grindrod & Company MD Andre Schoeman has been appointed MD of the new group.

Grincor, which controls assets of R156m and generates an annual turnover of R245m, was established in its present form on July 1 1986 when it acquired 100% of Grindrod & Company.

Putco seeks 14 pc fare rise

SMH 16/6/87

Pretoria Correspondent

Putco has applied for a 14 percent fare increase with the hope of having it implemented on November 1 this year.

A statement by the bus company's public relations officer, Mr R K Duff, said an application has already been made to local transportation boards in its operational areas, but the applications had yet to be heard.

Areas that would be affected are Pretoria, Johannesburg, Durban and Bophuthatswana.

"Input costs are increasing and these have to be recovered if we are to stay in business," Mr Duff said.

If the new fares are implemented in November, it would be a year since the last increases averaging 17,5 percent.

Transports of violence

Crime Reporter

Six minibus taxis were damaged yesterday afternoon after a brawl erupted between rival taxi associations at the rank in Bree Street, Johannesburg, police said.

A man was reportedly treated in hospital after being punched in the mouth but a police spokesman said they had received no assault complaints.

Members of the Johannesburg Black Taxi Association and the Soweto Black Taxi Drivers Association clashed over the use of the rank which caters mainly for people commuting to the Northern Transvaal homelands.

Tyres were slashed, windows smashed and passengers chased off during the fight, the police spokesman said.

Taxi association thinks over Putco offer

THE SA Black Taxi Association (Sabta) has appointed experts to study Putco bus company's viability, with a view to bidding for the controlling shareholding.

This follows confirmation at the weekend that the Carleo family is to sell off its 52% share to a trustee company to be formed for the disposal of the shares to a new owner.

With a market capitalisation of about R105m, the 52% stake in Putco is worth more than R50m.

SOPHIE TEMA

Sabta national president T J Ngcoya said yesterday a proposal had been made by the bus company to Sabta to take over the running of Putco. Sabta last week denied it was interested in the shareholding, saying it did not have the finances.

Putco chief liaison officer R Duff said Sabta had, in fact, offered to buy Putco.

Ngcoya said if Sabta decided to bid for Putco, an appeal would be made to oil companies to finance the venture.

Commenting on the proposed offer's funding, Ngcoya said: "We have our friends in industry who are prepared to assist us financially, provided the deal is a profitable venture. We are waiting for the results of the study before starting negotiations for the financing of such a giant project. I maintain there will be no need to ask for assistance overseas."

Passengers flee as Claremont bus burns — arson suspected

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332

Staff Reporter

AN arsonist is believed to have torched a bus on the Stanhope Road bridge interchange in Claremont today.

The bus was packed with about 85 passengers when the fire started about 7.40am.

The driver stopped to allow the occupants to escape but the bus was gutted.

A fire brigade spokesman said arson was suspected because the fire started in upholstery at the back of the vehicle.

Emergency services sped to the scene and police and traffic officers sealed off the bridge which links Lansdowne Road and the southern suburbs.

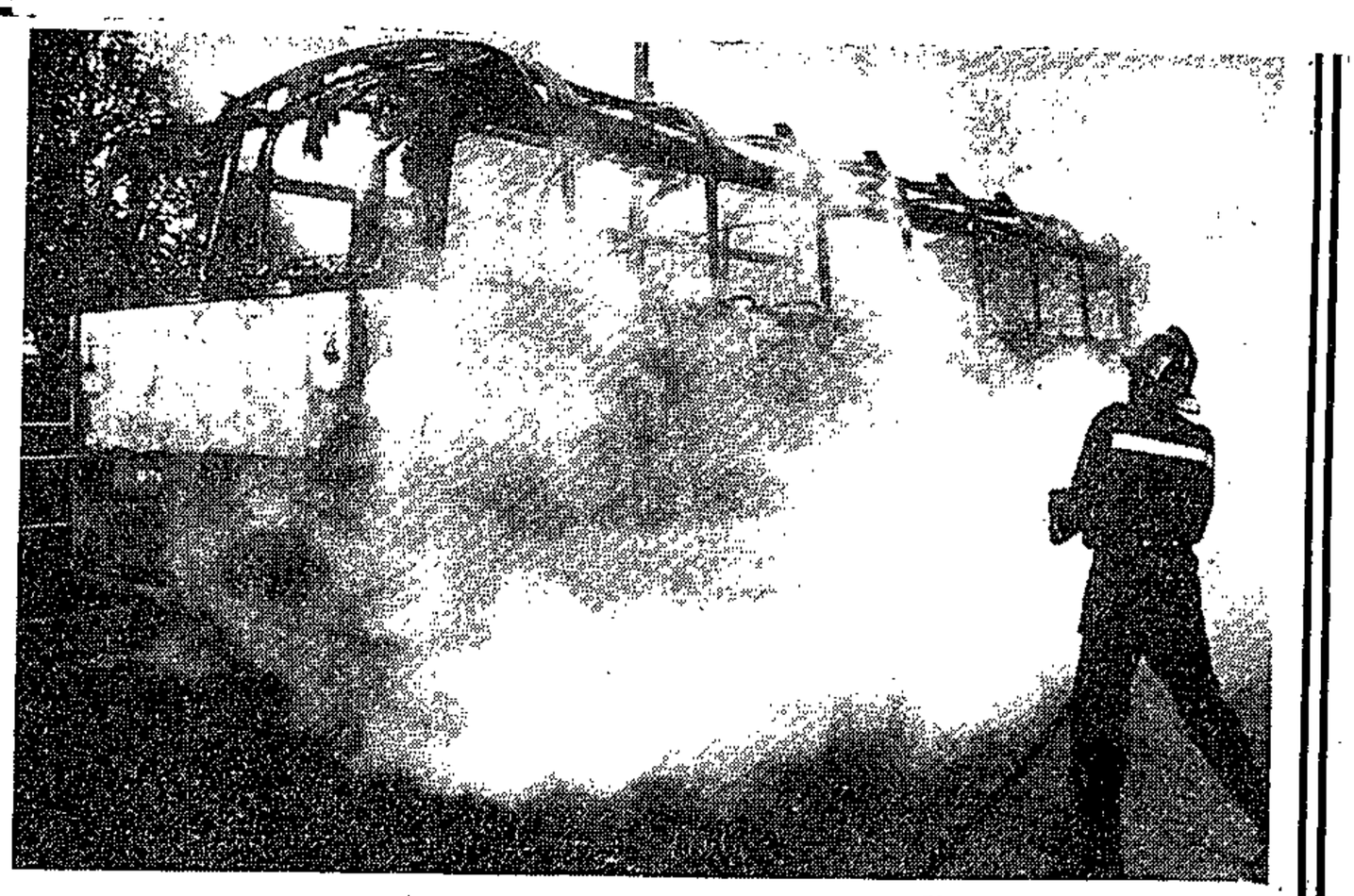
"QUICK ACTION"

Traffic was rerouted for about 90 minutes while firemen fought the blaze.

"There were about 85 people on the bus when the fire started and no one was injured thanks to the quick action of the driver," said a City Tramways spokesman.

"The driver's first consideration was for the safety of his passengers."

The bus, one of the company's older vehicles, was valued at R20 000.



Picture: BRENTON GEACH.

GUTTED BUS: A fireman hoses down the shell of a bus which caught fire on the Stanhope Road bridge today.

Bus industry key to deregulation



MR STREICHER

JOHANNESBURG — If the transport system became totally deregulated, subsidies would probably be paid direct to commuters through the Regional Services Councils, the Deputy Minister of Transport Affairs, Mr Myburg Streicher, said yesterday.

Mr Streicher told the annual meeting of the Bus Operators' Association of SA here that such a subsidy would not necessarily specify whether the commuter used a bus, train, combi-taxi or private car.

Thus the future of partial regulation of the passenger transport market would be determined by the extent to which the bus industry could hold and expand its initiative as well as the extent to which its overall all-round efficiency could be improved.

The cost-effectiveness of the bus industry as opposed to that of taxis was being investigated.

It could not be denied that taxis were not loaded with infrastructural costs of depots, termini and storage which meant their costs were less.

Another factor influencing future transport planning was that subsidies could be reduced by 20 to 23 per cent if commuters could be resettled within 20km of their work.

"During 1984, 19 per cent of all commuters were conveyed over distances in excess of 30km while 20 per cent spent an average of four and a half hours in transit.

"Should all commuters be resettled within 30km of their places of employment, subsidies can be reduced between eight and ten per cent.

"The White Paper on Urbanisation motivates a further possible strategy namely to accommodate urban growth within the already developed urban corridors. In other words, an insertion strategy.

"These strategies all commonly originate from prolonged transit times and exorbitant transport costs and the capability or incapability of our economy to accommodate this financial burden indefinitely."

Any attempt to "deviate from mass transport" was a source of concern to the government.

"On the other hand, the well-being of public transport is not the only responsibility and priority of the State."

The government also had a duty to the taxpayer, Mr Streicher said. Therefore, the cost-effectiveness of the various transport modes was of paramount importance in determining the policy to be pursued in the future.

Another factor influencing government thinking was the vulnerability of large public transport units to unrest attack.

"The instigators of violence also realise that a trip to work in the morning is a sensitive area for an attack, not only on the morale of the worker, but also on the economy in general.

"The bus industry, as a mode of transport, is therefore often the target for attack.

"The radical elements in our society deliberately create a 'bad' image of the bus industry. Attacks are made on buses to destabilise an area or township."

To judge the image of the bus industry, it was necessary to draw a clear distinction between the bus as a means of transport, and the bus as an easily reachable target for political unrest.

"To the enemy, the bus is only the physical object through which instability is created."

While it might appear that the image of bus operators was not positive, a National Institute for Transport and Road Research survey indicated that this was not necessarily so.

The survey, in the Durban area, showed that black commuters preferred a bus to a taxi in many cases mainly because of reckless driving, resulting accidents and the cost of taxis.

"Commuters are, in the first place, concerned about affordable, reliable and safe transport," Mr Streicher said.

As these results were applicable to Durban commuters only, it would be interesting to see whether surveys in other regions revealed similar results.

Nonetheless, there was reason to believe the bus industry had as positive an image as the taxi industry.

It was estimated that the number of black commuters using buses had dropped by 7,5 per cent a year since 1982 and some operators had lost up to a third of their market.

"It is possible that the downslide of market share in passenger transport to taxis is to some extent attributed to the fact that taxis are less easy targets for violence than buses," Mr Streicher said.

More than ever before, economic effectiveness would influence the political decisions that could have a direct or indirect effect on the transport industry.— Sapa

BUS WARS

Tollgate gets tough

Tollgate Holdings (TH), the Cape-based transport giant, is going for growth. As part of its aggressive new strategy, it has regained its foothold in the lucrative Transvaal market through the purchase of Johannesburg's Horizon Tours.

Horizon was bought from Cape Gate Holdings subsidiary Gateways International for R2,4m.

While Horizon has recently shown losses and its R3m turnover last year will make little impression on TH's turnover of R126,8m in fiscal 1986, the link-up with TH is bound to provide future benefits.

Horizon's licences will enable TH subsidiary, Springbok Atlas Safaris (SAS), to compete on equal terms in the Transvaal with other bus tour companies and Sats who constantly opposed its permit applications, says MD Johann Barnard.

TH had a strong stake in the Transvaal market in the late Sixties and early Seventies after it bought Springbok Coach Tours from Bill Olds in 1967. In 1970, Tollgate merged Springbok with Rentmeester Beleggings' Atlas Toere — forming Springbok Atlas.

Four years later Tollgate bought Rentmeester Beleggings and, in what proved to be an ill-advised move, it sold the Johannesburg operation and its coveted Transvaal permit.

That company, subsequently renamed Drakensberg Coach Tours, was later resold and became Rand Coach Tours which has turned into a large company with a big slice of the bus tour market, a number of profitable contracts and a large fleet that includes 20 super luxury buses.

Says Barnard: "Being able to operate again in the Transvaal is of major importance to us, after we had effectively frozen ourselves out. Until we acquired Horizon, SAS could not pick up South Africans in the Transvaal — only foreigners at hotels or at Jan Smuts Airport."

The acquisition of Horizon, which will become a part of SAS, also gives Tollgate the monopoly to conduct all guided tours in Gold Reef City, using its "antique" vehicles.

Meanwhile, TH's finances are also looking up.

Unlike Putco, which recorded a 44% drop in passengers from 396m in 1982 to 220m in fiscal 1986 (*Business* May 15), its Cape Town operation, City Tramways, has increased its passenger load steadily since the beginning of 1986.

It was helped to a large extent by the lifting of influx control and the legalising of squatting at Khayelitsha.

Consequently, the number of passengers between Khayelitsha and the Cape Town CBD rose from a 1986 low of 59 000 a week in January to an average 107 000 a week in March, April and May.

In June, when the State of Emergency was declared "and the people felt safer," the average moved up further to 119 000 a week, then to 120 000 a week in July and 143 000 a week by last August.

"Since then, more have been using buses and we now have 80 committed to the Khayelitsha service," says Barnard. "And we can compete with black taxis by offering a better and cheaper service."

He concedes that public transport cannot compete with private cars that convey 60% of all Cape Town commuters. Buses, black taxis and trains have to share the remaining 40% and, of this, trains have 60%, buses 37% and black taxis 3%.

But because of the large distances between Cape Town's townships and the CBD, buses sell their seats three and four times in one journey. Taxis usually sell their seats only once.

"The result is that if the legal passenger limit for combi taxis remains at 15, they cannot compete with buses," says Barnard. "In any event, they have to charge less than we do to get passengers." ■

[redacted] 332 wp 27/6/87

PE bus staff wages to rise by 19%

By DAWN BARKHUIZEN

WAGES and salaries — due to go up by an average of 19% next month — account for almost half of the running costs of buses, PE Tramways managing director, Mr Carl Coetzer said in statement yesterday.

His statement came in reaction to claims by the Democratic Transport and Allied Workers Union (Dtawu) that wages "should not be blamed" for the proposed 17% increase in bus fares on July 1 and that "the company puts the prices up and gives us peanuts."

Last weekend PE Tramways announced that bus fares would rise by 17,62% from July 1.

The increase is the first since June 1986 when prices went up by 8,6%.

Following the two-week bus strike earlier this year union officials agreed to an average increase of 19% with a ceiling of 28,1%, effective on the successful implementation of the fares increase, Mr Coetzer said.

Mr Coetzer also dismissed further statements made by the secretary of Dtawu, Mr Moses Louw, that PE Tramways employees had received 10% increases over the past two years.

Last year, when fares went up by 8,6%, workers received an average increase of 14,6%, he said.

Announcing the increase last Saturday, Mr Coetzer said that a combination of high running costs and wage increases had made the fare increases unavoidable.

Fare increases had not kept pace with the inflation rate since 1983 and the relatively high increase of 17,62% was therefore realistic.

(332)

PE Tramways announce concessions on eve of bus fare increases

Post Reporter

PE TRAMWAYS has softened the blow of its 17,62% increase in bus fares from tomorrow with the introduction of a conditional concession for pensioners and a government-subsidised cut in clipcard rates.

Pensioners over the age of 65 who are not in permanent employment will enjoy cut-rate fares on all days except Saturdays on production of a valid PE Tramways identification card.

The fare will be 20c for an unbroken journey on any of the company's bus routes.

At the same time, the company announced "substantial" reductions on its 10-ride clipcard fee as a result of a subsidy granted by the Department of Transport.

EP 30/6/87

The managing director of PE Tramways, Mr Carl Coetzer, said the concession to all pensioners had been approved following a request from black organisations.

Pensioners should apply to their nearest bus depot between 9am and 10am on any Wednesday to arrange for transport to and from the PE Tramways offices at Valley Road and identification cards would be issued the same day free of charge.

Mr Coetzer said these would not be transferable and the concessionary fares would apply only between 9am and 3pm from Monday to Friday and between 9am and 4pm on Sundays and public holidays.

Giving examples of the new clipcard fares in an newspaper advertisment published this morning, PE Tramways said a single trip from New Brighton, Kwazakele and Walmer townships to the city would cost 34c compared with the cash fare of 50c.

A single trip from Zwide and Veeplaas to either the city or Korsten was 41c as opposed to the 60c cash fare.

A major concession had been granted on the Motherwell and Motherwell transit camp route to the city, Korsten and Harrower Road, resulting in a 55% saving per trip, from 100c for cash tickets to 45c for clipcard holders.

A clipcard passenger from the Motherwell transit camp could now travel the 29 kilometres to the city at a rate of just over 1½c per kilometre.

Fuel costs set to push up bus fares

By CHRIS ERASMUS

THE restructured fuel-price system, described by City Tramways as "shocking", may well cost Cape Town bus commuters more, rather than saving them money.

The reason, according City Tramways, is that bus companies no longer qualify for the rebate on diesel fuel.

Meanwhile, PFP finance spokesman Mr Harry Schwarz, has said that the fuel price reductions announced this week were "too small" to bring down other consumer prices.

Mr Nic Cronje, managing director of City Tramways, said yesterday the announcement by government regarding the new fuel prices has had "a shocking impact on the bus industry".

According to City Tramways, the effect of the announcement is that the cost of diesel fuel for the bus industry has increased by almost six cents a litre — in spite of the announcement by the Deputy Minister of Economic Affairs and Technology, Mr George Bartlett, that the pump price of diesel would drop by three cents a litre in the greater part of the country, including Cape Town.

"This drastic increase results from an increase to the basic fuel price coupled with the fact that, according to the announcement by the Deputy Minister of Finance, the bus industry no longer qualifies for any rebate under the new rationalized levy structure," said Mr Cronje.

"This company, which operates bus services in Cape Town and adjacent areas, will simply not be able to absorb these additional costs.

"To avoid having to pass on the increase to its passengers, the company has directed an urgent appeal to the Department of Transport in an effort to obtain some form of relief for its passengers," Mr Cronje said.

To page 2

Once the outcome of the appeal was known City Tramways would issue a further statement, he said.

Mr Schwarz said the fuel price reduction was "so small that it's not going to have any major effect.

"Of course, any reduction has an effect but this one is simply too small to have any meaningful effect on other consumer items," he said.

Mr Michael Boyes, president of the Cape Town Chamber of Commerce, said that although general price reductions were unlikely to follow as a direct result of the fuel price cuts, they could be expected to put a brake on further price increases.

The reduction in certain fuel prices was "a most welcome move that can be expected to dampen inflationary trends that are deeply rooted in our economy," he said.

"At the same time, it has to be appreciated that fuel costs represent an extremely small component of the end-price of most goods and services.

"It is a fact that the rand-dollar exchange rate has been working in SA's favour and this has been the prime reason for the fuel price cuts. Against this, however, imports from countries such as Germany and Japan have been becoming increasingly expensive.

"The rand is now in a more stable position vis-a-vis the currencies of our main trading partners with lower inflation rates than ourselves and this can be expected to hold back future price increases," he said.

Mr Boyes said retailers were operating in a highly competitive market and consumers could expect that any benefits gained by reduced import costs would be passed on by traders.

Call to bring back fuel rebate

Putco fare hikes on the cards

2/7/87

Bd Day

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NORMAN SHEPHERD

PUTCO bus fares might go up twice before the end of the year if government did not reinstate the preferential rebate on diesel, a company spokesman said yesterday.

Putco applied to government for a 14% increase in fares earlier this year which it hopes will be approved before its November 1 target date for implementation — and is considering applying for another before that.

The bus company must wait for the 14% increase to be considered before it can make a new application, but it can submit an urgent application for an increase of up to 10% in terms of special regulations relating to fuel price adjustments.

Putco PRO Robin Duff said the company was looking into raising fares twice because the scrapping of the rebate under the new fuel price structure meant Putco would have to pay 5,6c more for each litre of diesel on the Reef. Total operating costs would increase by R4m a year.

Putco, through the SA Bus Operators' Association, had made urgent representations to government to reinstate the rebate.

The company's fare increases over the past few years have been met with boycotts and the stoning of buses. The number of blacks using buses is estimated to have dropped at a rate of 7,5% a year since 1982.

Duff said: "We can't absorb the increased costs. Neither can we understand why the rebate was eliminated. "Putco is debating whether to pass the increased cost on immediately, or whether to carry it until after the present application has been heard, approved and introduced."

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PUTCO

Franchise future?

Bus operations could be put out to franchise if present negotiations for the purchase of Carleo Enterprises' 52,5% stake are successfully concluded.

Negotiations are said to be at a "delicate" stage with the buyer who is insisting on anonymity, though it is widely believed to be the SA Black Taxi Association (Sabta) acting in concert with a conglomerate of investests. One proposal apparently being considered is the franchising of services to local taxi associations affiliated to Sabta.

The franchising concept has been tried and tested by Greyhound in the US, and could be lucrative to the franchisor. In return for a flat franchising fee, the franchisor could, for example, undertake repair and administrative work and buy petrol in bulk for sale to the franchisees.

Numerous problems, however, stand in the way of a deal. For instance, what impact will the regional services councils' proposed transport system have, and will government approval be forthcoming?

Continuance of government subsidies and re-allocation of permits are obviously of vital concern to a prospective purchaser. Included in the deal are Putco's extensive property interests, with a book value of R110m.

Any involvement by Sabta is also likely to raise eyebrows at the Competition Board and there would probably be an investigation if approval is not obtained beforehand.

Linda Ensor

W/C ARGUS 4/7/84

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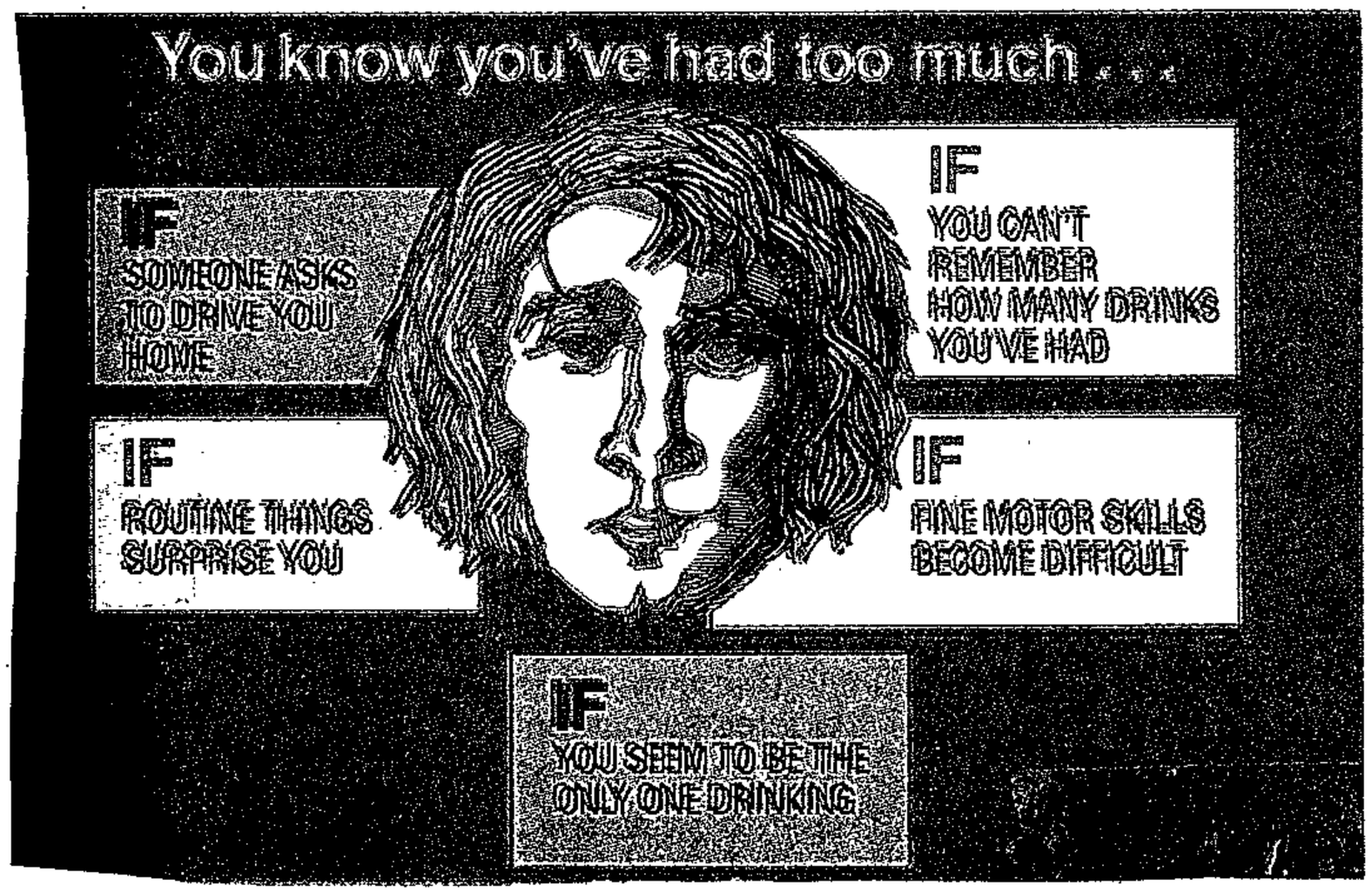
More and more drivers are getting . . .

Plastered on Sundays

The message police want to get across



by MARK STANSFIELD
Weekend Argus Reporter

PENINSULA drivers are staying relatively sober on Friday and Saturday nights but are making up for it by getting plastered on Sundays.

Cape Town's Assistant Traffic Manager, Mr Wouter Smit, said the traffic department was now arresting more people driving under the influence of alcohol on Sundays than any other day of the week.

He would like to see the Road Traffic Ordinance amended to ensure harsher penalties for road offences.

Mr Smit said: "Since September 1984 we have been having regular roadblocks throughout the year and have noticed that the number of arrests have declined but that these have not created a sufficient deterrent, punitively and educationally, to achieve our short-term objective — which is to reduce the carnage on our roads.

"We noticed that Friday and Saturday nights were the times when people were driving while drunk. That has changed now. Sunday is the day we arrest the most drunk drivers on the roads in the Peninsula.

were more aware of the amount of alcohol consumed.

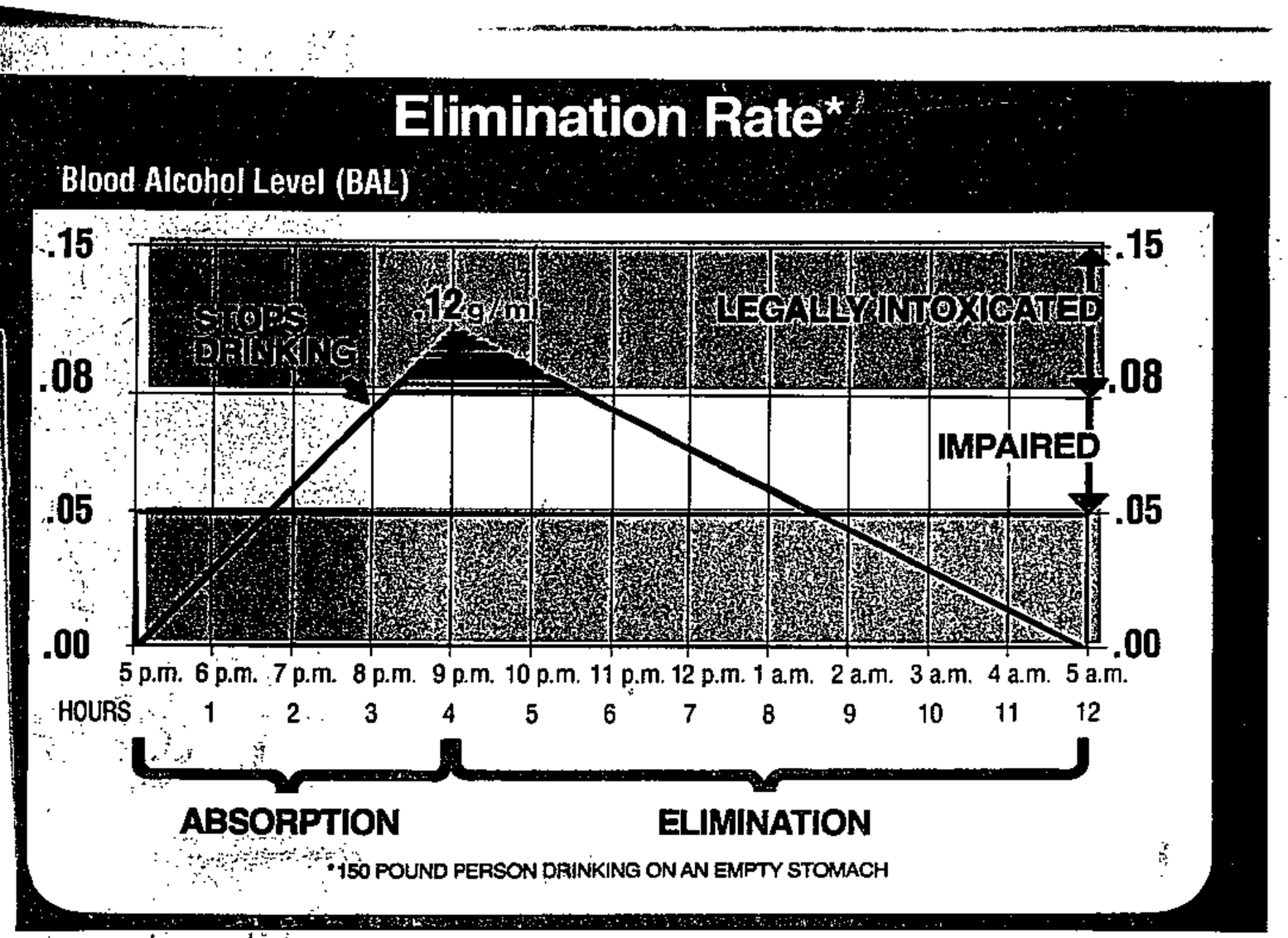
"Sundays, on the other hand, were 'family and friend affairs' where the drinker had no way of judging the amount of alcohol consumed because he was not ordering drinks but consuming the supply of alcohol around him . . . usually until this was finished.

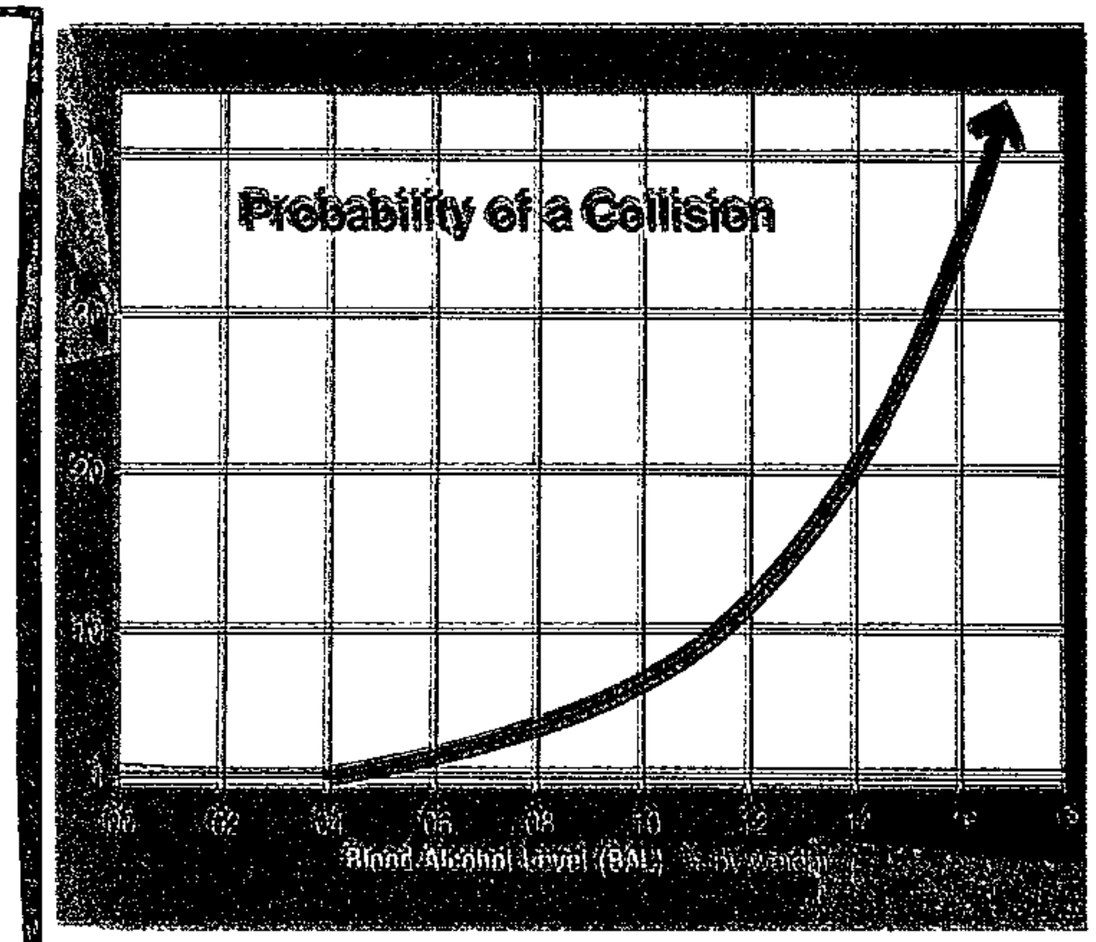
"More people are buying alcohol for home consumption — unfortunately these people then go out and drive."

Inspector Colin Campbell, who regularly attends roadblocks set up by the traffic department, said most of those arrested for drunk driving felt that they were the "unfortunate" ones — they were "caught".

He said: "They never see themselves as being a danger on the road. They see the killer as some other mythical person who is not on the same social level as themselves.

"These people must be made aware that it is the alcohol which turns them into potential killers and they should perceive themselves as the ones who are causing the carnage on our roads."





"We interviewed those charged and found that on Friday and Saturday nights they attended functions where they

Alcohol played a large part in the 329 people accidently killed on municipal roads last year, he said.

'Get tough on the drinking driver'

SENIOR traffic officers want the courts to get tougher with drink-driving offenders, even if it means changing the law.

The average penalty on conviction in Peninsula courts is about R350 or three months imprisonment, according to statistics.

The maximum fine under the Road Traffic Ordinance is R2 000 but a random check of past fines showed that one of the highest penalties so far handed down was to a man arrested with a blood-alcohol level of 0,33g per 100ml — enough to cause a catatonic or comatose state in some people — who was fined R1 000 or 10 months imprisonment of which R600 or six months was suspended for three years.

Rarely are the licences of South African motorists suspended or endorsed, even though in 67 percent of fatal accidents alcohol was a factor.

Cape Town's traffic chiefs would like to see the law changed. Mr Smit said: "We envisage a system which treats both rich and poor equally and that system would be one where the privilege of driving is suspended for a certian number of offences instead of monetary penalties.

He said: "I spent some time studying the law enforcement system in America. They use one of the best methods of creating awareness among drivers of their responsibilities and duties.

"Every driving violation is given a numerical value — the more serious the violation the higher the value. When a driver reaches four points he is advised by the authorities:

"When he reaches eight points he is requested to come and see an official on law enforcement and to discuss any problems he may have.

"When the driver reaches 12 points his licence is suspended for a stipulated period and if he is caught driving while under suspension his licence is revoked and he is debarred from applying for another one for two years."

Although South African law says a man can legally drive with a blood alcohol level of 0,08g per 100ml, Mr Smit said tests have shown that judgement is impaired at a level as low as 0,05g.

"The United States is looking at making the legal driving limit 0,05g per 100ml," he said.

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Taxi men make bid to buy Putco bus service

Cape Times 9/7/87

Own Correspondent

JOHANNESBURG. — The SA Bus and Taxi Association (SABTA) has confirmed that it intends buying a 52% majority stake in Putco — if the Department of Transport gives the deal the green light.

SABTA's national president, Mr James Ngcoya, said yesterday negotiations to take over Putco were at an advanced stage.

Road Transport Commission spokesman, Mr C H Smith, yesterday said: "We are aware that there are negotiations between SABTA and Putco for the takeover.

"Before the deal can be completed, there are certain requirements that SABTA has to meet. It is a general, accepted condition that the National Transport Commission (NTC) must approve the transfer of permits from one company to another.

"SABTA has agreed that once they have reached agreement with Putco they would approach the NTC for permission to take over the permits," said Mr Smith.

Mr Ngcoya said he hoped the deal would go through by the end of September this year.

SABTA had not yet had a report from experts appointed to study the Putco bus company's viability.

Although details of the funding of the proposed deal are still shrouded in mystery, Mr Ngcoya yesterday repeated his statement that SABTA would have little difficulty in raising the funds from industry — provided the venture looked profitable.

SABTA's national adviser and chief planner, Mr James Chapman, is quoted in this week's Financial Mail as saying: "As far as Putco is concerned, the black taxi industry has always kept its eyes open for any investment opportunity in the field of transport."

Black group wants Putco

THE SA Bus and Taxi Association (Sabta) plans to buy a 52% majority stake in Putco if the Department of Transport gives the deal the green light.

Negotiations to take over Putco were at an advanced stage, said Sabta national president James Ngcoya yesterday.

Road Transport Commission spokesman C H Smith said: "We are aware there are negotiations between Sabta and Putco for the takeover.

"Before the deal can be completed there are certain requirements Sabta has to meet.

"Sabta has agreed that once they have reached agreement with Putco they will approach the NTC for permission to take over the permits," said Smith.

Ngcoya said he hoped the deal would go through by the end of September this year, despite the requirements.

Sabta had not yet had a report from the experts appointed to study the bus company's viability.

Although details of the funding of the proposed deal are still unclear, Ngcoya repeated his statement Sabta would have little difficulty in raising the funds from industry.

SOPHIE TEMA

ing to Duff, is that the name of the purchaser should not be disclosed publicly until such time as all the conditions of sale have been met.

James Chapman, national adviser and chief planner behind sabta says: "As far as Putco is concerned, the black taxi industry has always kept its eyes open for any investment opportunity in the field of black transport. We have had discussions with the people who are negotiating the deal and are very interested in looking at Putco.



Putco . . . more smiles with black control?

"As a matter of policy, we believe that black transport should be in black hands." However, Chapman points out that there are still a lot of obstacles to overcome. "For a start we would have to create a competent management structure to run the company and, of course, we would have to raise the finance to effect the purchase. We would also need government approval for the deal as well as an undertaking that it would be prepared to continue with the subsidy system.

"If we can get across all these hurdles, we could very well be in the market for the company."

Road space

A valid point Chapman makes is that, while sabta originally grew out of a loose association of taxi associations, "it is quite obvious that road space simply does not allow for another 4 000-odd black taxis. Therefore, buses have a very real and meaningful role to play in the field of black transport. This is what has prompted our interest in buses."

A major problem, however, is that the Competition Board has reservations. It has firmly indicated that, if the deal goes ahead, it would feel compelled to investigate it. ■

PUTCO

Sabta now poised

There seems little doubt that the prospective purchaser of the Putco bus company is the Southern African Bus and Taxi Association (Sabta) — formerly known as the SA Black Taxi Association.

Robin Duff of Putco confirms that an agreement of sale has been concluded, but emphasises that the Department of Transport requires certain conditions to be fulfilled before it will give the nod to the deal. The *FM* understands these conditions relate mainly to the purchaser's ability to provide a smooth and efficient service — on time. Another condition of the agreement, according to Duff, is that the name of the purchaser should not be disclosed publicly until such time as all the conditions of sale have been met.

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COACH TRAVEL

Demand takes off

The inter-city coach business is mushrooming. Modern, fast, businesslike and relatively cheap, the new bus services are taking over as old-fashioned main line train travel continues to wane and air fares keep on rising.

As Greyhound MD John Fryer puts it: "Coach travel is the new alternative in the passenger transport world, and it is gathering momentum by the day." Citiliner chairman Johann Lourens concurs: "Air fares have placed the family man in a predicament — he simply cannot afford to fly."

The three principal contestants in the field are Greyhound, Citiliner and Sats — though Gert Meintjes, chief director of road transport for Sats tells the *FM* that, in terms of a policy decision, Sats is no longer expanding its operations.

Because of the competitiveness of the business, it is not easy to get figures from the organisations involved. But Fryer does say that Greyhound is now offering around 13 500 seats a month on its network "and at peak seasonal periods, such as over long weekends or during school holidays, we have very little to spare."

Given the fact that Greyhound only operated its first inter-city service between Johannesburg and Durban in June 1984, that shows strong growth.

Gus Basson, commercial manager for Citiliner, says the company's newly inaugurated Johannesburg-Cape Town services are fully booked and the company has a "fair slice" of the Johannesburg-Durban trade. "In fact, you have to book three months ahead for in-season bookings," says Basson.

Meintjes says Sats' existing services are all running to capacity.

Greyhound is now operating four services a day in both directions between Johannesburg and Durban, including an overnight service. It also operates to Cape Town via both Bloemfontein and Kimberley, and has services to Nelspruit and Pietersburg from Johannesburg.

Greyhound's newest service, which according to Fryer is now proving extremely popular, is from Johannesburg to Port Elizabeth. departure time from Johannesburg is at 17h00, arriving in PE at 06h30 the next morning. The return fare is R198, or about the same as the special discount midnight air fare.

At the moment Citiliner is confined to the Johannesburg-Durban and Johannesburg-Cape Town routes; though its sister service, Mainliner, operates between Johannesburg and Windhoek, and Cape Town and Windhoek. These services are frequently booked three months ahead. According to Basson Citiliner is jointly controlled by Safmarine (51%) and F P Du Toit Transport (49%), while Mainliner is wholly owned by F P Du Doit Transport. This company also owns a big refrigerated trucking outfit called Mainline Carriers.

Citiliner operates a daily service between Johannesburg and Durban, plus additional "Niterider" services on Friday and Sunday evenings. Its Johannesburg-Cape Town services operate three times a week in both directions. Sats is currently operating between Johannesburg and Durban, Durban and PE, PE and Cape Town; and between Pretoria, Johannesburg and Bloemfontein.

Despite its claim not to be expanding, Basson claims that "what Sats says and what it does are not necessarily the same thing."

Both Greyhound and Citiliner offer all mod cons on their vehicles such as air conditioning, video and stereo sound entertainment, and a toilet. Both also employ hostesses. However, Citiliner is deliberately targeted upmarket of Greyhound. It has five double-decker Neoplan custom-built coaches built in Stuttgart, West Germany (with a sixth to follow). The R1m super luxury vehicles also have a galley and a bar so snacks and beverages can be served. On the Cape Town route full meals are served.

For this reason Citiliner fares tend to be a little higher than Greyhound's — for example, the single-fare Johannesburg-Cape Town on Citiliner is R148, compared to Greyhound's R135. The return fare on this route by Citiliner is R296, which is way below the current return air fare of R450 plus.

Greyhound uses a combination of Mercedes-Benz and ERF coaches.

In addition to regular services, coach charters are now becoming very popular, especially among Johannesburg parents of boarding school children in other provinces.

Fryer tells the *FM* that Greyhound could be running as many as 11 charters in the next year between Grahamstown and Johannesburg, while it has also done charters to Queenstown and various schools in Natal. ■



Inter-city coach . . . business is booming

Putco takeover could turn political

Give blacks a fair go, says Nafcoc

PUTCO has been asked by the National African Federated Chamber of Commerce (Nafcoc) to ensure that blacks have the first and fair opportunity to make an offer for the majority shareholding in the bus company.

Reacting to reports in Business Day that a rightwing Afrikaner consortium had made a R150m bid for the JSE-listed transport giant, Nafcoc national co-ordinator Gabriel Mokgoko said

MICK COLLINS

blacks had used Putco from its inception.

He said: "It is regrettable that Mayer (nominee for the Afrikaners) and his group should demonstrate such a glaringly myopic view on the economic future of our country.

"The truth is that blacks are no longer satisfied with the crumbs that fall from their masters' tables — politically and economically. The future is clearly that which will make blacks active across the board and not as distant observers as Mayer and his group are trying to make them."

Mokgoko said because the Afrikaners were taking a racist stance, they should not be surprised if blacks took a political stance on the matter.

He said: "They are kindling a fire they may not be able to extinguish."

And the SA Bus and Taxi Association (Sabta) also accused the mystery business consortium of behaving typically like "groups with questionable backgrounds".

Inconsistent

Sabta's executive committee said the consortium's nominee, Anthony Mayer, had been making inconsistent media statements.

It said: "According to Sabta records, Mayer said the consortium wanted to ensure that Putco remained in white hands, that the consortium was multi-racial, that he had received death threats and, then again, that Putco could not be allowed to fall into black hands.

"Whether Mayer and his unnamed consortium like it or not blacks must, as a matter of necessity, be brought into the mainstream of the economy."

Meanwhile, a spokesman for the legal office of Sabta nominee Ivor Brownlees said yesterday that no statement on negotiations between Sabta and Mayer would be forthcoming "at this point in time".

TRANSPORT INDUSTRY

Argus 5/3/87 332

Govt caution over deregulation urged

By MAGGIE ROWLEY
Finance Staff

DEREGULATION of the transport industry without privatisation would be the death knell for most private transport operators in South Africa, says Mr Desmond Bolton, chairman of Cargo Carriers.

It was naive to think that deregulation and privatisation could be implemented as two separate entities, he said in Cape Town last night.

"The two concepts go hand in hand.

"There is no way that the Government can consider deregulating the transport industry without privatisation.

"Such unfair competition from Government-backed road transportation operations such as South African Transport Services is in my book nothing short of being criminal."

Mr Bolton said they were willing to meet any competition as long as they played the same rules of the game.

"As long as Sats road transport division has to pay the same taxes, meet the same requirements in terms of certificate of fitness, pay the same prices for fuel, vehicles, spares and maintenance we are willing to have them as part of the transportation scene in South Africa.

CHAOS

"However, if we are forced to compete at a distinct disadvantage than I am afraid that nothing but chaos will prevail in the transport sector of our country," he warned.

He urged the Government to be very cautious in terms of any moves in the direction of privatisation.

"Now more than ever we need to appeal to the Government to meet it commitment at the recent State President's conference and to work closely with industry and industrialists to ensure that we do not make the same mistakes that are apparently being made in the United Kingdom."

He added that until the full ramifications of the National Transport Commission's studies were known, "a number of issues pertaining to the future of the road transport industry in this country are going to have to be carefully thought out before one is over jubilant about some of these recommendations."

Overloaded taxis are cause for concern

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By RAYMOND HILL

TAXIS exploiting the public by overloading their vehicles between Port Elizabeth's northern areas and townships and the city have come under fire, but no blitz is being planned against them.

Legitimate taxi operators are worried about the problem, but place the blame on "pirate" operators, over whom they have no control.

Traffic authorities say they will continue to prosecute offenders, but have no special plans to combat the growing problem.

The secretary of the Northern Areas Taxi Association, Mr H Baboo, this week described overloading as an ongoing "racket" and blamed the authorities for not being very helpful.

He said pirate operators loaded their vehicles with more than the legal maximum of 16 — 15 passengers and the driver — and pocketed the extra cash.

There have been cases of such taxis squeezing up to 22 people — many with parcels — into 16-seat taxis.

Mr Baboo said the number of pirate taxis operating between the Windvogel bus terminus and the CBD had increased from "one or two" to at least 20.

He said taxi drivers could be fined R100 for every illegal extra passenger being transported in their vehicles. But many did not mind taking the risk of being penalised because it was such a rewarding business, and payment of fines was usually extended.



Secretary of the Northern Areas Taxi Association Mr H BABOO.

The fare is between 40c and 60c a trip.

"Overloading is getting worse and we want more action from the authorities.

"There is not enough control, and we need proper taxi ranks from which to conduct our businesses," he said.

The chairman of the Port Elizabeth Bus and Taxi Association, Mr V Mkohli, said that while members of the association abided by the rules, pirate taxi operators were the culprits.

Some pirate drivers, he said, removed the seats in their vehicles and replaced them with benches so that more people could be accommodated.

The Acting Chief Traffic Officer, Mr H Basson, said overloaded taxis were stopped regularly by traffic officers as a "routine law enforcement action", but there was no blitz against them.

"From time to time people phone us to object about overloaded taxis," he said.

The problem was caused partly by the fact that, unlike buses, taxis made unscheduled trips.

Mr Basson said traffic officers also took action against bus drivers who overloaded.

A minibus, serving as a taxi, should not convey more than 16 people, including the driver.

The so-called "kombi" taxis could convey more passengers, depending on the seating capacity, he said.

The Traffic Department was in the process of providing proper facilites for taxis operating from the corner of Strand Street and Griffin Street, the scene of much congestion.

Parking bays would be changed into taxi bays, and the department would control the area so that it could become more orderly.

HELP FOR BLACK TAXIS

In an unusual move towards stimulating small black business, Total SA has entered into a preferential agreement with the Southern African Bus and Taxi Association (Sabta, formerly known as the SA Black Taxi Association).

Local taxi associations will be offered a direct shareholding in a number of existing and new service stations catering specifically for their needs.

The idea is to enable black taxi owners to share in the profits derived from the money they spend at service stations. James Chapman, Sabta's national adviser and chief planner, says the agreement combines his members' traditions and methods on the one hand and the technology and trade practices of a large and sophisticated oil company on the other.

"We would like to help black economic development in every way we can. The black taxi association is the first really dynamic industry founded by blacks themselves and is based on small business principles — the best type of enterprise for us to foster," says Total marketing manager Allen Rose-Innes.

New service stations will in due course be developed and financed by Total at suitable sites. Total's Andries van der Walt says these will be designed in close consultation with Sabta and the local taxi association operating in the area to provide the type of services and facilities peculiar to the local taxi owner's needs.

The stations will be managed by Sabta with Total's assistance, but the local taxi association will actually own the business.

The service centres will also offer training facilities. Taxi owners are to be offered lectures and courses on a variety of business, technical, safety and other subjects.

firsthand.
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Black Taxi body may buy Putco

The South African Black Taxi Association (Sabta) is poised to take control of the country's biggest bus company — Putco.

According to the taxi association, Government approval is the only hurdle left in the path of the most radical turnabout in the country's transport history and the emergence of black entrepreneurship on a scale previously unknown in South Africa.

Even though the management of present Putco owners, Carleo Enterprises, continue to keep mum on the possibility of Sabta buying 52,5 percent of their shares and say that an announcement will only be made in the next two weeks, Sabta this week confirmed it has formed a committee to investigate the franchising or distribution of ownership of the buses on various routes to individual taxi owners.

"We are speaking to the black commuters to seek their opinions," said Mr James Chapman, national advisor to Sabta's executive committee.

In a significant move, representatives from the 40 Sabta regions met in Bloemfontein recently and voted to contine with the mandate for the takeover.

● To Page 2

SATYR



"Want to play family planning?"

Many hit by burst mains

Thousands of houses in eastern Johannesburg were without water for several hours yesterday when a 1,5 m pipe from Yeoville reservoir burst.

Homes in the Malvern and Kensington areas were without water from about 11 am to 7 pm.

Sabta may buy Putco

● From Page 1

"This would be excellent news for the commuter," said an expert who does not wish to be named.

"It would bring an end to the conflict between buses and taxis and eliminate the problem of the aversion to using white-owned buses.

"The black man will be given the opportunity for the first time in South Africa to run his own business and will therefore be more attuned to the needs of his passengers."



Drummies from Florida Park High School were

Putco plans out today

DETAILS on the takeover of JSE-listed Putco are expected to be announced today after extensive negotiations which lasted most of yesterday.

Transport sources said all parties concerned were in a "closed doors conference" in a bid to finalise details.

A Putco spokesman said an announcement would be made today.

He said: "We cannot confirm or deny if the SA Bus and Taxi Association (Sabta) is involved. All I can confirm is that negotiations are underway for the purchase of the majority shares in Putco."

But government sources said Sabta was involved "as the other party".

The Putco spokesman referred Business Day to I K Brownley who is said to be heading the "still-to-be-formed company" which will take over the running of the passenger transport giant.

The office of Brownley's legal representative, Nimrod van Zyl, said he was in "an all day meeting" and was not available for comment.

Transport Department director-general designate Ronnie Meyer said at this point there was nothing on the table apart from an indication from Putco's holding company, Carleo and Sabta, that negotiations were taking place.

He said: "If, and when, details are announced the new company would have to make application to the National Transport Commission for the transfer of permits.

"If the parties concerned can reach agreement, then this would be the next step."

Asked how government would view the takeover, Meyer said it was still too early to say. "Once application for transfer has been received, then government will comment."

● To Page 2

MICK COLLINS

Meanwhile, oil giant Shell has again denied that it was financially involved in backing Sabta in the takeover.

Shell chairman John Wilson said in Cape Town: "As we have said before we don't have any involvement with the takeover apart from the fact that both organisations are good customers of ours.

● From Page 1

"We do have particularly close ties with Sabta but we have no involvement in this affair."

Speculation on the multi-million rand deal has been rife since a Putco announcment which said an agreement in principle was reached last week.

At the time, the statement gave no details of the parties involved.

B Day 15/7/87

Sabta zeros in on Putco

332

MICK COLLINS

SPECULATION over the sale of bus giant Putco mounted last night as the SA Bus and Taxi Association (Sabta) confirmed it was the prospective buyer involved in the R200m deal with holding company Carleo Investments.

Putco earlier said Carleo planned to sell its 52,5% controlling interest in the company, but refused to disclose the potential buyer and terms.

However, a spokesman for the 45 000-member Sabta said negotiations to complete the purchase were continuing in order to lower the R200m asking price.

The agreement will need government approval, but transport industry sources said they did not foresee any hitches.

Sabta president T J Ngcoya told REUTERS the association would press government to approve the sale.

Putco appealed for restraint and concern in the treatment of "this sensitive issue" in the interest of all concerned.

Putco also appealed for time in view of the magnitude of the sale and said — in terms of the JSE rules — an offer would be made in due course to minority shareholders by the buyer, if negotiations were successful.

...Embassy in Paris will now fall under a Charge d'Affairs.

...lated by tension in the Gulf and a tightening grip on the market by Opec. (See Page 5)

Bid to keep Putco white

A BID OF R150m to keep Putco "white" has been made by a powerful Afrikaner business consortium.

The consortium, which prefers not to be identified, and is known to have extensive business interests, confirmed it put in the option to prevent a black takeover of the JSE-listed bus company.

Consortium nominee Anthony Mayer said the bid was as a direct result of concern voiced by the "strictly" Afrikaans-speaking group and that funds for the bid had come from "within".

He said: "Our offer to the Carleo family — which controls 52,5% of the shares — is politically motivated in that we feel we cannot allow control of black transport to fall into black hands. They could disrupt the economy of SA any time they felt like it.

"We don't mind blacks sharing in the wealth of the country but we don't feel that a strategic business such as transport should be in black hands at this point in time."

Asked what the consortium would do about a bid by the SA Bus and Taxi Association (Sabta), Mayer said the consortium intended to offer its nominee, Ivor Brownlees, a commission of R5m to cancel his option on Putco.

He said: "We will offer him this substantial amount to bow out."

Nimrod van Zyl, attorney for Brownlees, confirmed the offer. "I will contact Mr Brownlees and convey the offer to him. My conveying it to him does not mean he will necessarily accept it. I convey it to him as it is my duty as an attorney."

Mayer said Brownlees' offer, which was for R140m, had an expiry date of September 15 and he (Brownlees) would have to find another R500 000 before

MICK COLLINS

● To Page 2

Bid to keep Putco white

month-end to keep the option open.

He said: "In our option, which we lodged on Monday, we put up R1m as security. The Carleo family has first right of refusal. Along with that we also know that the family was afraid that Sabta would want to franchise Putco — in other words break it up into smaller operations."

Mayer identified Brownlees as a computer industry employee. He also said he was the brother-in-law of Sabta's financial adviser James Chapman.

Despite repeated calls, Chapman was not available for comment at the time of going to press.

A senior Putco spokesman, Mike Oldham, said he had not heard any details of the new offer and said one of the main principals involved, Luigi Carleo, was in the US and was not available for comment.

● From Page 1

Sabta had earlier confirmed it had reached agreement with Carleo Enterprises to purchase its stake in the bus company, which carried an estimated 220-million black commuters in the year to June 30, 1987.

The company owns 2 682 buses and recorded a turnover of R299m in the year to June 30, 1986.

Bus fares SA-wide to increase soon

Staff Reporter

THE South African Bus Operators' Association (Saboa) said yesterday that bus operators would have "no other option" but to increase fares in the near future.

City Tramways spokesman Mr Francois Potgieter said the company was studying the restructuring and the fact that requests for relief had been turned down. He said another statement would be issued on Monday.

Saboa's executive director, Dr Gerrie Prinsloo, said that the recently restructured fuel price system had caused a considerable increase in the price of bus diesel.

Dr Prinsloo said that Saboa, after representations to the authorities for assistance and the restoration of rebates, was informed that no rebates could be restored or exemption from certain levies given to the bus industry.

"As the increase in the price of diesel was between eight and 21% (depending on the location of the operation), operators will have no other option but to increase their bus tariffs in the very near future," he said.

"It is expected that bus fares will increase throughout South Africa."

He said it was "regrettable" that the people who would be affected by the increases were people from the lower-income groups, the main users of bus transport.

"Saboa wants to make it clear that this increase is neither the wish nor the creation of the bus industry and this increase will be handled with great circumspection."

CALL THIS 18/7/87

R150m 'to keep Putco white'

Own Correspondent

JOHANNESBURG. — A bid of R150 million to keep Putco "white" has been made by a powerful Afrikaner business consortium.

The consortium, which prefers not to be identified, and is known to have extensive business interests, confirmed it put in the option to prevent a black takeover of the JSE-listed bus company.

Consortium nominee Mr Anthony Mayer said: "Our offer to the Carleo family — which controls 52,5% of the shares — is politically motivated in that we feel we cannot allow control of black transport to fall into black hands. They could disrupt the economy any time they felt like it."

The SA Bus and Taxi Association (Sabta) had earlier confirmed it had reached agreement with Carleo Enterprises to purchase its stake in the bus company, which carried an estimated 220 million black commuters last year.

The company owns 2 682 buses. It made a profit, before interest payments and foreign exchange losses, of R6m in 1986, but after interest, foreign exchange losses and tax, a loss of R18,5m was recorded.

Putco: time limit on R150m bid up

THE time limit on a R150m bid for control of Putco is set to expire this afternoon.

The bid for the JSE-listed bus giant was made by a mystery Afrikaner business consortium.

Last week, the consortium said it was bidding to prevent Putco falling into black hands.

The largely black SA Bus and Taxi Association (Sabta) was first in line with a reported bid of R140m.

Consortium nominee Anthony Mayer confirmed the bid was due to run out but held high hopes of it being accepted.

He said: "We feel the figure of R5m offered to Sabta's nominee Ivor Brownlees to pull out of the negotiations will be sufficient."

Mayer said his bid was based on a realistic net asset value of R7,50 a share.

He said: "To gain control of holding company Carleo Enterprises 13-million shares at a share price of R3,50 to R3,75 would have cost us only between R52m and R54m.

MICK COLLINS

"We feel the share price is grossly underpriced at the moment."

Mayer said the deal would include the purchase of Putco's extensive property holdings and also its all-white service which runs between Pretoria and Johannesburg.

The group would also gain control of Putco's fleet of 3 137 buses. He corrected the earlier reported figure of 2 682 published in Business Day on Friday.

Mayer said: "We cannot allow a fleet of this size to fall into black hands.

"During the recent June 16 stayaway, Sabta's taxis were nowhere to be seen.

"We can't run that risk with a bus fleet of this size."

Mayer said if the bid was successful, he would try to confirm it with one of the main principals, Luigi Carleo, now in the US and not due back in SA until August 5.

● See Comment Page 6

and that the present growth in money supply is coming from this area.

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● See Comment Page 6

Top tipster Mollett lines up the winners

DAVID Mollett delighted Business Day racing followers by tipping both feature race winners on Saturday.

Mollett selected Lines of Power (10-1) for the Rosebank Handicap at Turffontein and Sealegs (4-1) for the Futurity Stakes at Clairwood.

His Natal nap, Dancing Zeta (16-10) ran out a comfortable winner of the fifth race at Clairwood.

● See Page 17

Colleen Knudsen of the Community

Picture: GLENN SHEN

CAPE TIMES 21/7/87

NGK dissidents form new body: NG Bond

PRETORIA. — Conservative Ned Geref Kerk dissidents founded the NG Bond here on Sunday as a vehicle for objecting against the church's verligte initiatives.

About 50 delegates from across the country elected Professor S A Strauss, of the University of the Orange Free State's theology faculty, as the Bond's chairman. Professor Carel Boshoff, leader of the Afrikaner Volkswag, was elected vice-chairman.

The Bond said in a news release that it would convey objections, from within the church, against the controversial "Church and Society" policy document to the NGK general synodal committee.

The document sparked off the formation of the breakaway Afrikaanse Protestantse Kerk on June 27. APK leader Professor Willie Lubbe said on Sunday that the APK already had 22 congregations and seven ministers.

"At least another 25 congregations will be established within the next few weeks."

However, the Bond wants APK members to return to the NGK to attain "reconciliation".

NGK spokesman Dr Pierre Rossouw said: "Our communication channels are open and we are more than willing to have talks with the group." — Sapa

CAPE TIMES 21/7/87

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Bus fares not to rise yet

Staff Reporter

CITY TRAMWAYS will not — at this stage — pass on to passengers the price increase in diesel fuel it has had to pay since July 1.

But an application has been made for an annual tariff increase.

Mr N S Cronjé, managing director of the company, said that since the government's decision to rationalize the fuel levy structure and to abolish the fuel rebate for the bus industry, City Tramways had paid nearly 6c a litre more for fuel.

"The Department of Transport has now indicated that no financial help will be available in respect of passengers who pay the cash fare."

Members of the ... unless the period of ... TV hop

Putco: negotiations between bidders stall

21/7/87 B/Day

MICK COLLINS

NEGOTIATIONS between two rival bidders for control of Putco appeared to have broken down last night.

The talks, which were understood to have gone on over the weekend, were between a mystery Afrikaaner business consortium and the SA Bus and Taxi Association (Sabta).

Observers said the deadline on the bid was due to expire late yesterday.

A legal spokesman for Sabta's nominee (Ivor Brownlees) said legal advisor Nimrod van Zyl would issue a statement later today. He declined to comment further on Sabta's position.

Last week, the as-yet-unnamed consortium made a R150m bid for control of the JSE-listed bus giant. The consortium made it known it was against Putco falling into the hands of the largely black Sabta.

First bidder Sabta reportedly made a lower (R140m) offer to purchase the 52,5% majority shareholding held by Carleo Enterprises in Putco.

Sabta financial advisor James Chapman said he was certain the rival bid was prompted by political and not economic considerations.

Sabta: Putco bidder has questionable background

PRETORIA — The South African Bus and Taxi Association (Sabta) yesterday accused the mysterious business consortium bidding against it for control of Putco of behaving typically like "groups with questionable backgrounds."

Sabta's executive committee said that the consortium's nominee, "a certain Mr Anthony Meyer," had been making inconsistent media statements.

According to Sabta records, Mr Meyer said the consortium wanted to ensure that Putco remained in "white" hands, that the consortium was multi-racial, that he had received deaths threats, and then again that Putco could not be allowed to fall into black hands.

"Whether Mr Meyer and his unnamed consortium like it or not," Sabta said, "blacks must, as a necessity, be brought into the mainstream economy."

Negotiations reportedly ceased after the mystery consortium upped by R10 million Sabta's R140 million offer for Carleo Enterprises' 52,5 per cent shareholding in Putco — and offered a R5 million inducement to the Sabta nominee, Mr Ivor Brownlees, to relinquish his option. — Sapa

Call not to sell Putco angers black taximen

By McKeed Kotlolo,
Pretoria Bureau

The Southern Africa Black Taxi Association (Sabta), which is negotiating to buy Putco, has reacted angrily to calls that the bus company not be allowed to fall into black hands.

A Press statement was released by Sabta's executive committee in Pretoria yesterday referring to recent statements by an anonymous Afrikaner business consortium opposed to the proposed purchase of the transport giant.

Consortium spokesman Mr Anthony Mayer was reported by several newspapers as saying: "We cannot allow a fleet of this size (3 137 buses) to fall into black hands" because during this year's June 16 stayaway all Sabta taxis did not operate.

A Sabta spokesman said whether the consortium "want to make it a political issue, to us it is purely economic, and blacks must, as a matter of necessity, be brought into the mainstream of the economy".

The statement said black taximen had, over the years, united against all odds "to form a powerful economic unit that cannot be wished away".

The statement said Sabta members had invested R32,5 million in the purchase of 13 000 minibus taxis since last July.

Beside purchasing vehicles, several local associations affiliated to Sabta had acquired 10 petrol stations, and the purchase of many more were said to be in the pipeline.

"This proves beyond reasonable doubt the rapid economic growth of the black taxi industry," said the statement.

WEEKEND!
Update

Did you know that the new-model Boy George, a cleaned-up version of the old one, had a hit single on world charts just recently, and that a collection of the best of Culture Club, the band George originally became famous with, is available in South Africa? You can read all about it in Weekend Update this Saturday. You'll find it inside The Saturday Star.

Interim div at 10c a share

Laser boosts earnings 125%

CAPE Times 23/7/87

By AUDREY D'ANGELO
Financial Editor

CAPE TOWN-based Laser Transport Holdings — the largest household removal group in the country — more than doubled earnings in the six months to June 30 and lifted the interim dividend to 10c (5c) a share.

Sales rose by 50% to R43,3m (R28,9m), and pre-tax profits by 167% to R5,8m (R2,2m).

But the tax rate rose, since earlier tax losses have now been fully utilized, so that bottom line earnings rose by 125% to R2,9 and earnings per share to 28,9c (12,8c).

MD Denis Kaye said he expected earnings in the second half to show a further significant rise.

"International business accounts for only 30% of our sales and we expect any fall-off from this sector to be more than made up by local growth."

The number of local removals had risen. Many of these were due to business transfers, and he considered the rising number of these were like a barometer showing conditions were improving.

Laser Holdings, which was listed on the JSE last year has shown steady growth. Taxed profits in the year to December were R3,1m — 107% higher than the previous 12 months and 34% above the prospectus forecast.

It now has five main divisions which handle both local and international removals. These are Jack Wellsted, Pickfords, Stuttafords Van Lines, Frasers International and a recent acquisition, J L van Nimwegen, which has a major share of the corporate and embassy market.

Kaye said each of these divisions operated independently, competing with each other, although finance and administration was centralized at the Cape Town office.

Bus fare hikes to be opposed

B Day 24/7/87

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SOPHIE TEMA

THE National Black Consumer Union (NBCU) and its affiliates are to try to prevent the introduction next month of bus fare increases.

All SA bus and coach operations could be involved in the increases.

NBCU executive director Eldridge Mathebula said yesterday various organisations affiliated to the union would oppose the increases.

He was reacting to an announcement by SA Bus Operators' Association (Saboa) executive director Gerrie Prinsloo that bus fares would increase from the beginning of August due to cancellation of diesel rebates to the bus industry.

Although he would not say what action the organisations would take against the bus companies, Mathebula said Saboa should have consulted passengers before putting into effect increases.

"Lower-income black commuters will be most affected," he said.

"The less privileged black community cannot be held responsible for escalating inflation."

Prinsloo said government had been asked to help by restoring the rebates. Saboa had been told the rebates could not be restored and the bus industry could not be exempted from certain levies.

SATS LAND 2 (332)

Durban delights

FM 24/9/87

The wraps may soon be lifted from a Sats and Durban City Council "concept plan" for the redevelopment of some 50 ha of land in the city's Point Road area.

Plans for developing a second Sats site, on the Esplanade surrounding the present yacht basin, are also under discussion.

Sats deputy director (business development) Fuzz Laubser will be in Durban this week to discuss the Point Road plan with city engineer Don Macleod.

Proposals seek to convert the area — 60% of which is owned by Sats and the major portion of the balance by the council — from a low income-producing mix of industrial/residential real estate to an upmarket residential and recreational area.

"We want to upgrade the waterfront and make it accessible to the public, but at the same time respect the strategic importance of the harbour," says Macleod. "The forms must still be worked out, but underlying the concept is a desire to bring the water's edge to the people."

He says a "broad-based concept plan" has been submitted to Sats but, unlike the plan for the redevelopment of the old Durban station, it does not propose that the council purchase Sats-owned land in the area.

"Council bought the station land in order to be in a position to dictate the nature of the development. The Point Road plan calls only for us to become a partner. We paid R26m for the station site, but the value of the Point Road land would be well in excess of twice this figure."

Decisions on which agency should be appointed to develop the site will only be discussed once the concept plan has been approved, says Macleod.

Outlining the attitude Sats is likely to adopt, Laubser says that where residential zoning is applicable, outright sale, rather than lease, is likely to be favoured.

"But, as you'll appreciate, guaranteed income is also important and if we can participate in some form of profit-producing arrangement that option will also be considered."

Sats' regional harbour engineer John Carrick says the council's concept plan for Point Road retained sites of historical and architectural value. Under consideration is the conversion and upgrading of tenement houses in Wellington Road and the conversion of a maize shed and former workers' compound into a shopping centre similar to Durban's Workshop on the old station site.

Earmarked for demolition are several minor constructions and a tank farm no longer in use.

The development of approximately 20 ha of Sats land in the vicinity of the existing yacht basin on the Esplanade is still under discussion, says Carrick. Among the planning imperatives is the expansion of the yacht club facilities, a small boat marina and adequate public access to the waterfront. ■

NATAL RAILWAYS

Going bananas

Natal's narrow-gauge railway, the "Banana Express," has survived the test of commercial viability and is poised to become the country's first profitable, privately-owned railroad in general commercial use.

If successful, the exercise will no doubt be heralded as a shining example of entrepreneurial initiative and a pointer to both public and private sectors of the mutual benefits of privatisation.

Allen Jorgensen, director of Prorail Consultants, is confident the venture will succeed. His feelings are shared by SA Transport Services (Sats) which "sees no reason why current negotiations should not be successfully concluded."

Prorail aims to float a public company seeking R2m in public subscriptions once contracts with Sats for the lease of the line and purchase of the rolling stock are signed. Jorgensen expects this to be before the year's end.

Established by the Alfred County Railway Extension Act of 1909, the 122 km, 610 mm-gauge branch line (SA standard gauge is 1 065 mm) runs from Port Shepstone to Harding in the South Coast hinterland. Historically it served agriculture, with principal payloads being wattle destined for tanneries and later pulpwood and sugar cane.

In recent years the line became an economic liability to Sats, with 1986 losses amounting to R7,5m. The line was shut down last October as a result of steady traffic loss to road haulage and Sats' new pragmatism regarding loss-making operations.

The Alfred County Railway Committee was established by private interests to save the railroad. Initial motivation was concern at the loss of an "economically important infrastructure" and later, a desire to maintain the line as a tourist attraction. But Sats made it clear there would be no handouts.

Prorail's brief was to explore a commercial solution. Field tests conducted with Sats' co-operation showed that revenues from revised goods loads alone would make the line profitable. Tourist traffic and salvaging a slice of Natal's history were the "cherry on top."

But why should private operators succeed where Sats evidently failed? Jorgensen suggests some answers:

- ☐ Sats accounting policy debited the Banana Express line with "excessive" overheads which an independent line would not have to bear. Furthermore, operating policy limited the line's appeal as an alternative to road haulage;
- ☐ "Substantial savings" could be effected by increased productivity;
- ☐ A home-based marketing team might achieve greater success in gaining customer confidence; and
- ☐ Most importantly, by loading bundled pulpwood transversely on wagons and stripping extraneous metal from the bogies, payloads per train could be increased from around 110 t to 180 t. The net effect would be an extending of the load width from 1,6 m to 2,5 m. Hauling the increased load would require no increased tractive power of the locomotives.

Similar solutions have successfully been applied in the US where large, privately-owned railroads have shed branch operations, notes Jorgensen.

A further suggestion is the creation of a pulpwood stockpile at Harding, which would offer timber growers the necessary incentive to re-route traffic from road to rail and allow scheduling of 100%-capacity payloads. Test runs showed the repacked timber cargo was stable. Prorail also leased the line from Sats during the July holidays to test tourist demand. The tests also proved most encouraging.

Once contracts with Sats are secured, Prorail will publish a detailed feasibility study and float a public company known as the Alfred County Railway Co. Potential shippers are likely to become shareholders, says Jorgensen, adding that a "great groundswell of support" promises to keep interest among small private investors high.

Initial capital requirements of between R1,5m and R2m will be used to buy over 30 locomotives, nearly 400 wagons and new material handling equipment. Funds should also cover operating capital requirements for "three to four months" and allow for upgrading infrastructure. Thereafter, cash flow should be adequate to sustain the operation. ■

Vehicle licence fees to be raised

Cape Times 31/7/87 332

Staff Reporter

LICENCE fees for cars will increase by at least R3 from September 1 and by up to R15 for heavy vehicles.

The increase, announced last night by the Administrator, Mr Gene Louw, follows hard on the heels of an announcement of a R12 increase for TV licences from October 1. Mr Louw said the increase in respect of heavy vehicles (up to a maximum of R12 and R15 for the largest types) was "considerably more, depending on the mass of vehicles, owing to the inestimable damage caused to road surfaces by the heaviest vehicles".

The licence fee adjusments for both motor vehicles and trucks together totalled an average increase of 16% and were to be implemented "as a result of the fact that road construction costs, as well as living costs, have increased by nearly 80% since vehicle licence fees in the Cape Province were adjusted in May 1983", Mr Louw added.

New drive to organise pirate taxis

By SANDILE MEMELA

A NEW drive has been launched in Soweto under the auspices of the African Transport Car Hire Association to organise pirate taxi operators into a cohesive body.

This emerged at a brief Press conference held at the offices of the brains behind the massive project. Sidney Motingoe – a township businessman and marketing consultant.

Motingoe – the second black in the country to hold a certificate of the SA Association of Road Transport Consultants – said that there was great misunderstanding among black people about the requirements for opening a business venture.

"Most people reeling from the impact of unemployment today are under the impression that to start a taxi operation, one must be a millionaire.

"One of the major goals of our association is to free them of that illusion," said Motingoe.

This has been achieved by obtaining financial subsidies from large corporations and licences to operate their businesses legally.

Motingoe said he was inspired to open the association by the dire need for taxi services operating throughout the country, especially the homelands and neighbouring states.

The business venture was started in December 1985 after Motingoe quit teaching after 12 years.

He started to operate a small fleet of taxis from his home before embarking on a venture to help other unemployed people to realise their potential.

After consultation with Prof Nic Whiehan, who proposed the "white paper" deregulating transport, Motingoe embarked on a scheme to organise pirate taxi operators.

At present, Atcha has more than 2 000 members countrywide, including the homelands and neighbouring states, with branches in the East and West Rand, Durban, Free State, Western Cape and Natal.

The association also aims at hiring cars, trucks and buses to interested people. At present it owns two trucks available for cartage contractors.

Motingoe emphasised that his association was not a rival organisation to the South African Black Taxi Association and said it served as a nucleus for independent taxi owners.

"We give lectures free of charge to members of the public every Tuesday and Thursday night on how to start their own businesess without relying on large corporations," said Motingoe.

For further details, interested people could contact Sydney Motingoe at 938-1569.



Director Sidney Motingoe (centre), with Atcha members, is at the wheel of a plan to organise pirate taxi operators.

Green light for Sabta in a Putco takeover

The SA Black Taxi Association has been given the green light for the takeover of the majority shares of Putco Enterprise from the Carleo family.

Mr James Chapman, Sabta's National adviser said last night that Sabta had raised the required capital at the 11th hour yesterday — the final day stipulated by the contract.

The final decision, however rests with the Carleo family, pending government approval. Mr Luigi Carleo is expected in South Africa from the US this weekend. According to reliable sources, he is to take a decision by early next week.

Mr Chapman refused to the name the finacial backers in the deal.

He also refuted allegations that the Sabta Bridge Trust Fund to which various petrol, tyre and parts companies have contributed, was intended to finance the deal.

SARA MARTIN and BARNEY MTHOMBOTHI

Contributers to the fund include Goodyear Tyre and Rubber Company, Shell, Total and Multipart.

"You can have my word that they are two separate operations," said Mr Chapman.

The Bridge Trust fund has been established to develop over 90 service centres throughout the country to enable drivers to work on their vehicles at a reasonable cost.

Ironically, it was Putco that almost took "the wheels off" Sabta three years ago. To meet the serious threat that black taxis were posing to established bus operators, such as Putco, the government-appointed Welgemoed Commission came out with proposals, which if implemented, would have wiped out the minibus taxis.

The commission recommended that black taxis should be licensed as buses, carry a maximum of four passengers, follow officially approved routes and timetables. The proposals could have destroyed the effectiveness of the taxis. Their strong point has always been the fact that they follow any route, any time and can take passengers nearer their destinations faster and more efficiently.

But in an attempt to salvage some crumbs for its members, Sabta leadership at the time, entered into a deal with the bus operators, principally Putco, which virtually approved government plans to ultimately wipe out the R2-billion black minibus industry.

Minibus operators were outraged by this "sell-out". The deal would have protected legal minibus operators — about 20 000 at the time — but effectively blocked all efforts to gain legality by the more than 60 000 unlicensed operators.

The deal was not implemented, but for almost two years Sabta was riddled with clashes and splits, which seriously hampered its functions.

In August 1985, the so-called Pretoria Accord was signed in which the different factions decided to unite under a Sabta umbrella.

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TO ADVERTISE ON THIS PAGE — TELEPHONE

Black business going it alone to get Putco

Bid by white businessmen blocked

Dispatch Correspondent

JOHANNESBURG — White business has been blocked in its attempt to gain control of JSE-listed bus giant Putco.

In a dramatic about-turn at the weekend, it was reported, that black business is now to go it alone with a black-sponsored R156-million bid.

The move has finally squashed speculation that white-owned business, including Shell and Total, would be behind any bid made by the black South African Bus and Taxi Association (Sabta).

It also rules out a take-over by a mystery Afrikaans business consortium — whose R5-million offer to Sabta for its option on the deal has been overridden.

Sabta said the help of major black businessmen — including African Bank's Gabby Magomola and Nafcoc's Sam Motsuenyane — would be sought.

Sabta's executive vice-president, Mr Godfrey Ntlatleng said: "They will be contacted in a bid to unite black business opinion behind the Putco deal.

"Sabta will not go ahead with the transaction unless fully supported by black business leaders and black commuters.

"In Sabta's view, this is the key to a new and exciting era for black business and we see the Putco venture as the forerunner of many more such deals. This is an attempt to put the black businessman where he belongs, on top."

Majority Putco shareholder, Mr Luigi Carleo, arrives at Jan Smuts today to be faced by what business analysts described as a "fait accompli".

Confirmation of Sabta's bid has scuttled speculation the deal still has to get the green light from Mr Carleo.

One analyst said the Sabta offer appeared watertight and Mr Carleo did not have any choice but to accept.

He said: "He is faced with a fait accompli. Now that the Sabta option has been confirmed by a cash payment, he (Mr Carleo) will obviously meet his obligations in terms of his contract."



DR MOTSUENYANE ... to be asked for help.

Putco's liaison officer, Mr Vic Coetzee, confirmed that Mr Carleo was due to return from the United States, where he has been for the past two weeks.

He said: "I spoke with him yesterday and he said he will be in his office early today."

Sabta is to conduct a survey among black commuters during the next few weeks in order to ascertain reaction.

The move to exclude white business interests could have the effect of halting the stoning and burning of buses by blacks, who see the corporation as being run by whites with profits going to white shareholders.

Asked about weekend reports of the bid being backed by Rand Merchant Bank (RMB), Mr Ntlatleng said the bank was involved insofar as it had put up the R5-million needed to secure the deal.

He said: "All we have really done with RMB is raise a loan. The bank will also assist us with its expertise in our ongoing investigation of Putco. We are pleased a major bank has come out in support of us."

Mr Ntlatleng said Sabta would investigate all aspects of Putco during the next few weeks.

Asked if he perceived a rival bid by a mystery Afrikaner syndicate as a threat to his plans, Sabta's national adviser, Mr James Chapman, said he questioned whether it was a serious offer.

"All we know about the Afrikaner nominee, Anthony Mayer, is that he is a taxi-owner in Johannesburg. Beyond his initial contact with us with an offer of R5-million to purchase our option, we cannot find any proof that the offer was serious."

Whites blocked in Putco control bid

Own Correspondent

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It also rules out a takeover by a mystery Afrikaans business consortium whose R5-million offer to Sabta for its option on the deal has been overridden.

Sabta confirmed yesterday that the help of major black businessmen — including African Bank's Mr Gabby Magomola and Nafcoc's Mr Sam Motsuenyane — would be sought.

Sabta executive vice-president Mr Godfrey Ntlatleng said: "They will be contacted to unite black business opinion behind the Putco deal. Sabta will not go ahead with the transaction unless fully supported by black business leaders and commuters.

'Exciting era for black business'

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Investigate

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GUNMEN FIRE AT TAXIMEN

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NINE officials of the Thokoza Taxi Association, including chairman Mr Piet Mbele, narrowly escaped death when two masked gunmen fired several shots at them last week.

By MZIKAYISE EDOM

The incident happened at Mr Mbele's house in Everest Section in Thokoza, near Alberton.

The nine were in a meeting when the gunmen fired shots through the dining-room window. No one was injured. The windows were shattered and furniture was damaged.

The gunmen fled into the dark.

The shooting took place last Thursday night.

The other officials who were with Mr Mbele are Mr Johan Monde Mr Nicodemus Mathobela, Mr Petros Ngubane, Mr Petros Tshabalala, Mr Simon Simelane, Mr Alfred Khumalo, Mr Letheni Mthunzi and Mr Phineas Maliga.

Mr Mbele said the shooting was not connected with their (TTA's) fight with the rival Thokoza Taxi Organisation as many people believed in the township. "We know the people in the township believed. "We know the people behind the shooting," he said.

Mr Mbele said he will release further information concerning the shooting at a later stage. The matter has been reported to the police who are still investigating.

No arrests has been made.

Black business gains upper hand

Sabta is to pay R156m for Putco

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3/8/87

B/Day

WHITE business has been blocked in its attempt to gain control of JSE-listed bus giant Putco.

In a dramatic about-turn at the weekend, Business Day learned, black business is now to go it alone with a black-sponsored R156m bid.

The SA Bus and Taxi Association (Sabta) confirmed yesterday the help of major black businessmen — including African Bank's Gabby Magomola and Nafcoc's Sam Motsuenyane — would be sought.

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Sabta to pay R156m for Putco

● From Page 1

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He said: "All we know about the Afrikaner nominee, Anthony Mayer, is that he is a taxi-owner in Johannesburg. Beyond his initial contact with us with an offer of R5m to purchase our option, we cannot find any proof that the offer was serious. I don't know where he fitted into the scheme of things."

Subsidies here for foreseeable future, convention is told

By Zenaide Vendeiro, Transport Reporter

Transport subsidies can never be completely eliminated unless dramatic socio-economic changes occur in South Africa in the future, Mr Roy Hindle, provincial secretary for Natal, said yesterday.

In his keynote address to the Annual Transportation Convention, Mr Hindle said a unique situation existed in South Africa where the more affluent, who could afford to spend more on commuting, lived reasonably close to their work, while the poor communities lived the furthest from their work, in some cases vast distances away.

"In many cases there is no way they can ever afford the full cost of this transport, no matter how efficient it may be, and some form of subsidy to make it affordable seems inevitable for all time, unless there are dramatic socio-economic changes in the future."

Decentralisation of industry could bring work opportunities closer to the workers, said Mr Hindle, but would increase considerably the transport requirements of the raw materials from their source and the finished products to the market.

CAREFULLY WEIGHED

The two needed to be carefully weighed up so that decentralised areas even with incentives were not, in fact, less efficient.

In major metropolitan areas, which were expected to be areas of maximum growth in the foreseeable future despite decentralisation endeavours, there was a responsibility to provide residential areas as close as practicable to work opportunities, said Mr Hindle.

"This applies more especially to the lower paid and less privileged communities. Only in this way can we expect communities to be able to afford their necessary transport to and from work."

Turning to deregulation, Mr Hindle warned against "overkill". For example, deregulation would result in increasing numbers of minibus taxis. Experience locally and overseas had shown that chaotic traffic conditions could arise if the situation was not ordered by traffic control and other measures.

Bad roads will affect economy, says Babb

Transport Reporter

South Africa will fall into an economic decline if funds are not made available to enlarge, improve and maintain its road network, Mr Wally Babb, council chairman of the SA Bitumen and Tar Association, said yesterday.

Opening a session of the Annual Transportation Convention in Pretoria, Mr Babb said the economic decline would be on a scale not yet seen "except in countries in Africa where political change has brought about a great depression".

The deterioration of South Africa's roads — of such vital importance to the growth and economic welfare of the country — could not be allowed to continue.

Mr Babb criticised the road funding levels of the past and said expenditure on national and provincial roads had dropped in real terms by more than three percent each year since the mid-1970s.

This was despite a 500 percent growth in vehicle ownership in the past 30 years and a decrease in the ratio of people to cars among blacks from 4 200 a car in 1950 to 41 a car in 1985. This increase in traffic volume would be enhanced by deregulation.

Mr Babb said there was a desperate need to have guaranteed dedicated funds available.

Funds generated from the road user, such as licence fees, traffic fines and a greater proportion of the fuel tax, had to be fed back to local authorities in proportion to the vehicles registered in their areas.

He also hoped that excess funds generated from toll roads would, in time, be ploughed back into road construction and improvements.

The growth, financing and major problems facing the country's road network was examined by several speakers in the convention's session on "Asphalt and the Economy", which was opened by Mr Babb.

Delay in transport laws may be good

Transport Reporter

The decision by the Minister of Transport Affairs to refer all outstanding legislation agreed to in the White Paper on transport policy to the proposed Transport Advisory Council (TAC) is likely to lead to further delays in the legislative programme for the transport sector. However, industry spokesmen do not feel that this is necessarily an unwelcome development.

The TAC, which will consist of 38 members — 16 from the public sector and 22 from the private sector, will study the four pieces of legislation which are the cornerstones of the new transport policy.

These are the Road Traffic Act, which will consolidate the four provincial traffic ordinances; amendments to the South African Transport Services Act and the National Roads Act; and the Transport Act, which aims to deregulate transport and rationalise administration.

A source in the National Transport Policy Study team (NTPS) said the situation had changed since the White Paper was tabled in January and was unanimously supported.

"The matter has dragged on and there is no longer unanimous support for the White Paper. Vested interests are coming to the fore and are fighting to get the maximum for themselves," he said. "The Transport Advisory Council (TAC) is the proper forum where people can put their views and thrash out problems.

"It will delay the legislative programme, but it is perhaps the best way of handling it at this stage."

Mr Ian Moss, chief executive of the Public Carriers' Association, which withdrew from the NTPS in February because of lack of progress in the implementation of its proposals, agreed.

"There have been many problems that have already delayed implementation — we are way behind schedule — and certainly any steps that delay progress cannot be accepted. However, there are critical issues which need thorough attention and further study and the TAC is the correct forum for that."

Mr Moss said he was convinced the Minister and the Department of Transport would give attention to outstanding issues and introduce interim measures to alleviate problems.

"The introduction of measures to relax the permit system and overcome deadlocks in the system cannot be delayed any longer, for example," said Mr Moss.

Alternative for white commuters

Transport Reporter

Minibus-taxis, already well established among black passengers, could be operated and used by whites on routes too uneconomical to be serviced by large buses, it was suggested at the Annual Transportation Convention today.

Mr R C Duff, a Dorbyl Transport Products divisional general manager, said the imaginative use of 15-seater taxis, offering the comfort and facility of a bus, yet capable of operating without constraints, would provide alternative affordable transport.

The vehicles could be operated by private entrepeneurs — thus providing services where none previously existed — or by large operators on uneconomic existing routes.

Mr Duff said they had proved to be acceptable to passengers prepared to pay more for convenience, speed, personal safety and flexibility.

It was obvious, he said, many of the larger fleets would be reduced by 50 percent or more as the standard bus was withdrawn from services which could not on their own support the cost of such a service. Large vehicles would tend to be restricted to heavily trafficked routes and replaced on others by economically viable smaller vehicles.

The freedom from restriction would also enable these vehicles to be used for longer-distance travel from major centres to adjoining towns or as feeder services from rural areas to main pick-up points for inter-city bus services.

"The possibilities are almost unlimited," said Mr Duff.

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SABTA TO SET UP CENTRE

B Day SOPHIE TEMA 33

THE SA Bus and Taxi Association (Sabta) is planning to set up a centre to train black taxi drivers before they are allowed to operate.

The main purpose of the training is to try and curb the rate of accidents.

Sabta chairman Godfrey Ntlatleng said in an interview this week: "Sabta is greatly concerned by the number of accidents and deaths on the roads."

"The organisation has now decided that it is essential to form a training centre, where all drivers will receive special training before they can transport passengers."

Ntlatleng said Sabta had to raise funds for the building of the centre.

A spokesman for the Soweto traffic department said yesterday: "This is the best suggestion Sabta could have come up with.

"The number of fatal accidents has risen alarmingly in the past three months."

CAPE Times 7/7/87

Taxi tide swamps city traffic cops

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By CHRIS ERASMUS

HARD-PRESSED traffic police are not only being swamped by the growing number of taxis — many of them illegal — servicing the city, but in some cases have even had their lives threatened by pirate taxi operators and their passengers.

According to a report to the City Administrator's department by the traffic manager, Mr Harry Attwood, the number of illegal taxis operating along recognized bus routes and "poaching" customers from City Tramways is still increasing.

In addition to many illegal and unlicensed operators dropping and collecting passengers close to bus and rail terminals, "the operation has become so big and spread out over such a large area that the six traffic officers assigned to taxi law enforcement are not able to deal effectively with the problem", said Mr Attwood's report.

The report, which went before the utilities and works committee yesterday, said it was not possible for additional officers to be assigned to this duty as the branch's manpower resources were already stretched "to the limit".

There was no doubt that the number of illegal taxis would continue to grow, the report said.

Mr Attwood said that "of late" both pirate operators and their passengers were becoming "aggressive towards law enforcement officers, some of whose lives have been threatened and at least two have been forced off the road while trying to stop illegal operators.

"There are more than 100 pirate operators in the municipal area, notwithstanding the fact that the local Road Transportation Board has recently issued approximately 300 additional permits for taxis to operate between Langa/Guguletu/Nyanga and Khayelitsha," said Mr Attwood.

He recommended that 70 additional licences be issued and that pick up/set down points be provided in Sea Point at the Sunset Beach parking area, in the CBD at the Strand Street Extension, in Mowbray at the old bus termin on the east side of the railv line and in Claremont at the cricket ground off Palmyra R.

Mr Attwood also proposed th 20 additional taxi ranks be provided at the pick up/set down points proposed for Mowbray, on land at present owned by SATS but on offer to the council, and Claremont.

The committee approved the proposals and the recommendations have been forwarded to the relevant ratepayers' associations for comment.

A date for the final decision will depend on the promptness of a reaction from the ratepayers' associations affected, but the matter could be finalized within a month, said a council official.

Sabta offer for Putco may be challenged

By Magnus Heystek

The offer by the South African Bus and Taxi Association for a controlling shareholding in Putco, South Africa's largest bus operating services, could still be challenged by a rival group which intends lobbying to prevent government approval being given to the deal.

This is the intention of Mr Anthony Mayer, who runs a fleet of taxi's in Johannesburg under the banner of the Taxi Bureau, and made a rival bid on behalf of a consortium of investors.

He believes Sabta does not possess the necessary expertise to run such a large transport company.

This morning's announcement by Rand Merchant Bank that an agreement in principle has been reached between Sabta and the controlling shareholders in Putco, the Carleo-family, made it clear that the deal was subject to the approval by the Department of Transport which issues permits to bus and taxi operators.

Although no price was mentioned it is thought to be in the region of R150 million. If the offer is accepted by the Carleo-family a similar offer will have to be made to minority shareholders. Rand Merchant Bank, controlled by Dr Anton Rupert, has indicated that they might be interested in acquiring a stake in Putco should the offer be accepted.

Although Putco made a loss in the 1986-financial year, due mainly to foreign exchange exposures, a rapid turnaround in profitability has been forecast by some analysts.

Analysts, however, are sceptical about the rumoured price of R150 million for only 52 percent of the company. This offer amounts to more than R9 a share as opposed to the closing price of 365c c a share on the Johannesburg Stock Exchange yesterday.

The main attraction of Putco is the vast fleet of more than 3 100 buses which are valued in the annual report at an average price of R30 000.

The replacement value of these buses is more than R130 000 each. Putco also owns vast tracts of lands in strategically placed positions which could be sold off for development in the future.

The Carleo-family has indicated that they will be making a final decision on the offer some time today.

B/Day 1/8/87 (332)

Sabta buys control of Putco for estimated R150m

MICK COLLINS

CONTROL of JSE-listed bus giant Putco has been bought by the SA Bus and Taxi Association (Sabta), thus ending weeks of speculation.

No price was given, but it was thought to be in the region of R150m.

Sabta earlier confirmed it would seek black backing for the deal and has already consulted the African Bank and Nafcoc.

The Rand Merchant Bank said last night agreement had been reached for the purchase by Sabta of the 52% shareholding in Putco held by the controlling shareholders.

The agreement was subject to the approval of the JSE and the relevant authorities by September 13.

An offer to minority shareholders of Putco will be made later.

The offer was made to the Carleo family — majority shareholders in Carleo Enterprises which controls 52,5% of the shares.

Earlier, Sabta confirmed it had reached agreement with Carleo Enterprises to buy its stake in the bus giant, which carried about 220-million black commuters in the year to June 30, 1987.

Putco owns more than 3 000 buses and recorded a turnover of R299m in the year to June 30, 1986.

The company made a profit, before interest payments and foreign exchange losses, of R6m in 1986, but after interest, foreign exchange losses and tax, a loss of R18,5m was recorded.

Figures for the 1987 fiscal year have not yet been released.

Any deal must still be given the green light by the Department of Transport, which issues permits to bus and taxi operators.

The department also subsidises bus fares charged by Putco.

Sabta is funded by fees received from members and from donations from local and international companies.

Sabta has received sufficient sponsorship from various sources in recent years to establish 10 filling stations for use by members, and another 10 are planned.

SABTA AND PUTCO

Ready for lift-off?

Agreement on control of the world's biggest privately owned bus company, Putco, has virtually been sealed. The Southern African Bus and Taxi Association (Sabta) will be in the driver's seat by the end of September.

In a R156m deal that, according to *FM* sources, includes foreign oil money channelled through black-controlled financial organisations, Sabta will purchase Putco's principal shareholder, Carleo Enterprises, from the Carleo family. This will give it a 52,5% controlling interest in the bus company.

Where the cash for the deal is coming from has been a matter of prolonged conjecture, with companies like Shell and Total denying involvement. The *FM* has established, however, that the bulk of the money will be sourced offshore from a major oil company intent on promoting black business development in SA.

This would have to be the prime motive, since bus companies around the world are not big money spinners. Because of the synergistic relationship that would flow from the purchase of fuel for both the buses and taxis, it would make sense for an oil company to be involved. A prerequisite of the arrangement, however, is that the money be channelled through a black organisation so that it does not appear paternalistic.

The Putco deal itself goes beyond buses. Included in the purchase will be three 100%-owned bodybuilding subsidiaries (Africa Body and Coach, Dubidgeon Body and Coach and Crown Body and Coach), 16 wholly owned property companies (representing bus depots around the country), two totally owned engineering companies (Voms and Vomparts) and spares manufacturer Electronic Commodities as well as 3 500 buses along with nearly 13 000 employees.

Two other subsidiaries have been the basis of much speculation: the wholly owned Commander Insurance Company, registered in Bermuda, and the 43,3%-owned local insurance broker Carleo Head and Associates. It was initially thought that these would be separated out of the Putco structure before transfer of ownership, but Putco has confirmed that they will be included in the deal.

Sabta, which has a membership in excess of 45 000 and which is currently composed of five provincial associations, 38 regional associations and more than 250 local associations, is expected to run the transport operation on a franchise basis after splitting the giant organisation into smaller regional units. It will both retain and recruit management expertise as necessary, guided by qualified transport and business consultants.

The shape of the final shareholding has yet to be decided, although the existing idea is for the creation of separate companies for the regional bus franchises. Sabta would retain a 51% controlling interest in each, while offering the remaining 49% to the black public and the bus drivers.

As a consequence of the imminent purchase of Putco, which will rocket the loosely constituted, semi-formal black combi taxi sector into the midst of sophisticated, First World business, a Black Transport Development Trust has been announced for the education and training of blacks in the transport sector. Commerce and industry will be asked to contribute R5m a year towards the upgrading of black driver and management skills with a view to producing the industry leaders of the future.

It is a vitally important step. Government sources say that while Cabinet approval for Sabta's takeover of Putco will probably be forthcoming, it could be contingent on the promotion of a policy that is increasingly being followed overseas: the gradual withdrawal of all official subsidies.

That would be a major policy move and would have to be accompanied by a degree of deregulation which would permit bus companies to set their own fares. As it stands at the moment, passenger transport companies require government approval for all fare increases other than those directly related to fuel price rises.

With the resulting distortion of economic principles, municipal and private bus companies in SA have been forced into the position of demanding ever-higher subsidies in order to keep their buses on the road.

The acquisition by Sabta of Putco could herald the beginning of the end of this disastrous situation — as well as the beginning of a new era in black business. It is certainly one of the most important and far-reaching business moves to be made recently. ■



The purchase of Putco ... a giant leap for black combi taxi operators

RNATIONAL

Argus 7/8/87 (332)

52% Putco sale awaits approval

The Argus Correspondent

JOHANNESBURG. — Agreement has been reached for the sale of a 52 percent share in Putco to the Southern African Bus and Taxi Association (Sabta).

This would give Sabta a controlling interest in Putco.

Rand Merchant Bank said in a statement today that the agreement was subject to the approval of the Johannesburg Stock Exchange, the National Transport Commission and relevant authorities by September 15.

An offer to minority shareholders of Putco would be made subject to this, the spokesman said.

Sabta will investigate the viability of Putco over the next six weeks, the association's national adviser, Mr James Chapman, said earlier.

Approve acquisition

The National Transport Commission (NTC), which must approve the acquisition of a controlling interest in a transport undertaking for which permits have been issued, has no official knowledge of the takeover bid.

Speaking from Cape Town today, the deputy director-general of the Department of Transport, Mr H J Claassens, said any takeover had to be approved by the NTC in terms of the Road Transportation Act.

In considering an application for approval of the purchase of a controlling interest in Putco, the commission would take into account:

- Whether it was likely that a monopolistic situation not in the public interest would be created;
- Interests the applicant has in any other transport undertaking or in any other company, partnership, industry, trade or business;
- Any other permits held by the applicant; and
- The provisions of Section 15 (1) of the Act, which stipulates the conditions under which public permits are granted.

R10 000 reward for skeleton find

The Argus Bureau

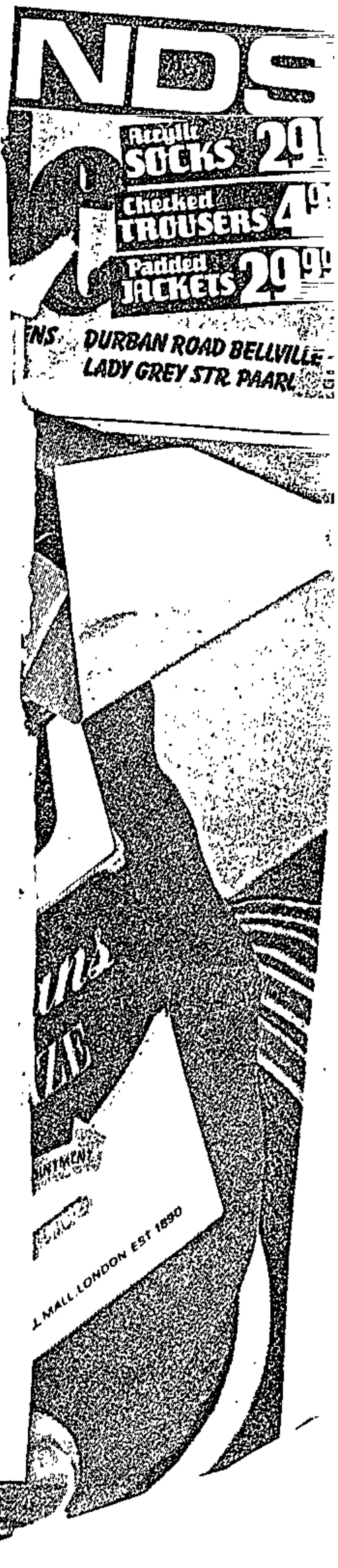
EAST LONDON. — Mr Albert Mlungu, the construction worker who solved the Brenda Thornley mystery when he found her skeleton last month, will receive his R10 000 reward tomorrow.

This was confirmed by Mr Hugh Dampier, an accountant acting for the Thornley family.

The reward was offered after Mrs Thornley went missing on December 27 1985 while holidaying in East London with her husband and two sons from Johannesburg.

She was reported to be depressed at the time and her pistol was found to be missing. No trace of her was found until Mr Mlungu found a skeleton near their holiday home on July 14 this year.

There was a bullet hole in the skull and a pistol was found. Remnants of clothing found on the skeleton were identified by Mr Thornley as belong-



DD 7/8/87.

(332)

Sabta pulls off Putco take-over

Dispatch Correspondent

JOHANNESBURG — The South African Bus and Taxi Association (Sabta) has bought control of the JSE-listed bus giant, Putco.

No price was revealed but it is thought that the price is in the region of R150-million.

The announcement brings to an end weeks of speculation and is a massive advancement for the cause of black entrepreneurship.

Sabta earlier confirmed it would seek total black backing for the deal and has already consulted with African Bank and Nafcoc.

In a formal announcement, Rand Merchant Bank said agreement had been reached for the purchase by Sabta of the 52 per cent shareholding in Putco held by the controlling shareholders.

The agreement is subject to the approval of the Johannesburg Stock Exchange and the relevant authorities, by September 13.

An offer to minority shareholders of Putco will be made later.

Any deal must still be given the green light by the Department of Transport which issues permits to bus and taxi operators and also subsidises bus fares charged by Putco.

Sabta is funded by fees received from members and donations from local and international companies.

two entries for the Fun Cycle day at Gold Reef City in October to celebrate The Star's 1

Casinos staff get dicey on SA links

PARIS — French casino workers yesterday demanded details of a planned sale of shares in famous gambling spots in Deauville and Cannes — after newspaper reports that they may go to South African interests.

"It is inadmissable that the casinos become dependent on funds from apartheid," the casino employees' union said in a statement.

Le Matin newspaper said that Mr Lucien Barriere, the majority owner of the Society of Hotels and Casinos in Deauville (SHCD) and of the public casino and Palm Beach Hotel in Cannes, planned to sell shares to British and Commonwealth Holdings.

The British company owns 51 percent of Royal Resorts International, a Bermuda-based holding company whose remaining 49 percent belongs to South Africa's casino and resort owner Mr Sol Kerzner.

But Mr Barriere, British and Commonwealth and Royal Resorts have denied any link between French and South African casinos.

"We have no connection, either direct or indirect," with South African financing, said SHCD managing director Mr Philippe Gazagne yesterday. — Reuter.

Putco deal still on ice

The Carleo family is not expected to reach a decision on the future of Putco, South Africa's largest bus operating company, until September 15.

That is the date of expiry of the first offer for the take-over of the 52,5 percent shares of the company by the South African Bus and Taxi Association (Sabta).

The Public Utility Transport Corporation yesterday denied reports it had reached final agreement with Sabta.

Mrs Cheryl Roxmouth, spokesman for Putco, said: "The deal has not been signed, sealed or delivered and is subject to certain conditions being met."

COMPANIES

MG&S 12/8/87 332

R5,5-m 'bonus' for Tollgate shareholders

By TOM HOOD
Business Editor

A R5,5-million "bonus" is likely to come the way of shareholders of Tollgate Holdings, the Cape bus operators, on top of their normal dividends.

The company is proposing to make a capitalisation issue of 5,5-million new ordinaries worth R5,5-million to increase the share capaital to R24,4-million from the current R18,9-million.

The plan is to capitalise R5,5-million from distributable reserves and shareholders registered on September 18 will be entitled to them on the basis of 30 new shares for every 100 they own.

"Due to the progressive development of the company, the amount of its issued share capital no longer represents the capital permanently employed in the group," say the directors.

A meeting to consider the proposed capitalisation issue has been called for September 2. The directors, holding 22,5 percent of the shares, say they intend voting in favour.

The new shares will also qualify for the 10c final dividend being proposed for the year ending June 30.

The directors are confident of maintaining this year's total 20c payout in future years — effectively a 30 percent increase on the higher share capital.

● Sun City again proved to be the biggest money spinner in Mr Sol Kerzner's empire, ringing up profits of R122-million in the year to June, a leap of R40-million on 1986.

Half of this went to the Bophutatswana government and the other R61-million swelled the coffers of **Kersaf Investments.**

Kersaf's turnover soared by 21 percent to R625-million, producing a R151-million operating profit of R151-million, which was up 30 percent. Earnings rose 30 percent to 81,6c a share.

Good progress was made in developing the group's offshore interests through Royal Resorts International, which recently announced major gaming and resort acquisitions in France, say the directors, who forecast a growth in earnings in the coming year.

The final dividend of 30c a share is up by 8c (26 percent) and boosts the the year's payout by 30 percent to 52c (40c).

BLACK PASSENGER TRANSPORT

Pirates no more

The one-time "pirate" black taxi operators have come up in the world — and plan to take over the controversy-racked Putco. It will be a major coup for black capitalism, but many problems, not least political ones, remain.

It's a story of what happens to small acorns — and an example of the free market at work. But whether the black taxi owners can straddle Putco — with all its political and economic complexities — remains to be seen. If it comes off, the deal will be the biggest ever for black business.

When former Director General of Transport Adriaan Eksteen told the passenger transport industry in December 1983 that "microbuses do have a place in the sun," neither he nor anyone else could have anticipated just how large that place would be.

A scant four years later, the Southern African Bus and Taxi Association (Sabta) is on the verge of taking over SA's biggest and most controversial private bus operation, Putco, in a multimillion rand deal that could change the face of the entire industry.

While there is still some way to go on the deal, and speculation is rife as to how much cash is involved, the sponsoring merchant bank confirms that Putco and Sabta are in agreement. It is simply a matter of time.

The 42-year-old Putco has always caused turmoil. It made history in 1957 when a penny fare rise caused the first organised black bus boycott, and prompted government to create an employer-funded transport subsidy fund under the control of the Department of Transport.

Then in 1971 a business coup shook the bus industry. The Carleo family bought Leyland's 49% shareholding and added another 3% to achieve the 52% control it has retained since. It was a case, as the industry said then, of the mouse swallowing the elephant.

But that was nothing compared to what is happening now. When Sabta becomes owner of the Carleo family's controlling shareholding, two warring sides of the industry will come together in the same organisation.

Kombi taxis are a relatively recent phenomenon — less than a decade old — which grew spontaneously from black public demand for better service than that on offer from buses.

The kombis were, of course, anathema to bus operators who saw them as a direct threat because they could operate without legislative restraints. The taxis, said the bus men, were "stealing" passengers.

The SA Black Taxi Association was formed to organise and speak for legal operators — those with permits — and by 1983 it boasted some 8 000 members. Today the renamed Sabta has more than 45 000 members, is the biggest private fuel user in SA — and the biggest independent user of spares and accessories. Its vehicles average 18-hour days and 8 000 km a month. It is responsible for more than R170m insurance payments annually, and injects more than R80m a year into the vehicle manufacturing industry.

Yet despite these impressive statistics, Sabta remains a loose association with its roots more in the Third World than the First.

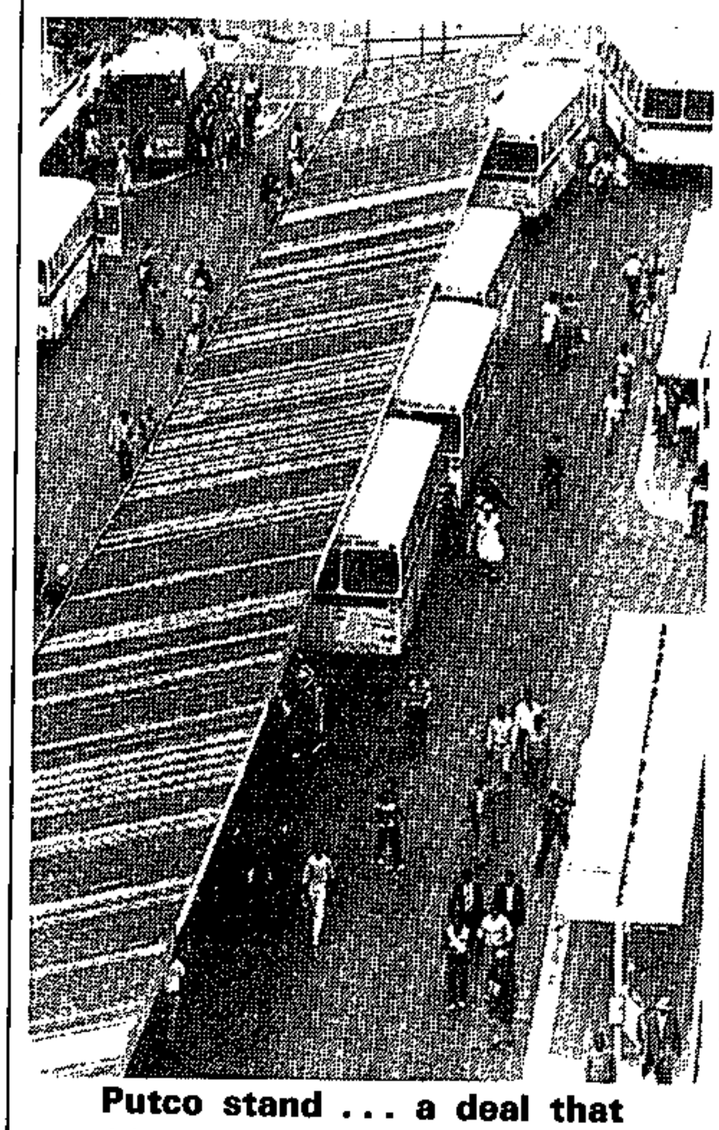
It has achieved a startling degree of success in pulling together thousands of individuals who, on cultural and educational grounds, are incompatible. It has brought a degree of order to a sector notorious for its use of private "police squads" to combat the more than 60 000 illegal operators.



Albino Carleo

Sabta will not have a member without a permit; in theory entry is not opposed but Sabta, understandably, wants the permit system to stay now that it is the only national body in the sector. Reformed pirates always wish to outlaw piracy.

But Sabta's officials are democratically elected. It has made a distinct impression on government as a responsible and representative mouthpiece of a serious industry, though it is still firmly in the semi-formal economic sector.



Putco stand ... a deal that could change the face of transport

The imminent takeover of Putco certainly carries the potential for disaster. That the takeover *is* imminent is beyond doubt, even though many details still have to be settled.

Rand Merchant Bank (RMB) announced last Friday that "agreement has been reached for the purchase by Sabta of the 52% shareholding in Putco held by the controlling shareholders of Putco. The agreement is subject to the approval of the Johannesburg Stock Exchange and the relevant authorities by September 15."

Trevor Jacob, senior GM of RMB, says: "Obviously a few things still have to be seen to, but we are taking it one step at a time. We are seeing government this week. The big thing is that agreement has been reached.

"We have paid a deposit and are putting together a financial package. Whether the bank itself participates directly or indirectly remains to be seen, but the main thing is that Sabta must control the company.

"We are very excited about the deal, and the response we have had from the investing community is that everybody is on our side. They want to make this thing work."

Efforts by a consortium of Afrikaans businessmen to block the deal, first by offering more money (both to Putco and to Sabta itself), then by threatening to go to the Competition Board (CB), are discounted by all concerned — which is not to say no more will be heard of them.

Sources in the CB say it is unlikely there will be a full-scale investigation of the takeover, since it does not create unfair competition for other passenger transport companies.

Government contacts say there is tremendous support for the move, as it fits in so well with the State President's expressed wish for the development of black private enterprise.

And the National Transport Commission, responsible for issuing permits, should follow the Cabinet lead.

State of play is thus that the intent has been established. Finance is available (some, if not most, from offshore sources). The implications remain — and they are many.

Politically, Sabta is walking into a volatile situation. There is no evidence that a black-owned Putco will be any more welcome to blacks than a white-owned Putco. Research actually suggests otherwise. The buses have been stoned and torched throughout the latest "unrest" — as targets perceived as having government links.

Financial Mail

GRANNY BONDS

Back to the drawing board

Given the very real financial problems of the elderly, the *FM* welcomed the introduction of granny bonds in this year's Budget.

It is a sad reflection on our ever-burgeoning bureaucracy that the only measure of note in the entire Budget has turned out to be misconceived, half-baked and an embarrassment that has quickly had to be scrapped (see ***Economy***).

It has been so successful as to threaten major distortions of the entire savings and capital markets.

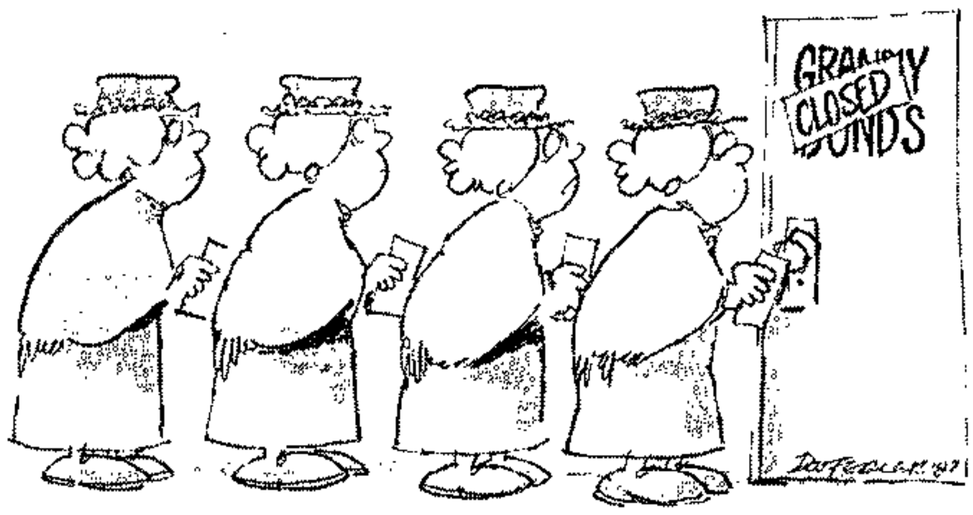
Government seems to know no middle way between endless committee investigations and shilly-shallying (as in the tortuous progress on privatisation and deregulation) and arbitrary pronouncements (as in this case).

Perhaps this just shows how reasonable (and reasoned) consultation becomes impossible for any semi-socialist bureaucratic machine that for decades has been insulated from open political debate or the consequences of electoral unpopularity. Mikhail Gorbachev would recognise the problem.

The fiasco raises two important points:

☐ The problems of inflation and declining real value of fixed incomes have not gone away. What must grannies do now?

We all know that the only long-term cure is to bring down the rate of inflation. But so far is government from achieving anything in this direction, it's even propagating the view that we need inflation to help create employment opportunities — a view that even cursory analysis of the past decade shows to be arrant nonsense both in SA and elsewhere in the world; and



☐ If this is a how a relatively straightforward issue is mishandled, heaven help us when we come to consider something as esoteric as the Margo report. ■

JOB RESERVATION

An end to privilege

On the same day that the biggest strike in South African history was launched (see ***Current affairs***) the last racist clause in the Mines and Works Act was repealed — after 75 years. Blacks may now qualify for blasting certificates. The restrictive "scheduled person" definition in the Act, long clung to by white miners, has been removed.

This could have been done far earlier — but perhaps it had to wait for the May election, and the accession of the Conservative Party (CP) to the status of Official Opposition. The Nationalists know now that attrition to the Right cannot be bought back through ideological pandering; the breach is final and — dare one say it? — reform can proceed.

That, of course, remains to be seen. Whatever the constraints (the migrant labour system, educational inequalities, widespread paternalism) black miners have had a precise ceiling on their advancement in the industry lifted. There will one day be black mine managers.

Naturally the CP — most volubly through its manpower spokesman Arrie Paulus — has slated the move. And it will be resisted at white grassroots level in the mining constituencies. Paulus in fact promises that "when the CP becomes the government" blasting tickets issued to blacks in terms of the amendment will be stripped away.

This shows most clearly that the CP has adopted the retrograde tendencies of the waning Herstigte Nasionale Party — taken up the politics of discriminatory segregation not only as exemplified by figures like Vorster and Verwoerd, but back to the hard line of the Thirties and Forties.

Ironically, Paulus has an ally in the National Union of Mineworkers' (NUM) Marcel Golding, who has criticised certain new criteria to be met prior to blasting certification as being introduced to allay white fears. Perhaps so; but it was to be expected after eight decades of white privilege.

There are those who would say that Golding's complaints — and the NUM's strike, linked as it is to the "living wage" campaign — have a political tinge. Of course they do. But so do comments emanating from Paulus and the white mining unions, and they can make themselves heard in parliament.

The historical movements which produced Paulus and the NUM have this in common: both are opposed to what they regard as the enduring rule of Capital. For its part, Capital co-opted the white miners through privilege. Some mining houses are even now contemplating doing precisely the same with black workers through some kind of equity participation. In this perspective white conservatism and black radicalism (as some see it) become oddly congruent.

The lesson for government? To refrain from meddlesome attempts to regulate the troublesome labour scene. There can be no backtracking on Wiehahn and succumbing to demands for entrenched white job security, as Pretoria's sensible repeal of the last statutory job reservation suggests it understands. The dogs bark, the caravan moves on. ■

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Sabta's purchase also represents arch-capitalism, which will certainly be opposed by radical black socialist organisations.

Not only does this mean that attacks on and boycotting of Putco buses are likely to continue under black ownership, it also means that Sabta members risk an ideological backlash by publicly setting their faces against the accepted trend of black nationalism/socialism.

That could spell trouble. First there is the problem of explaining to 45 000 kombi taxi owners and drivers that they are not personally in charge of Putco — a task which could put a distinct strain on Sabta's leadership.

Then there is the need to restructure Sabta. With the Putco plum hanging overhead, an internal struggle for control is not beyond the bounds of possibility. And there are the illegal operators to consider.

The running of Putco and its many and varied subsidiaries is a monumental task. Even with most existing management left in place, the overnight loss of the Carleo family as directors and managers of the overall structure may create a vacuum.

It cannot be filled by black management, as Sabta recognises. That is why the formation last week of the Black Transport Development Trust (BTDT) is so significant.

James Chapman, who heads Sabta's marketing company and is its national adviser, told the Annual Transportation Convention that the BTDT is not only for the education and training of black drivers and owners (including fleet owners) but also for the development of "a leader corps among black transport entrepreneurs."

He went further: "The black transport entrepreneur will, in the next 10 years, become the natural provider of passenger transport services for *all sections of the community.*"



Sabta adviser Chapman

There is a provisional plan for running Putco after the takeover. The ideal towards which Sabta is working is that blacks will be ready to move into senior management within a few years. Initially, management and expertise will be recruited as needed.

Certain ideas are already being revised as impracticable. It has been decided not to ask government to continue the present subsidy situation for at least 10 years, and not to impose a policy whereby buses would be taken off the road at off-peak hours to leave a free field for taxis.

The takeover could accelerate deregulation of the passenger transport industry and elimination of subsidies. That will mean openings for new bus fleet operators.

One route could prove particularly controversial — the KwaNdebele-Pretoria run, which takes up to six hours back and forth each day, on which there is now a 60% subsidy.

For the dovetailing of bus and taxi operations, Sabta has already announced its intention to split up Putco and franchise regional units. It does not intend to eliminate bus/taxi competition. So while there is certainly the potential for disaster, there is also a sincere drive and desire for success.

As international transport consultant Paul Browning puts it: "The takeover is exciting. No one must underestimate the difficulties which will be encountered, but the move is inevitable. If it had not been Putco, it would have been some other bus company. Had the takeover not occurred now, it would have happened some time in the next year or two.

"Ownership of Putco will give black transport people the chance to move into management of a large business.

"BTDT will accelerate their becoming equipped to do so."

The move must, therefore, be welcomed as a major advance for black capitalism — against all odds.

The many obstacles which lie ahead need little spelling out — but Sabta will seriously have to consider broadening its base among the remaining (and new) illegal black taxi operators.

After all, it was from this sector that it itself emerged, and the possibility of transport wars over routes and vehicles is distinctly chilling. ■

TRANSPORT

Deregulation fallout

Strong differences between SA's two majo private road transport representative bodie on the speedy deregulation of the transpor industry will surface this week when the meet the Parliamentary Standing Committee on Transport (PSCT) in Cape Town.

The Public Carriers' Association (PCA), representing carriers transporting the goods of others for gain, saw the committee on August 11 and hopes to meet Transport Affairs Minister Eli Louw within days. The National Association of Private Transport Operators (Napto), representing people like farmers and merchants who convey only their own goods, will meet the PSCT on August 14.

The two bodies strongly differ on specifics.

PCA CE Ian Moss says on the association's agenda were four major issues to speed up deregulation:

- ☐ SA Transport Services (Sats) involvement in the marketplace "and specifically its destructive market practices;"
- ☐ Privatising Sats' road transport activities;
- ☐ The "immediate" introduction of measures to alleviate inequities in current road transport regulatory methods; and
- ☐ Introducing quality control measures to ensure safe, reliable and equitable competition in road transport.

But, says Napto CE André Jacobs, "we cannot agree with what they regard as important. The main issue is the establishment of a Transport Advisory Council (TAC), composed mainly of private sector members, to advise the minister." Napto last year met the Parliamentary Standing Committee and asked for speedy establishment of the TAC. But the election intervened and the TAC project ended up on the back burner, says Jacobs.

"We will repeat our request. There must be no delay, as one of TAC's main functions would be to interpret the Transport White Paper, which provides the framework for deregulation, and establish an implementation programme. The White Paper, tabled in January, is currently read by all connected with transport in ways that suit their own purposes."

Napto feels that anyone wanting to start up as public carrier should be allowed to provided minimum safety standards are maintained. But the PCA seems to favour more of a closed shop. "I'm afraid the PCA wants to get back to the O-licence recommendations, which will limit entry to those who hold a number of specified certificates and several years' experience in the transport field," says Jacobs.

Nor does Napto agree with the PCA's demands that Sats' road transportation arm be privatised. "This implies that its road operation should disappear, which is against the interests of our members who use their services. We need to look at the whole transport scenario before any pressure is applied for change."

Central Statistical Services report that public carriers conveyed 43,4 Mt of goods during January-March this year — 24,3% down on last year's 57,38 Mt — while Sats rail services conveyed 39,7 Mt, up 0,4% on last year's 39,5 Mt. No statistics are available for Sats' first quarter road haulage, but it should be around the same as last year's 987 000 t.

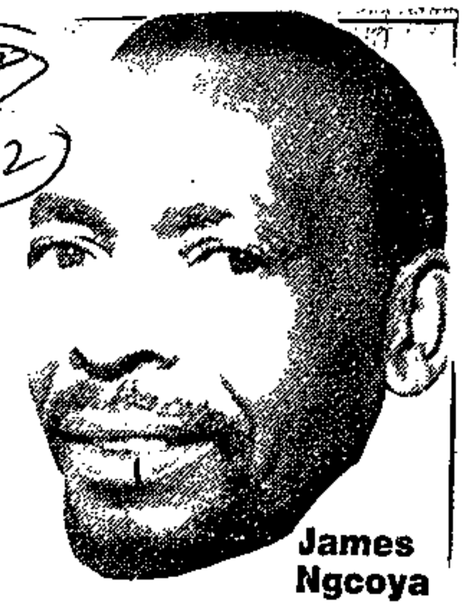
While these figures look impressive, the public carrier market is "insignificant," says Jacobs. It only represents 30% of all goods conveyed by road — private hauliers convey about 70% and Sats road services less than 1%.

"If we want to benefit the economy by reducing transport costs, we must look at the areas where most goods are conveyed, not where the competition is fiercest," says Jacobs. "We must rather look at ways of becoming more cost-effective than be distracted and focus our attention on 1% of the market."

But Moss, who believes that organised commerce and industry nationwide supports the PCA's call, sees the issue in a different light. "The Road Transportation Act is too restrictive and limits the operational flexibility of hauliers. And, by imposing artificial restrictions, it hinders their ability to be cost effective and meet the needs of the marketplace."

Taking another swipe at Sats, he adds: "We much prefer the democracy of the market. Regulations should protect fair trade and equitable competition, not individual hauliers. Healthy competition and diversity of activity is in the broad interest of the industry and the country." ■

Sabta slams CP's funding statement



James Ngcoya

THE purchase of the giant bus company Putco by the South African Bus and Taxi Association this week took on a new dimension with the Conservative Party claiming the money to buy the fleet came from the ANC.

Now Sabta president James Ngcoya has challenged CP economic affairs spokesman Clive Derby-Lewis to repeat his statement outside Parliament. Derby-Lewis said that Sabta was funded by the ANC to buy a controlling interest in Putco.

Derby-Lewis' claim came at a time when it had become public knowledge that a leading Afrikaner bank – Rand Merchant Bank – which is well connected with the government and top Afrikaner business circles, was funding Sabta.

Derby-Lewis said that if Sabta took over the biggest bus company in the country – which transports more than one million blacks a day – it could totally disrupt the economy of the Witwatersrand by bringing the buses to a standstill.

Ngcoya said Derby-Lewis had dreamt up the

By DERRICK LUTHAYI

story.

"Maybe he is canvassing for a better position, but this is not the way to do it. His information is not correct. In fact, it is a lie.

"Derby-Lewis said he has no confirmation of this. Why then should he say such a thing without confirmation?

"If he had received his information from the bank with which we are dealing, we will have no option but to withdraw. He should prove his claim," said Ngcoya.

The Sabta president said they were not involved in politics and would, in any case, not ask for funds from a political organisation.

"We have many friends in the commercial world whom we can ask for financial assistance.

"Derby-Lewis should also know that it is not a new thing for the buses to come to a standstill.

"It has happened many times during periods of unrests. We are buying Putco to upgrade black business and for no other reason," said Ngcoya.

Derby-Lewis was speaking in Parliament during the debate on the Economic Affairs and Technology vote and said that his information had, however, not been confirmed.

He urged the Minister of Economic Affairs, Danie Steyn, to utilise the Competion Board to urgently investigate the situation around the acquisition of the controlling shares in Putco.

He added that urgent action was needed, if government, by the people for the people, was not to become government by big business for the people.

Putco has been in white control since it was established and when it recently leaked out that Sabta was interested in a takeover, a storm broke out in many quarters, which led to an Afrikaner business consortium, headed by taxi owner Anthony Mayer, making abid for Putco.

Mayer was reported to have said that his consortium had made a bid for Putco because they felt they could not allow control of black transport to fall into black hands.

His argument on the issue was basically the same as that of Derby-Lewis, in that blacks could disrupt the economy of the country any time they felt like it.

Call for probe into taxi industry

Argus 19/8/87 332

Parliamentary Staff

TRAFFIC departments had "declared war" on black-owned taxis, and traffic officers "sat there waiting like vultures for their prey", Mr Anthony Reeves (Labour Party Klipspruit West) told the House of Representatives.

Speaking during the committee stage debate on the budget vote on transport, Mr Reeves said the situation was particularly bad in Johannesburg.

Traffic officers ignored other traffic offenders, he said, while taxi drivers were "locked up for not indicating a traffic lane change".

Others stopped for offences were handcuffed to their vehicles and assaulted.

White taxis were never stopped, he said, while "those of colour" were ticketed "left and right".

He called on the Minister of Transport, Mr Eli Louw, to intervene.

The taxi issue was taken up by other speakers, in particular regarding irregularities in the granting of licences and the fact that some taxi drivers had permits registered in the names of family members while there was a waiting list of legitimate applicants.

Mr Nic Isaacs (LP Bishop Lavis) said taxis could become a lucrative business if run properly and an in-depth investigation into the industry was needed.

Alleging that there were too many pirate taxis, Mrs Soher Hoosen (FP Tafelberg) said that no special qualifications were needed to drive a taxi, and this constituted a danger to passengers.

Replying, Mr Louw said the police were investigating allegations of irregularities in the permit system and his department would give them every co-operation.

Pirate taxis were the cause of most of the problems, he said, and in certain areas there was an over-supply of taxis. Over-loading was another problem.

His department wanted to help the small entrepreneur and the White Paper would achieve this aim.

Quality standards would be raised, he added.

The department was working on a central bureau for traffic offenders.

The Amendment Bill on the Transport Advisory Board was approved.

Blitz on minibus drivers planned

By Dirk Nel,
Northern Transvaal Bureau

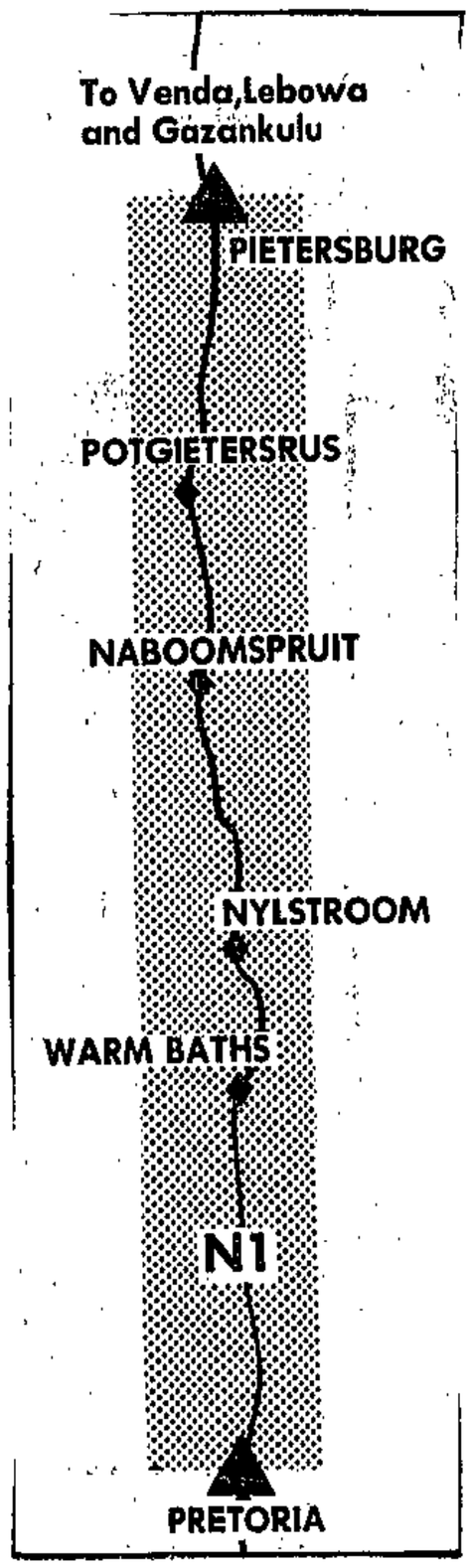
Provincial traffic authorities are to get tough with negligent minibus drivers on the N1 route between Pretoria and Pietersburg.

Speeding and overloading of these vehicles had caused 39 deaths since the beginning of July. The slaughter could not be allowed to continue, said Mr Piet Nel, the chief provincial inspector in Pietersburg.

Traffic officials will take the following strict actions, particularly at weekends:

- Spot roadworthy tests are to be stepped up.
- Drivers will be checked for competence, sobriety and licences.
- Heavy fines are to be imposed for overloading (R100 for each unpermitted passenger).
- Speed "maniacs" could find themselves summarily arrested.
- In certain cases, direct summonses to appear in court will be issued, without giving negligent drivers the option of a fine.

Mr Nel said the number of prosecutions involving minibuses had now reached the figure of between 300 and 500 a month in the Pietersburg area.



PRIVATE AIRPORTS

Buzzing Virginia

Durban's offer to hand over control of Virginia Airport to the private sector (*Business* July 31) has attracted keen interest. More than 50 inquiries have been received to date.

But prospective owners should proceed with caution. With rare exception, the economics of aviation make aerodromes the terrain of enthusiasts and service-orientated municipalities rather than investors.

One of the oldest aerodromes in the country, Virginia continues to maintain a satisfactory safety record. However, limits on space allied to safety updates by the Directorate of Civil Aviation (DCA) since Virginia was licensed in 1959, may combine to put a lid on future revenue-earning expansion.

FINANCIAL MAIL AUGUST 21 1987

Responding to this concern, both the Virginia airport manager and management consultants Pim Goldby, retained by the council to advise on privatisation, say they are confident room for expansion exists.

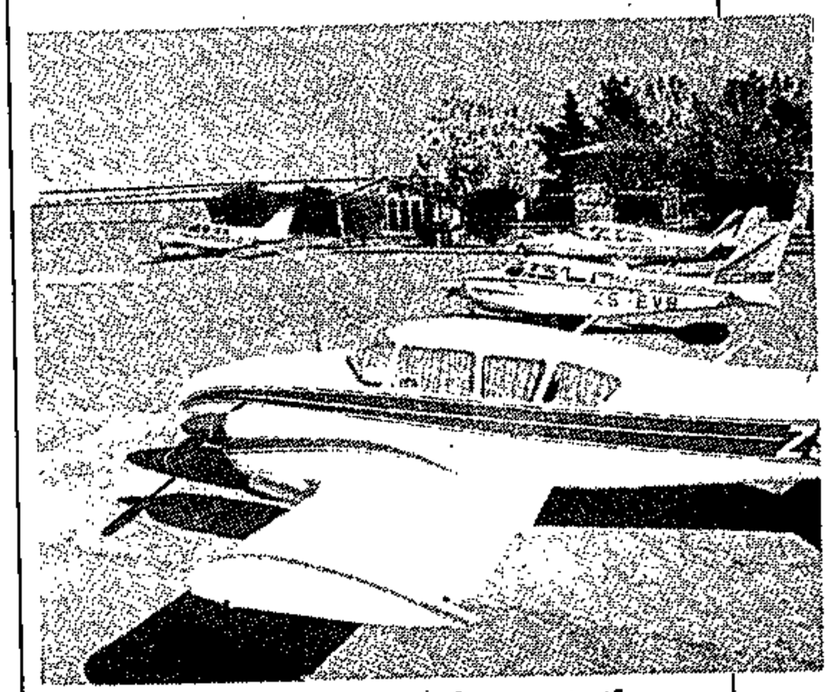
But consent will have to be obtained from the DCA regarding safety requirements before any contracts are signed. Pim Goldby's Guy Harris says this issue will be explained in a detailed brief to be distributed to interested parties.

An added challenge to privateers is the current state of the aviation industry in SA. Punitive exchange rates and three years of recession have priced aircraft beyond the pockets of most buyers and the industry has gone into decline.

During its heyday in the late Seventies, SA's aviation industry prospered and the aircraft population doubled from around 2 000 to 4 000. Subsequently, the market lost momentum. Imports of new aircraft, formerly about 200-250 a year, virtually dried up, leaving only the second-hand market.

As a result only around 4 000 light aircraft are registered in SA, well below the massive 200 000 US market, but not far off Australia's 7 000. The majority of SA's light aircraft are single-engined and exchange on the second-hand market at R20 000-R80 000, with a limited number of twin-engined craft ranging up to R400 000. There are fewer than 100 executive jets in the country.

The major revenue source for aerodromes is landing and parking fees and these are effectively set by the DCA. Current fees vary from R4,20 for a single-seater to about R34,20 for an executive jet. Average fees are around R10, and Rennie van Zyl, director of



Private aviation ... sky not the only limit?

safety for the DCA, estimates private planes would average about 10 landings a month.

Given the total aircraft population, it is therefore a marginal business. While the indirect multiplier effect of an aerodrome on a local economy is positive, its balance sheet would probably remain in the red.

In the year to March 1986, aircraft movements (landings and take offs) at Virginia totalled 58 904, fourth behind Lanseria (111 729), Rand Airport (95 243) and Wonderboom (72 520). Since income from this is inadequate, aerodromes seek added revenue from sources like parking fees and hangar facilities — and finally rely on subsidies to balance the books.

It is against this background that Durban seeks to privatise Virginia Airport, expected to record an operating deficit this year of some R208 000 before capital charges on land conservatively valued at R3m.

The council, however, is keen to keep the aerodrome operating and consequently has an entirely flexible attitude to the form eventual privatisation and the charges it might levy. That hint of honey might just be sufficient to tempt an entrepreneur into closing a deal. ■

Taxi war - move for court plea

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Sowetan 24/8/87

SOWETAN Reporter

THE Johannesburg Taxi Owners' Association is to bring an urgent Supreme Court application for an interdict to restrain members of a rival association from interfering with it.

The JTA also intends to sue Sabta and its affiliate — the Bara Meadowlands Taxi Association — as a result of assaults on its members and damage to member vehicles.

Matters came to a head on Saturday when fighting erupted between the rival taxi associations over the use of routes in Meadowlands and Orlando East.

At least 10 taxi operators, including the JTA chairman, Mr William P Selebogo, were wounded. Another named Junior is still critical in hospital. More than 15 taxis were damaged.

The incident allegedly took place at the Orlando East rank, near the police station and on several routes. The attack is said to have been carried out by about 100 men in kombis and private cars.

They were armed with kieries, pangas and an assortment of other weapons.

Mr Johannes Motlhabane, the JTA's public relations officer, said trouble started early last week when the rival group declared the Meadowlands route a no-go area for them.

In retaliation, the JTA demanded that their rivals whose vehicles must pass through Orlando East to reach the Bara rank, find another route.

Black taxi group opposed to total trade deregulation

By Zenaide Vendeiro, Transport Reporter

The Southern African Bus and Taxi Association (Sabta), which is trying to gain control of the Putco bus company, is opposed to the total deregulation of minibus taxis.

This announcement, surprising in view of the association's many past battles with regulatory authorities, was made in a paper at the Annual Transportation Convention in Pretoria today by Mr James Ngcoya and Mr James Chapman, respectively Sabta's president and national adviser, and Mr Mark Freeman of the National Institute for Transport and Road Research.

However, they said it was not Sabta's intention to form a "closed shop" or limit entry to the taxi business.

It was Sabta's view that taxi operators felt hurt, embittered and betrayed by the recommendation in January's White Paper on transport policy that taxis of 16 seats or less be deregulated.

This was because Sabta had previously agreed with the National Transport Policy Study recommendation on national guidelines which would determine the minimum number of taxis on a formula basis, applicable to local circumstances in urban areas.

Sabta proposed that the permit system should remain at least during the transition period to a new, more liberal one.

ASSOCIATION PROPOSALS

The association proposed that:

- The permit system remain in force in the transition period and the permits be renamed "operating permits".
- It be made compulsory for all applicants for permits to be members of a national association recognised by the Department of Transport, not necessarily Sabta, but that Sabta be recognised as a spokesman for the industry.
- The "pirate" taxi operators be legalised and — as they would have to provide proof of illegal operations — that this be done through an amnesty.
- No new applications for permits be accepted during the transition period.
- Bus companies not be allowed to use the unfair advantage of transport subsidies to enter the taxi business.
- "White capitalists" be prevented from obtaining permits and providing taxi services to black residential areas.
- Stricter law enforcement be introduced, including "regular sweeps for non-permit holders".
- Taxi associations agree with the Government on a programme of self-regulation in matters such as safety and insurance.
- Taxi associations receive funds from both the Government and private sector for affirmative-action programmes, related to education, training, research and development.

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Nafcoc looks at transport

THE National African Federated Chamber of Commerce is to launch a national body to look after the interests of black transport operators and users.

The secretary of Nafcoc's transport committee, Mr M J Thema, said the new body would be established at a conference to be held at the Port Elizabeth Sun Hotel on September 10.

The purpose of the conference was to:

- Establish and explore ways to facilitate the further entry of blacks into more avenues of the transportation industry;
- Analyse and isolate obstacles that stifle the effective entry of blacks into the industry; and
- Examine existing and future government policy regarding transportation matters.

Putco taken by taxi men

Hopes of major black breakthrough into big business crash

Putco takeover collapses

SARA MARTIN

The SA Black Taxi Association (Sabta) will not take over Putco after all.

This has ended black hopes of running the country's biggest transport system and thereby the emergence of black entrepreneurship on a scale previously unknown in South Africa.

The news is certain to have loud reverberations within the black community.

It now opens the way for a consortium of Afrikaans investors to take up "second option" negotiations with the travel giant's major shareholders, the Carleo family.

At the same time the decision ends many months of speculation that the deal had already been sealed. An impeccable source told The Saturday Star that a formal statement is to be issued early next week.

Until yesterday, indications were strong that Sabta would apply for an extension of the final date for clinching the deal from September 15 to mid-October.

By that date Sabta would be required to have raised the R156 million to purchase the 52 percent shares from the present Putco owners, Carleo Enterprises.

Rumours were strong that the need for the extension arose from disagreement among Sabta members over the Putco deal. These rumours were denied by Mr James Chapman, national advisor to Sabta's Executive Committee, who said that Sabta was considering all the options.

"The take-over has been given the green light at two different conventions in Bloemfontein attended by representatives from 40 regions of Sabta," he said.

According to the source there was a 5-to-100 possibility that the deal would be called off. The general

● To Page 2

P.T.O.

Reform: a winning key

SATURDAY STAR CORRESPONDENT

CAPE TOWN — Political reform stood an excellent chance of producing the winning combination necessary to ensure a long period of sound economic expansion in South Africa, says Reserve Bank governor Dr Gerhard de Kock.

Dr de Kock, speaking to the Afrikaanse Sakekamer in Worcester last night, said there had been several favourable developments since foreign perceptions of South Africa reached a low point shortly before Soweto Day last year.

But he warned that it would be unfortunate to interpret those as an indication that the socio-economic and political status quo could be maintained indefinitely.

"Instead, it is incumbent upon both the Government and the private sector to make full use of the new opportunity we have been given to continue with our reform programme," he said.

The two major reasons for improved foreign perceptions were the successful maintenance of law and order, necessary for the expansion of economic activity, and the way South Africa had adjusted its balance of payments and other economic variables.

South Africa had chosen a rational and well-considered strategy and the whole of Southern Africa was reaping the benefits, Dr de Kock said.

Putco deal collapses

From Page 1

consensus is that it is already off.

He would give no reasons for the withdrawal of the bid, adding only that it would not be in the interest of Sabta for the deal to go through.

"The call-off will be triggered by an event this weekend," was all he would say.

But the Johannesburg Taxi Association maintains that the deal was called off because of opposition from several associations within Sabta. This was confirmed by the chairman of the Johannesburg Taxi Association, Mr William Selebongo.

Mr Selebongo said that even though he would be defying an order from Sabta not to speak to the press and was risking his life in doing so, he had to speak out and reveal that his organisation was one of several opposed to the take-over.

Because of internal bickering and dissatisfaction with the way money was allocated to member associations, the deal "would only lead to taxi warfare on a larger scale than is happening now".

"I was almost killed on August 22. I was seriously stabbed by members of the two rival splinter groups who have pirated our routes.

"Other members of the association have been attacked at their homes and 15 cars of our fleet have been damaged. So far Sabta had done nothing.

"We are the oldest established association formed in 1960 and foundation members of Sabta. We don't deserve such treatment. Seventeen men have been arrested and are due to appear in court on Tuesday."

With Sabta out of the deal, the next contender is the Afrikaans consortium represented by Mr Anthony Mayer, of the Taxi Bureau.

The Carleo family, the main shareholders of Putco, have apparently indicated that if this deal is not suitable to the transport industry's future, they will gladly take back the reins.

● A spokesman from Sabta late last night said there was "absolutely no truth in the story that the Putco transaction and the Johannesburg taxi dispute are connected. Sabta has refrained from making statements about the dispute because of an agreement with the Johannesburg Taxi Association to keep the matter out of the press. But since the Johannesburg Taxi Association continues to defy that agreement, we have to give our side of the story."

Among other things, so seriously did Sabta consider the taxi association's unfounded accusations, said the spokesman, that it would apply to the Supreme Court on Tuesday for an urgent interdict to prevent the taxi association from "spreading malicious and blatant lies" about Sabta.

He added: "If they don't want to abide by Sabta rules they can get out."

uphoria



TAXI WAR - PEACE TALKS FAIL

338
Sowetan
28/8/87

SOWETAN Reporter

ATTEMPTS to end the taxi war in Soweto failed this week when rival factions could not agree on a peace strategy.

The two factions, one led by Mr Joseph Mabaso and the other by Mr William Selebogo, discussed peace moves with Soweto police chief Brigadier A P van Zyl but did not reach a solution.

Brigadier van Zyl was not available for comment after the meeting and Mr Pat Mbatha, chairman of the Johannesburg region of the South African Bus and Taxi Association (Sabta) told reporters through his secretary that he did not want to speak to the Press.

Mr Selebogo told the *Sowetan* that when he met members of the rival faction at Protea police station one of them allegedly said: "You guys have not been thrashed enough. We will bring Zulus into this war who will beat you up and your families and perhaps then you will understand that we mean business."

Violence

He said the police said they could only act if there was violence or a crime being committed.

The taxi conflict is between members of the Johannesburg Taxi Owners Association and the Bara/Meadowlands Taxi Association who are apparently fighting over the use of certain routes.

A number of taximen have been hurt in the dispute and damage amounting to several thousands of rands has been caused to taxis.



MR WILLIAM Selebogo of JTOA.

A spokesperson for Sabta said from Pretoria yesterday that the dispute had gone to arbitration and the organisation's lawyers were handling the issue.

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Bus fares to homelands to rise

108 105 332

Staff Reporter

FARES on black-owned bus services operating between Ciskei, Transkei and the Peninsula are to increase by between R10 and R15 from Sunday after a month of negotiations between local organizations and bus owners.

The talks followed a short-lived price rise in February which sparked a week-long boycott and some violence after protests by the organizations.

Judge rebukes Putco for ignoring order

By CARMEL RICKARD, Durban

A NATAL supreme court judge upheld the authority of the industrial court this week when he took the giant Putco bus company to task over its non-compliance with an interim reinstatement order.

Three months ago Putco was ordered by the industrial court to pay virtually 90 days' wages to more than 200 drivers, sacked after a dispute with the company.

But the workers were not paid and this week, through the Transport and General Workers' Union, they brought an application in the supreme court asking that Putco be forced to obey the industrial court order. A second application was due to be heard on the same day, brought by Putco and asking that the industrial court judgement be reviewed and set aside.

Lawyers for Putco said they had not paid the workers as they believed the judgement was incorrect and would be set aside by another court.

Putco had also been involved in negotiations with the workers until Monday when talks broke down.

They said if Putco paid up, the company would be severely prejudiced as they had no work to offer the drivers because the Durban South depot, where the workers had been employed, was closed down.

Judge John Didcott strongly rebuked Putco for failing to carry out the orders of the industrial court. He said he found it "totally unacceptable" that the order should be ignored.

"Industrial legislation cannot work if it is open to employers or employees to disobey (the orders of the industrial court) if they want to. I will not allow it. (Putco) is willfully and flagrantly in default.

"This court must concern itself with the need to uphold the authority of the industrial court and I take a dim view of what has been done by Putco on this score."

Didcott said Putco may have been entitled to make an application for relief, asking for some suspension of the order pending review. "But that is not what happened. Your clients simply ignored the order."

On the question of the company's application for a review, Didcott said if it were granted, all he was entitled to do was to ensure that the presiding officer of the industrial court had "applied his mind properly" to all the facts before him, and if he had he, Didcott, could not overturn the decision on the grounds that he might have come to a different conclusion.

After an adjournment, Putco offered to settle the matter by paying the legal costs of the application and by paying the drivers the three months' wages due to them, estimated by a company official in court papers to be well over R500 000. Putco also asked for the review application to be adjourned indefinitely.

The workers are to be paid out on Friday September 4.

Sabta lifts the lid on Putco deal

By DERRICK LUTHAYI

THE South African Bus and Taxi Association has partially lifted the lid on its intentions of gaining the controlling shareholding in the giant bus company Putco.

A statement by Godfrey Ntlatleng, executive vice-president of Sabta, in consultation with James Chapman, national advisor to Sabta's executive committee, detailing Sabta's policy and the reasons for its Putco bid, was released this week.

"Sabta is a body made up of provincial, regional and local associations and represents not its own interests but the interests of its members," the statement read.

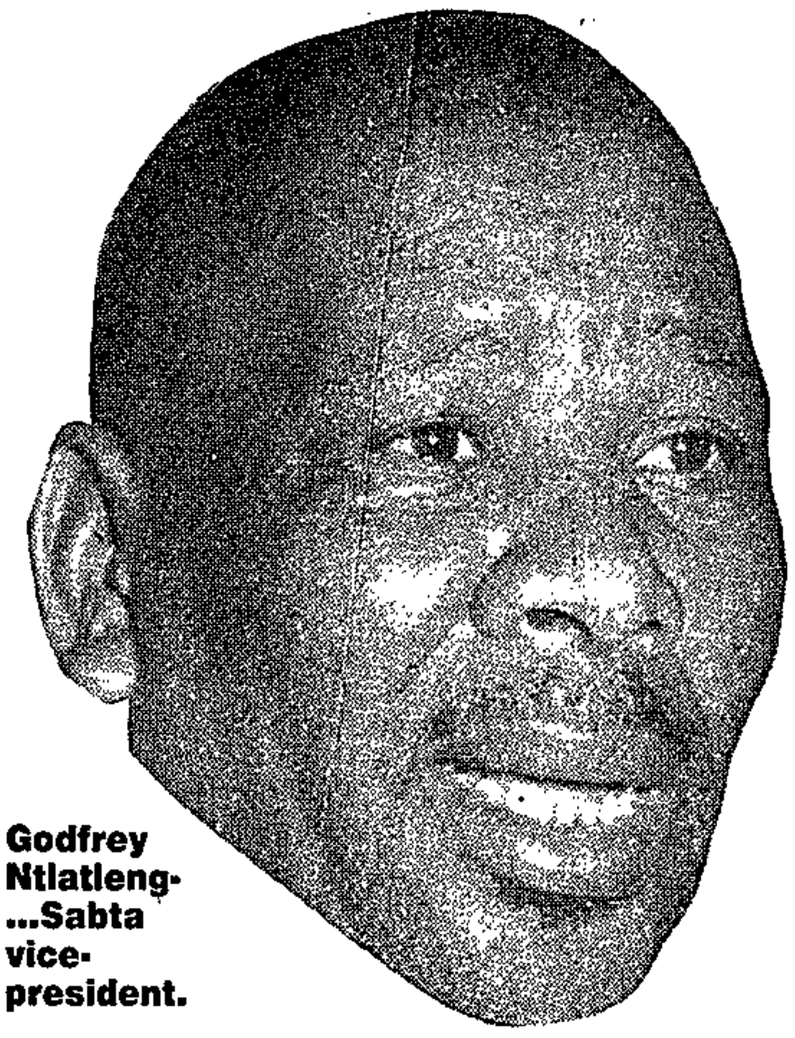
"All 40 regional associations were consulted on the Putco transaction on February 9, 1987 at the Bloemfontein Holiday Inn, and gave the executive committe of Sabta a unanimous mandate to investigate the possible takeover of the Putco bus company.

"Once preliminary investigations had been concluded, another meeting of all 40 regional executive committees was held on June 29.

"Again the executive committee of Sabta received an unanimous mandate to continue with its negotiations.

"We wish to reiterate that Sabta will not make a decision which is not based on an agreement and acceptance of its broad membership and the commuting public.

"To this end we continue to hold meetings and are in the throes of writing a letter to each of our members, explaining the position. The Putco transaction has not yet been concluded and is still under investigation.



Godfrey Ntlatleng-...Sabta vice-president.

"Chapman is an advisor to the executive committee of Sabta. Neither he nor his marketing employees have any decision-making power whatsoever.

"His task is one of investigation and, once investigation has taken place, to report to the executive committee of Sabta, which then makes the final decision of any matter before it.

Ntlatleng went on to say: "It is important to note that the whole Sabta structure, from local association, region, province to the management and executive committee, takes place on a purely democratic basis and elections are held bi-yearly.

"As far as sponsorships are concerned, Sabta does not benefit in any way from sponsorships itself. All sponsorships are for members and their needs. The running costs of Sabta are not derived from sponsorship at all."

He then detailed the sponsored events:

● Driver-of-the-Year competition, which is sponsored by certain companies and takes place throughout the country.

"The Driver-of-the-Year competitions are for the sole benefit of the members and to improve driver training and awareness."

● The annual general meeting is sponsored so that members, all of whom are invited, only have to pay a nominal fee for entry. All sponsorship of this event is used solely for the benefit of the AGM.

Ntlatleng explained that a great deal of money had been put into a trust account called the Sabta Bridge Trust.

"The trust is used exclusively for the purchase and funding of service centres in which the members of Sabta become owners. No outsider is entitled to shareholding unless the local taxi community agrees.

"This trust is administered by the trustees, Louis van Zyl (a prominent Cape Town lawyer), Mcleary (an auditor) and Pat Mbatha (Sabta's treasurer).

He said that Sabta now envisaged starting a new fund called The Black Transport Development Trust. This trust would be controlled by trustees of impeccable character and not by the taxi industry.

"This fund will be utilised for the development of members," he emphasized.

"All sponsorship is used for the direct benefit of Sabta's members. Full financial statements are publicly distributed at our AGM and approved by the AGM in which sponsorships are clearly spelt out.

"Sabta is of the opinion that black enterpreneurs should become the providers of all forms of transport in Southern Africa.

"Had SA been a normal society, this would already have taken place. Sabta sees the Putco transaction as the first step towards achieving this goal.

"It is also Sabta's aim to unite black businesses behind this deal and will be negotiating with all major black organisations to achieve support.

"As far as community and social projects are concerned, Sabta has already proved its commitment to its community and will, of course, continue to support the community in whichever way possible.

"Sabta believes in community involvement and will be approaching the community on all projects before implementation."

SABTA INDABA

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THE recently announced purchase of controlling shares in the Putco bus company will be addressed at the Southern Africa Black Taxi Association annual general meeting to be held in Johannesburg starting October 20.

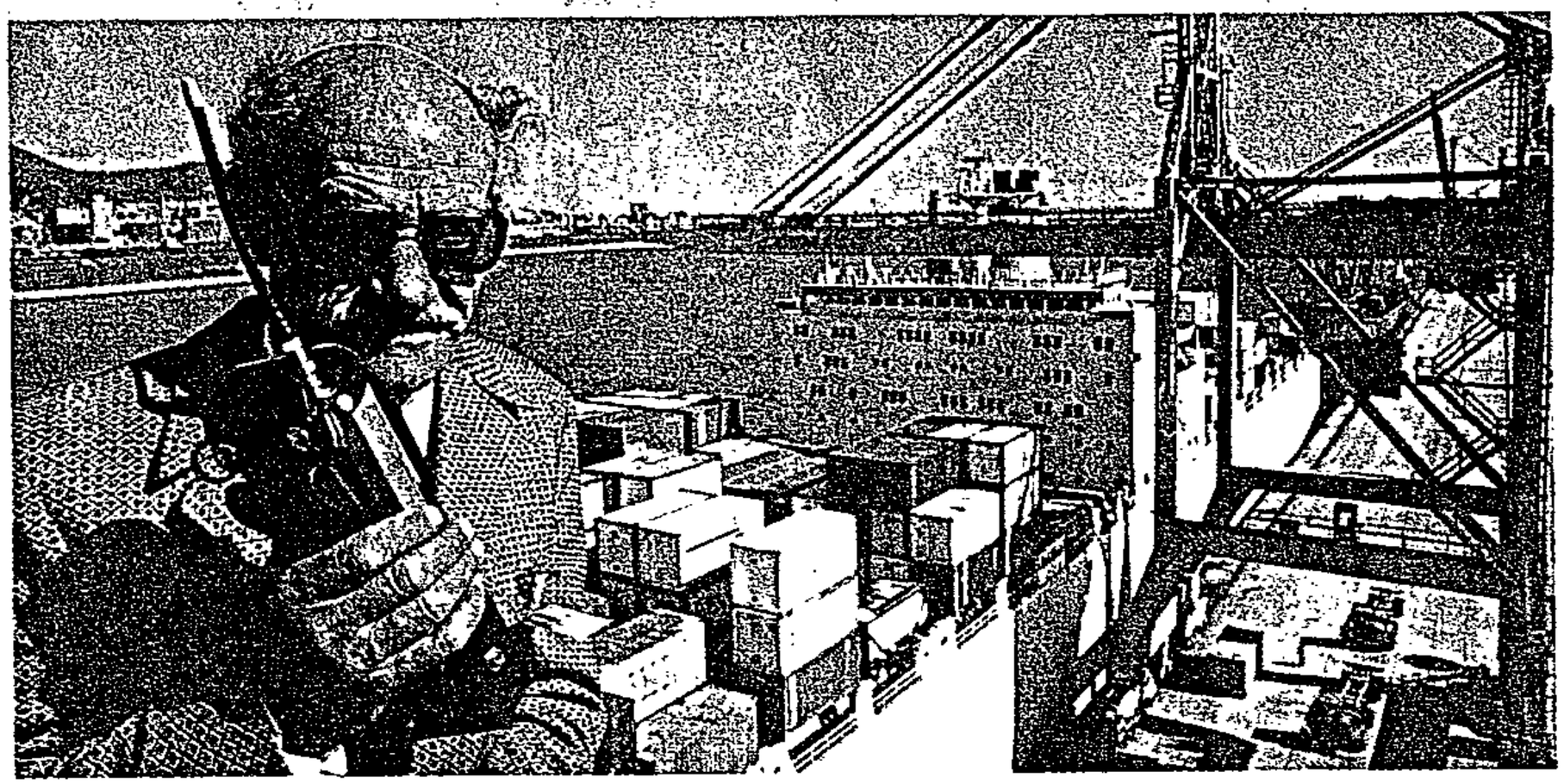
Speaking on behalf of Sabta's newly established communications department, Mr Johnny Masilela said the two-day conference was expected to be most crucial. He also said 1987 had been the most challenging year.

"We had the Putco issue, the controversy surrounding the Government's White Paper on transport matters and the establishment of the taximen's own filling stations," said Mr Masilela.

Small businesses and multi-national companies having dealings with Sabta will exhibit their products at the conference. There will also be the taxi driver of the year competition, and a Miss Sabta beauty contest.

ARGUS 1/9/87

Container ships keeping city docks on the move



Pictures: DION TROMP, The Argus

COOL CONTROL: Behind Mr D Rossouw, assistant crane foreman at Cape Town's container terminal, a quiet Table Bay harbour belies the activity when a large container ship is loaded.

By HENRI du PLESSIS, Shipping Reporter

CAPE TOWN harbour is handling a higher tonnage of cargo now than it was 10 years ago — in spite of the sometimes-deserted appearance of Duncan Dock.

The illusion of a stagnating port is the result of the switch to containerisation, says Port Director Mr Willem Louw.

"There are fewer ships now because one container vessel is equal to about about eight general-cargo ships," he said.

In the so-called "good old days" it took about a week to discharge and load a general-cargo ship, but a container one can be unloaded, loaded and made ready to sail within 24 hours.

9 000 containers waiting

Mr Louw said: "We are now handling 25 containers every operating hour on a single crane. If one considers that the average mass of a container is 15 tons, this means 5 500 tons an hour.

"Once the container ship has left, there may be as many as 9 000 containers in the stacking area waiting to be shipped on the next vessel."

According to Mr Louw, a quayside work party is much smaller than the 30 people for one ship years ago.

A crane operating on a general-cargo vessel required eight stevedores and normally as many as four to five cranes were used.

"We still render a 24-hour service, but we have cut our staff to less than half. Because of this, we have managed to cut costs dramatically," said Mr Louw.

Other costs have risen steeply, however.

As a result, cross-subsidisation — a controversial measure — has been introduced to enable South African Transport Services (Sats) to break even.

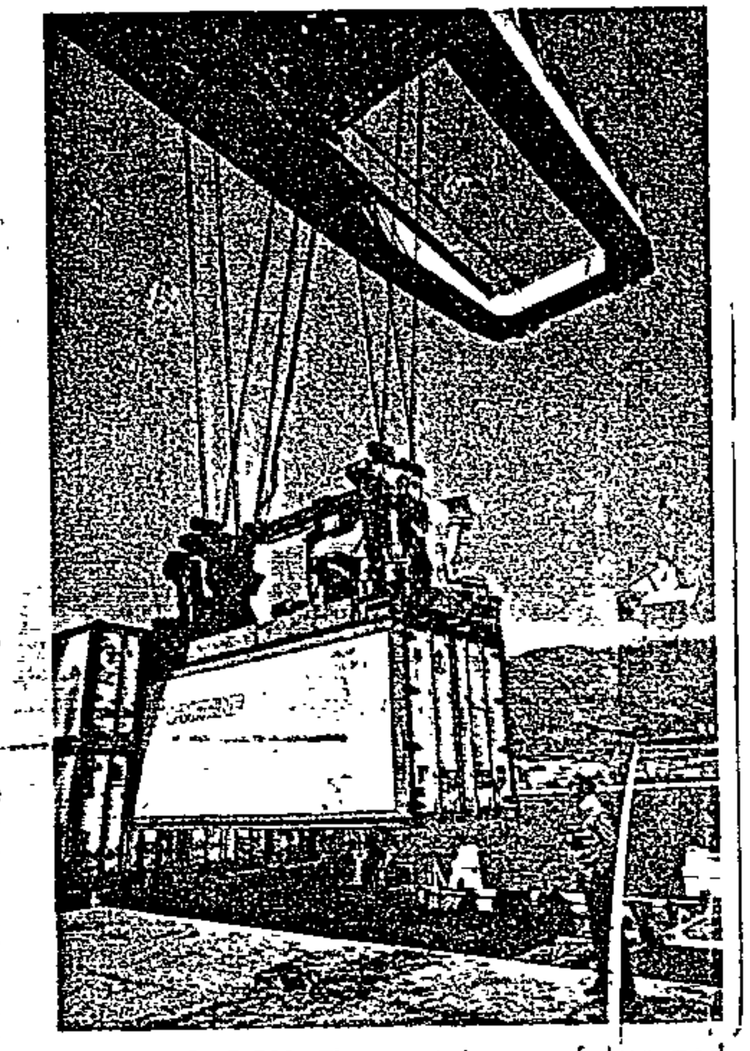
Marine service costs

Certain tariffs have been increased by an average 15,3 percent — a move seen in some quarters as a way of forcing harbour users to subsidise the uneconomical railway services.

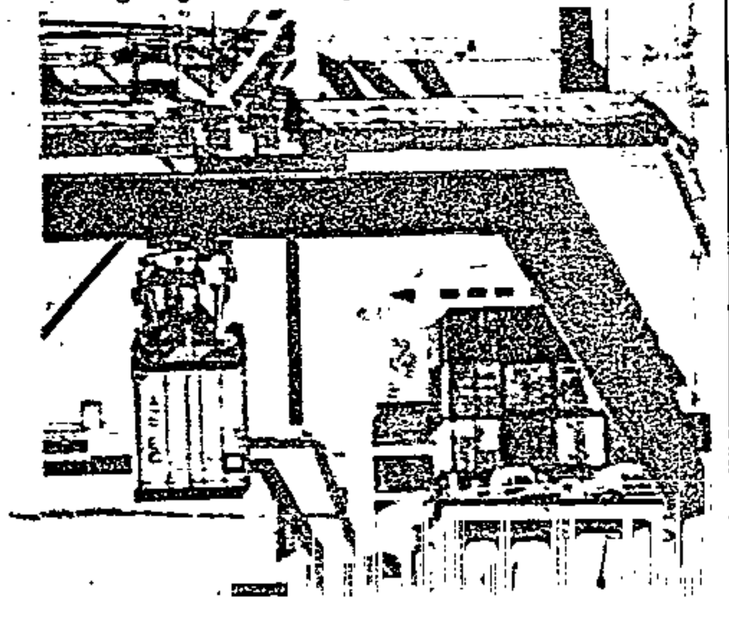
The allegation is strongly denied by Mr Louw.

"Cross-subsidisation is essential and the increase in tariffs was necessary to cover marine services costs," he said.

Defending the measure, he said many harbours in Europe and the United States were



TECHNOLOGY: The container, a faster and safer way of shipping goods, has all but done away with the need for conventional freighters. One container ship carries what eight general cargo ones did previously.





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"Cross-subsidisation is essential and the increase in tariffs was necessary to cover marine services costs," he said.

Defending the measure, he said many harbours in Europe and the United States were run by private enterprise and subsidised by the state.

Sats, on the other hand, had to cover the running costs of the harbours itself.

According to Sats sources, only 43 percent of the total bill for marine services, such as the dry docks, is covered by tariffs.

"We have to carry all the costs ourselves and, at the same time, run a satisfactory service. Unlike private companies, we cannot refuse to provide a service, even if it does not pay," said Mr Louw.

Grain elevator for lease

One service that has been offered for privatisation is the grain elevator with its shipping gallery on the Collier Jetty.

Underutilised at present, it will be leased to a private company. The lease is expected to be awarded soon.

However, members of the ship repair industry have so far declined to take over the operation and maintenance of the two dry docks.

"A year ago, a marketing section was established in the harbour to generate more cargo for the port. This section has been fairly successful in that it has concluded contracts worth about R4-million, of which R1 million is contracts."

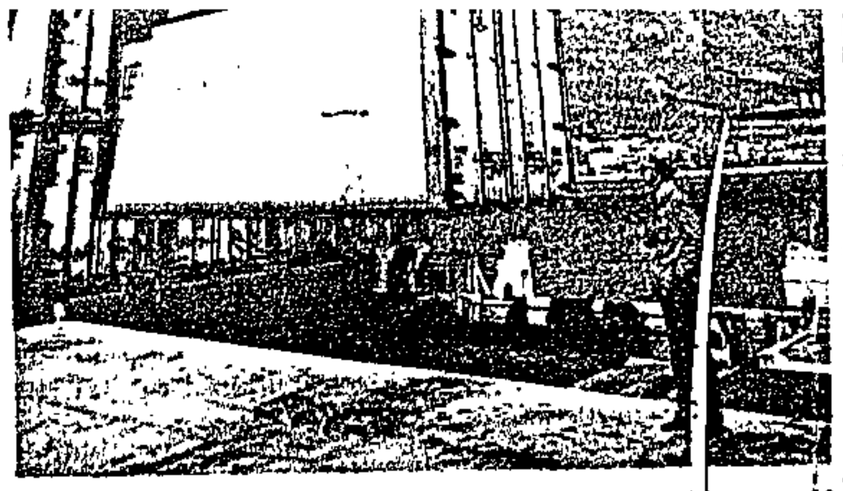
● The character and appearance of Cape Town harbour could change for the better if the concept of developing the "old harbour" as a tourist attraction reaches fruition.

Some time ago, it was decided to investigate the possibility of moving all Sats activities from the old harbour to the Duncan Dock area and to move fishing vessels to the old section.

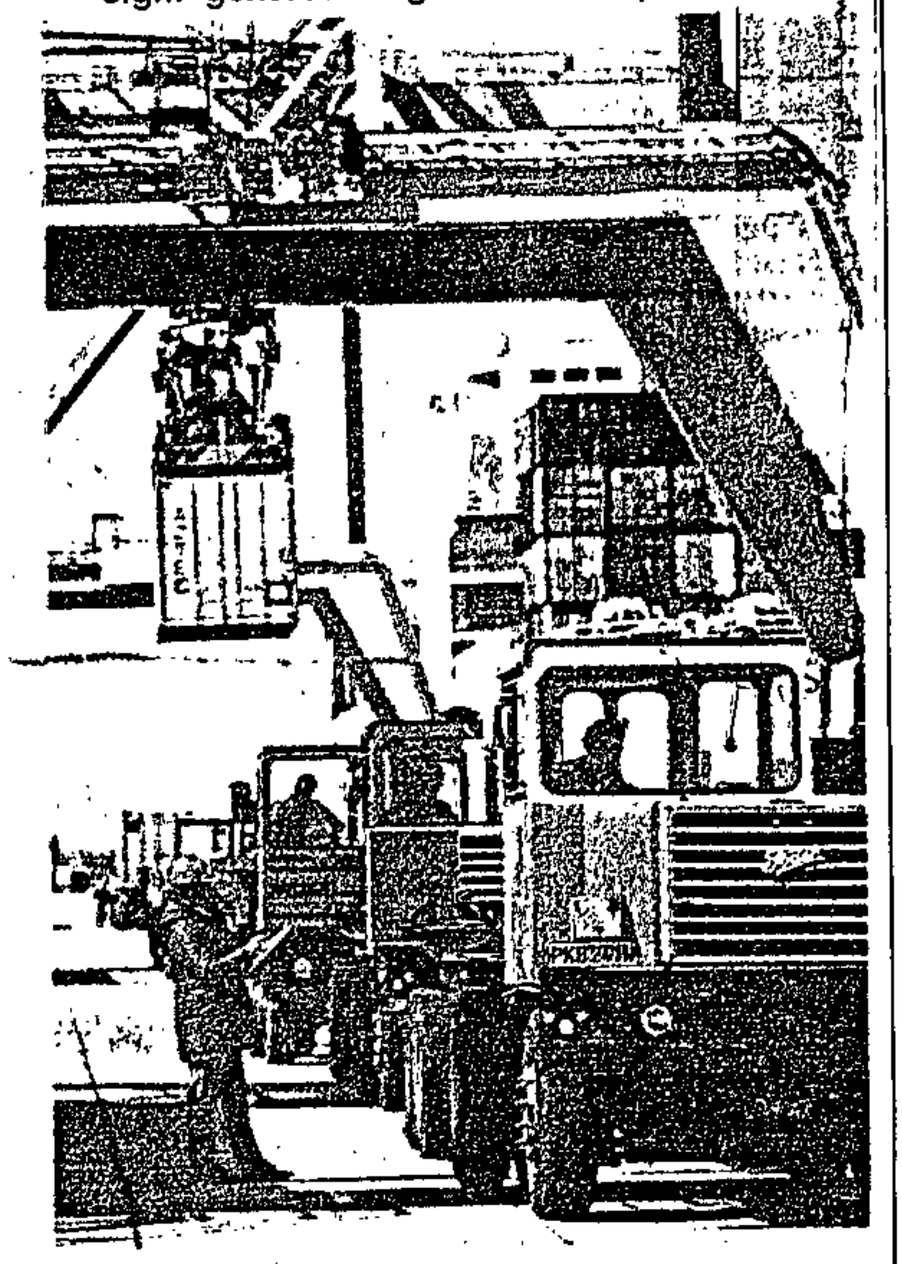
A senior Sats civil engineer, Mr A H Burggraaf, was appointed last year to investigate developing the tourism potential of Cape Town and other South African ports.

His report on Cape Town harbour is expected to be tabled in Parliament next year.

Among proposals are hotels, restaurants and fish markets in the re-vitalised "old" harbour.



TECHNOLOGY: The container, a fa...er and safer way of shipping goods, has ... all but done away with the need for con...ntional freighters. One container ship carri...s what eight general cargo ones did previ...usly.



MOVING FAST: Lorries ferry containers from storage to loading areas in a fluent operation during which organised technology plays the starring role to make the harbour appear inactive and empty.

Sowetan 28/8/87.

Cops guard Vaal buses

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• From Page 1

looking for pamphlets allegedly distributed in the Vaal townships urging residents to support the strike.

A spokesman said management had also promised police protection to workers who lived at VTC's Sebokeng hostel and who were not involved in the stoppage.

VTC has said it was going ahead with the retrenchments and those to be paid off will receive letters of notification by tomorrow.

Nactu said yesterday that VTC was using a divisive tactic to weaken worker unity by dismissing the 78 workers.

The federation's first vice-general secretary, Mr Pandelani Nefolovhodwe said the dismissals came at a time when Tawu was involved in negotiations with transport companies throughout the country.

"In Lebowa 12 shop stewards and an organiser are still in detention following a dispute with Lebowa Transport.

"We condemn the involvement of security police in the dispute," Mr Nefolovhodwe said.



TWO families in Zone 13 Sebokeng spent Tuesday night in the freezing cold after a VTC bus careered off the road hitting two houses at about 7pm. Both houses were damaged and furniture destroyed. The residents said the driver ran away after saying he could not control the bus which was pelted with stones near the Sebokeng post office — about a kilometre away from the houses.

COPS GUARD BUSES

THE Vaal Transport Corporation yesterday called in the South African Police to protect its buses and drivers as more than 200 workers continued with a work-stoppage over the retrenchment of 150 employees in Vereeniging.

By THEMBA MOLEFE

The District Commandant of police in the Vaal Triangle, Colonel Piet Fourie, confirmed that VTC's general manager, Mr Peter Killick, asked the police to protect the buses and the workers who were not involved in the stoppage.

"We are patrolling all the bus routes in vans and at the moment we are keeping a very low profile because the situation is still quiet," Colonel Fourie said.

Work stoppage by 200 workers

Mr Killick was not available for comment yesterday.

VTC yesterday dismissed 78 workers — including 17 bus drivers — who failed to return to work by 3pm on Tuesday following a work-stoppage which began on August 20.

More than 200 workers, all members of the Transport and Allied Workers' Union (Tawu) downed tools on Tuesday in protest against the retrenchments.

VTC has confirmed it is continuing with the laying off of workers.

Union officials at the Vereeniging offices of the National Council of Trade Unions (Nactu), to which Tawu is affiliated, yesterday said police searched the premises

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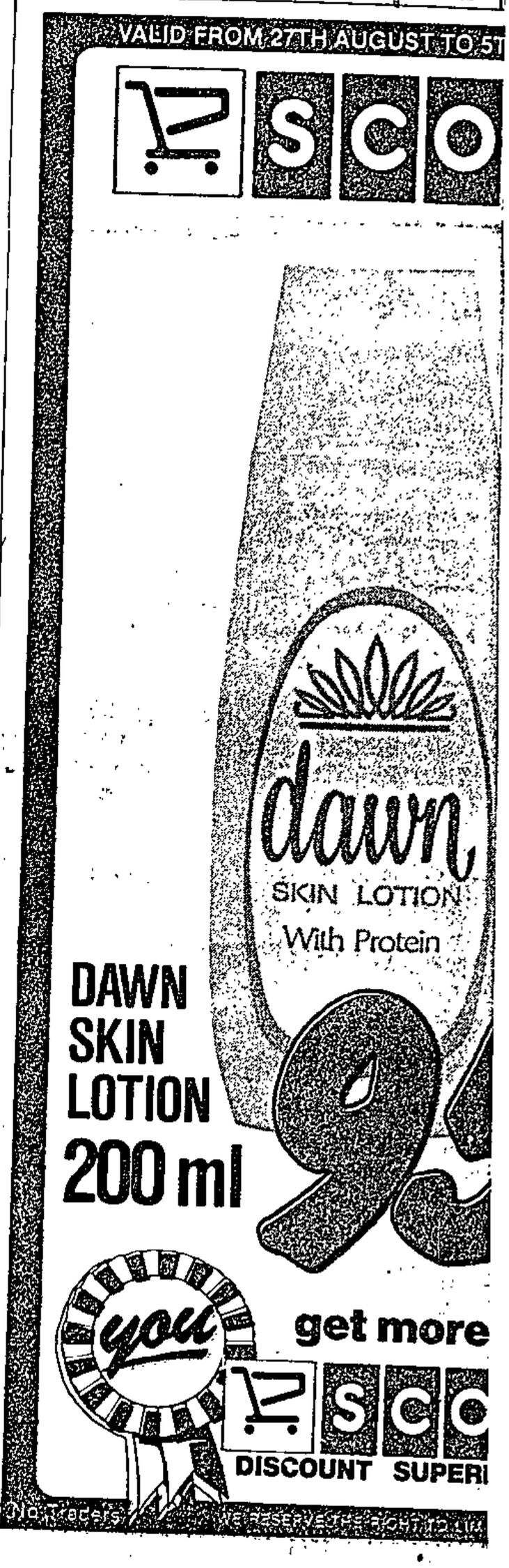


BOOST FOR TAXIS

FOR LONG DISTANCE

Helping hand for taxis



SIDNEY Motingoe . . . founder member in the Transportation Board. He is the second black man in the country to hold the certificate.

By SONTI MASEKO

A RECENTLY launched transportation, cartage and car hire company is developing rapidly according to founder member Mr Sidney Motingoe.

The new organisation is called the African Transport and Car Hire Association (ATCAHA).

The aim of the association is to enable taxi drivers doing long distance travel to open their own registered companies, referred to as closed corporations.

"This enables them to expand their transport businesses and not have to obtain permits for every new vehicle they buy.

Permit

They are not mere permit holders," Mr Motingoe said.

ATCAHA, with a membership of 2050, according to the public relations officer, Mr Themba Nongqekele is a countrywide organisation also operating in the "homelands".

The formation of ATCAHA was almost accidental, Mr Motingoe said. He said he started as a marketing consultant, assisting people who had problems in obtaining taxi, trading, and hawkers licences.

"I found myself faced with a problem. People were coming back to me with their licences, not knowing how to go about and arrange business," Mr Motingoe said.

Lessons

Then Mr Motingoe started training lessons which are still running, every Tuesday and Thursday evening, teaching people about setting up a business, being in control, administration, managing and marketing.

But most of his work went into transport because he had more people who were interested in taking passengers on long distancce trips.

There was also a need for long distance taxi and only Putco, Greyhound and SATS were doing long distance travel while the taxis were mainly local.

ATCAHA grew from a tranpsort body known as the Soweto Transport Car Hire Association, which operated only in the Transvaal. When the association established branches in the other provinces ATCAHA was formed as an umbrella national body.

The association also has a group scheme with life, pension and medical aid benefits for the members.

Apart from a six member executive, the association employs a full-time chartered accountant and appointed a legal advisor.

SOWETAN, Wednesday, August 26, 1987

Joburg sore

Taxi men fight in streets for supremacy

Hell to pay

When 17 people appeared in court this week following the Soweto "taxi war" last weekend which left about 10 members of the Johannesburg Taxi Association injured and scores of combi taxis damaged, it was the latest development in a conflict that has raged in Johannesburg for years.

Two months ago windows of at least six taxis were smashed, tyres slashed and passengers chased from vehicles as rival groups clashed in the city centre.

Previous clashes between warring factions have even ended in killings.

Fighting among taximen is legendary.

The trigger could be anything, from disagreement over the use of a rank, a route, a leadership squabble or rivalry between different associations.

Even the taximen's national body, the Southern African Black Taxi Association, (Sabta) could not function properly for two years not long ago because of dissension in the ranks triggered by "a sell-out" agreement between the Sabta leadership and bus companies, which taximen refused to accept.

But although Sabta has now become an influential body in the transport industry, the internecine wars among its membership have not disappeared.

BARNEY MTHOMBOTHI

BAD IMAGE

Sabta leadership blames drivers who are employed by members to run the business for the bad image the industry has, especially among black people.

Taxi drivers are generally a feared lot. Motorists in the townships would have to be very brave indeed to cross paths with them. They are also quick to join a scuffle in which a colleague is involved.

There are occasional clashes between taximen and unlicensed operators — the pirates — whom they accuse of taking their business.

A taxi licence is hard to come by, and those lucky enough to secure it become a privileged class which will fight to protect it from "outsiders".

Bands of taximen armed with sjamboks and sticks used to roam strategic points in Soweto and around Johannesburg looking for private motorists who pick up passengers. Not even the passenger is spared from the beating.

Despite this notoriety, township dwellers prefer taxis to buses because they travel in any route, anytime and drop them nearer home especially on pay day when buses and trains seethe with muggers.

But complaints of negligent driving, and even assaults by drivers are plentiful.

HUSBAND SAVED

A reader who signed herself "Thankful Wife" thanked an unknown motorist who saved her husband from a taxi driver and his friends through the columns of a newspaper this week.

What she wrote was a familiar story told by innumerable taxi passengers.

"My husband boarded a taxi at White City. He used a R5 note to pay and was not given change. When he had to alight he asked for his change. Instead he was dragged out of the car by three males supposed to be passengers and the driver and was nearly beaten to death."

A motorist came to his rescue and drove him home. She said her husband's sight was now impaired but "I still have a husband."

"Wherever you are brother, many endless thanks for your good work. I still have a husband because of you."

Sabta is aware of the problem, but says not all the culprits are Sabta members. Where members are involved it says the culprits are usually their drivers.

The association is currently involved in various projects to improve drivers' skills and manners towards passengers and other road users.

FM

Sept. 1987

COURIER INDUSTRY

Set for take off

Deregulation of road transport services, allowing freight hauliers to operate within 300 km of most major urban centres in SA, has proved a boon to the already booming courier industry.

"In fact, I would say it is more advantageous to us than to genuine freight operators," says Sun Couriers MD Roelof Grové.

The courier industry is today worth around R80m a year, with Sun Couriers and Sky Couriers each having about 20% of the domestic overnight express market. The balance is spread over smaller operators such as XPS and Fast Lane. The international courier market is covered by DHL and TNT Skypak who appear to have the lion's share of the business.

Sun Couriers' holding company United Services Technologies is shortly to be listed. This has tended to put the spotlight back on an industry that only made its appearance in SA 11 years ago when Sky Couriers came on the scene in April 1976.

Grové says some insiders believe the industry will grow tenfold over the next 10 years. "I agree that this could well be true in money terms, but doubt if the number of parcels will actually grow to quite that extent. It's true, however, the more businesses speed up their internal communications, the faster the courier business grows.

"For example, one might have thought that the introduction of fax facilities would have prejudiced our business. But if anything it has actually boosted it."

Sky Couriers MD Nick Blackburn says in due course it may also seek a listing. He says the whole industry has had a long-standing tussle with South African Airways (SAA), but this has now hopefully been resolved through the good offices and commercial understanding of SAA CE Gert van der Veer.

"The courier business in the beginning was a real cottage industry — we used to fly passengers carrying suitcases full of parcels from one city to another. The air freight business then began putting a lot of pressure on SAA and the upshot was we were banned from using SAA in 1981."

Blackburn says the industry started using its own chartered aircraft — Sky Couriers had an arrangement with National Airways Corporation. Again SAA objected on the grounds that these were scheduled services competing with SAA on its own routes in contravention of legislation.

"To cut a long story short, we are now back with SAA though there was a hiccup when it dramatically hiked the rates we have to pay," says Blackburn.

While Sun Couriers is still using its own aircraft, the deregulation of road transport should cause a shift in operating procedures, says Grové. Blackburn adds, ironically, that Sky Couriers has always tended to be more earth-bound than other operators. "At least if you use the roads, you are not as subject to the vagaries of the weather as you are with aircraft."

Grové says the courier business is, by its very nature, highly time sensitive. "We are not selling transportation so much as certainty. And we don't only move documents around but parts for computers and the like."

Among the principal users of courier services are the major banks, which use them for moving cheques from outlying areas to users' own banks or headquarters.

Concludes Grové: "I think the industry is still in its infancy here, and has a lot more growth coming to it. In the US it is really big business, worth around $6 billion a year." ■

Sabta pulls out of Putco takeover bid



The SA Bus and Taxi Association (Sabta) has announced its withdrawal from negotiations to take over Putco because of "unacceptable demands" imposed by third parties.

The executive vice-president of Sabta, Mr Godfrey Ntlatleng, said in a statement today that the decision had been taken after discussions with the association's financial advisor.

"Rand Merchant Bank advised Sabta to withdraw from negotiations with the Carleo family due to unacceptable demands imposed by third parties," Mr Ntlatleng said.

He said Sabta was saddened by the failure to conclude the transaction.

Contractually, the deal had to be settled by today.

"The problem with these negotiations has been that Sabta has been talking when they should not have been in terms of the contract," a spokesman for Putco's public relations office said.

Putco deal off — Sabta

THE Southern African Black Taxi Assocaition yesterday said it withdrew from the R165 m purchase of Putco "because of unacceptable demands imposed by third parties".

Mr Godffrey Ntlatleng, Sabta's vice-president, said this at a press conference in Pretoria, and squashed speculation that the organisation was going on with negotiations to purchase Putco.

"Sabta's top executive, acting in the interest of its members, decided to discontinue negotiations after we were advised to do so by our financial advisers, Rand Merchant Bank. This was after we had realised that some of the people we had involved in negotiating on our behalf had vested interests clashing with those of Sabta," Mr Ntlatleng said.

His organisation would not be involved in talks relating to the massive sale of the bus company in future.

Reacting to reports that there was a lot of infighting within Sabta, Mr Ntlatleng dismissed the allegations as untrue.

He said there had been isolated cases of dissatisfaction within a Johannesburg taxi organisatiion which represented only a minority of Soweto taxi operators.

A potentially explosive situation at Crossroads and KTC this week revived memories of the lead-up to May and June 1986 and the orgy of violence which left tens of thousands homeless. What are the issues behind the crisis? Staff Reporters ANTHONY DOMAN and STEPHEN WROTTESLEY report.

Argus 17/7/87 30A 225 114

Issues behind Crossroads crisis

The police view

POLICE see the trouble in Crossroads as a conflict between tribal customs and western values and say all the present troubles stem from this conflict.

In the late 1970s when the Crossroads squatters clashed with the authorities, Mr Johnson Ngxobongwana became leader of the ever-growing community.

And in tribal custom they owed their allegiance to him.

As the community expanded with the relaxation of influx control, new leaders began to emerge — men who would no longer give Mr Ngxobongwana their allegiance.

In the meantime Mr Ngxobongwana had relaxed his staunchly anti-authority attitude with the promise by the government to upgrade the area — a relaxation which was not welcomed by the new arrivals who felt a tough line had to be taken against the authorities to ensure improved conditions.

Mr Ngxobongwana felt he had already gained much in the form of promises from the government and that these would not, or could not be carried out because of the ever increasing population.



Mr Ngxobongwana

These simmering differences came to a head last year when the "witdoeke", owing allegiance to Mr Ngxobongwana, drove the newcomers out of Crossroads and later attacked KTC.

It was during the first battle of Crossroads that Mr Prince Ngobingca sought refuge among the "witdoeke".

Police intelligence said everything went smoothly until Mr Ngobingca broke with tribal tradition and started making statements without consulting the ruling council.

For this he was fined a sheep.

Mr Ngobingca apparently took offence. He joined the leaders who had been driven out of Crossroads last year, but stayed in the squatter camp.

He also started bringing back people who had previously been thrown out of Crossroads.

Breaking tribal traditions

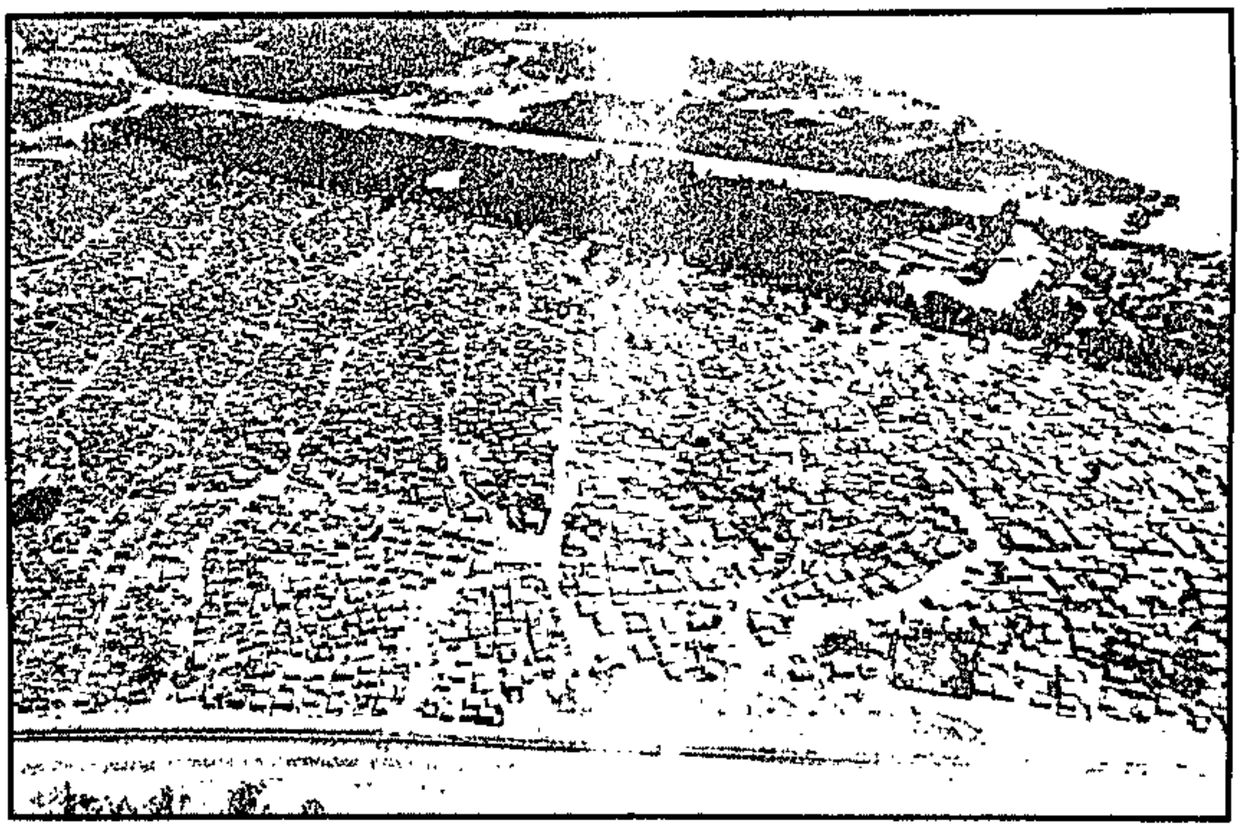
Police said the arrival of people linked to groups who were allegedly intimidating Crossroads residents, coupled with Mr Ngobingca's links to the other groups and the fact that he was breaking tribal traditions by, among other things, visiting the police regularly, prompted the "witdoeke" to take action against him.

Police believe the "witdoeke" do not believe in using western laws to solve their problems and would not dream of obtaining eviction orders.

"If they don't want you in their community, they will burn you out, which is what they did to Ngobingca," one source said.

Police estimates of the numbers involved in the squatter drama — and they point out that is very difficult to obtain accurate figures — are about 80 000 in Crossroads and about 50 000 in Khayelitsha supporting Ngxobongwana and about 25 000 in KTC.

The figures, police sources say, show that if it ever came to a repeat battle, the war would be heavily weighted in Ngxobongwana's favour.



An aerial view of Crossroads shanty town situated at the boundaries of Philippi and Nyanga off Old Klipfontein Road near D F Malan Airport.

KTC squatter view

KTC squatter leaders say they are prepared to talk to anyone, anywhere, at any time to achieve peace.

The Masincedane Committee, which runs the 25 000-resident camp, said it was "gravely disturbed" by police warnings to KTC to stop violence.

"KTC has never attacked Crossroads and does not intend doing so," members said in a joint statement.

"Significantly, there is a complete lack of detail of any alleged attack on Crossroads."

Incidents of unrest mentioned by police recently were "completely unrelated to Crossroads and include an attack on a KTC residence.

"It is ironic in the light of events of June 1986 and in the light of repeated calls by us and by our representatives over the last three months for protection against further threatened attacks that we should be called upon to maintain the peace," they said.

Two-thirds of KTC was destroyed by witdoeke from Crossroads in June last year.

The committee was "most upset" by the impression which Brigadier van der Westhuizen was trying to give of KTC as troublemakers and who may be destroyed in acts of retaliation by Crossroads residents.

"We are alarmed that (he) says he can only give an assurance that there will be no trouble from Crossroads if its residents are not 'provoked' We strongly believe that it is the duty of the police to protect each and every community unconditionally and we call upon Brigadier van der Westhuizen to confirm this is his policy . . ."

"Finally we want to assure the people of Crossroads that we want peace with them."

Committee secretary Mr Gladstone Ntamo said it was essential for people to have talks with all squatter camp leaders to find out the cause of the fighting.

KTC squatters had responded to Archbishop Tutu's plea for peace by "forgiving" former witdoek leader Prince Gobingca, he said.

Could they come to a similar agreement with Mr Ngxobongwana?

"Of course," they said, virtually as one.

"We would be pleased if he could make that happen," Mr Ntamo said.

Committee members asked for Mr Ngxobongwana to act like a "people's leader".

"We would like people to sit down and talk so that we can follow Bishop Tutu's words," they said.



Bishop Tutu

Church view

AFTER a plea for peace from Archbishop Desmond Tutu, church leaders are treading warily in following up peace initiatives.

At talks with Archbishop Tutu were his Catholic counterpart Stephen Naidoo, Canon Winston Ndungwane, provincial executive officer of the Anglican Church, and the Rev Mongameli Bukashe, vice-chairman of the Peninsula Region of the Congregational Church.

"They will be holding follow-up talks in the next few days," said Archbishop Tutu's media secretary, Mr John Allen.

"They remain deeply concerned about the situation in Crossroads and are anxious to act in such a way as to bring about reconciliation and to avoid becoming caught up in the divisions which are complicating the situation," Mr Allen said.

Independent view

THE most outstanding characteristic the situation at the Crossroads areas is confusion, says Progressive Party MP Jan van Eck.

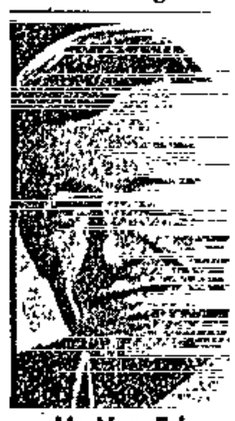
Most confusingly, people who were ing each other last year suddenly find selves on the same side now.

Mr van Eck's experience in KTC back to 1985, and includes on-the-spot vations even during extended periods of rest as chairman of the PFP's unrest toring and action group.

Power politics was at the root of the sent struggle, he said.

"Squatter communities by their very ture are very brittle and susceptible to ple who can offer them security."

"They would naturally gravitate powerful figures, such as Johnson Ngxobongwana, who offered some kind of security — even at a price."



Mr Van Eck

Such leaders surrounded themselves with their own followers to form the nucleus of a power group with no particular ideological line. But politics in the form of the "liberation struggle", added a new wrinkle and a new opposition.

"Last year the division was far clear Mr van Eck said. "On one side you had comrades, radicals, UDF and civic tions."

Opposing them was the "conse grouping" made up of organisations and stitutions created by the state — mayors and kitskonstabels (as opposed to SAP).

"But this year we have found on both UDF supporters, comrades, civic tions and even kitskonstabels."

"Attacks meant to silence him"

"Former witdoek Prince Gobingca cally led the vigilante squatters last year Mr van Eck said. He now heads the tion Squatter Residents' Association, a loose grouping" obviously interested in inside information.

"There is no doubt in my mind recent tacks on him were meant to silence him Mr van Eck said.

Mr Ngxobongwana had influence to settle the disputes, Mr van Eck said.

ty bus fares rise 12,7%

ARGUS 17/9/87 332

Ci to

Staff Reporter

BUS fares are to increase by an average of 12,7 percent from Sunday.

Cash fares will be increased by up to 17,5 percent.

The increase on clipcards will be limited to certain routes, but almost 80 percent of clipcard passengers will pay about R1,10 a week extra.

But new developments include cheap travel for over-65s, new services for "social travel" and the extension of half-price travel.

City Tramways managing director Mr Nic Cronje said today: "The company is aware of the negative impact fare increases have on its passengers — but tariff adjustments are unavoidable if the company is to continue providing safe, regular and reliable services."

The increases were "two applications rolled into one". The company applied in March to have its fares adjusted by the Local Road Transportation Board.

Since then, Mr Cronje said, the additional 6c a litre the company had been paying for its fuel since July 1 also had to be taken into account.

The increase, including the adjustment for fuel, would result in a 15 percent improvement in revenue.

Burdening services

Asked why off-peak travel concessions should be limited to pensioners, Mr Cronje conceded that buses were underused outside peak hours.

However, the company was wary of creating a demand for off-peak travel which might end up burdening commuter services.

Examples of increased cash fares are (old fares in brackets):

Mitchell's Plain to Cape Town R2,55 (R2,21); Khayelitsha to Claremont R1,83 (R1,55). Cape Town to Claremont 80c (70c).

A clipcard from Mitchell's Plain to Cape Town will now cost R14,10 (R12,80) and from Heideveld to Cape Town R8,30 (R7,20).

Clipcards bought until Saturday will be valid for the full two weeks after the date of purchase.

The new senior citizens concession means that people over 65 will pay the equivalent of about 16c a ride during off-peak hours on weekdays.

They will be issued with a special photocard passto use with the regular 12-ride pensioners' clipcard, which costs R2. Passes are obtainable between 10 and 11am at Tollgate House, Sir Lowry Road, Woodstock.

Other senior citizens aged between 60 and 65 may use the pensioners' clipcard every month from Monday to Friday in pensions week.

The company's programme of special half-price days will be extended to the third Wednesday of every month during off-peak hours between 9am and 3.30pm.

In addition, experimental Sunday services designed for "social activities" are aimed at avoiding the need to change buses.

The routes include: Mitchell's Plain to Mowbray, including Groote Schuur Hospital; Retreat to Cape Town, including Groote Schuur Hospital; Khayelitsha to the Bellville-Durbanville area; Mowbray to Bakoven, and Langa to Bellville through Bonteheuwel, Elsie's River and Tygerberg and Karl Bremer hospitals.

Brownlees now principal negotiator

Putco might still end up in black hands

DESPITE the withdrawal of the Southern African Bus and Taxi Association (Sabta) from the race for a 52% controlling interest in JSE-listed Putco, negotiations were still under way yesterday to put the bus giant into black hands.

Well-placed sources said Sabta nominee Ivan Brownlees would go ahead on his own, switching his role from agent to principal.

Brownlees originally negotiated the option to buy the shares from the controlling shareholders, the Carleo family.

An extension to the option has been granted, and a statement from Putco referred to Brownlees Holdings as the new principal with which it was dealing.

Despite all efforts by Business Day, neither Brownlees nor his legal adviser Nimrod van Zyl, could be contacted for comment.

But in another cautionary announcement to shareholders yesterday, Putco said: "Carleo Enterprises confirm that Sabta has withdrawn as a prospective purchaser, at the

MICK COLLINS

recommendation of Rand Merchant Bank.

"Brownlees Holdings (Pty) Limited has waived certain conditions precedent upon which the option to purchase was conditional. Brownlees Holdings (Pty) Limited consequently has become the principal and in terms of the agreement should be forthcoming with the purchase price, and should comply with the Johannesburg Stock Exchange provisions for dealing with the requirement for takeovers and mergers.

"The directors of Putco Limited would like to advise Putco shareholders to continue to exercise extreme caution in dealing with their shares."

Brownlees was reported as saying he needed the extension to the option to buy the controlling stake in Putco so he could set up a trust involving insurers and banks.

The Putco interests, he said, could then be transferred to associates affiliated to Sabta, private bus companies and the black community.

Funding, Brownlees said, had not proved a problem, and feasibility studies had been positive.

BLACK TAXI INDUSTRY (332)

The new capitalism

Shell's venture into the uncharted waters of black capitalism through its encouragement of a network of black-owned service stations around the country is beginning to reap rewards.

Service stations owned by black shareholders and managed by trained black staff in the major CBDs and country areas now serve as nuclei for associated small businesses in a classic example of developing free enterprise.

The move involves hundreds of enthusiastic blacks and has been quietly planned and put into practice by the Southern African Bus and Taxi Association (Sabta), in association with Shell, over the last 18 months.

FINANCIAL MAIL SEPTEMBER 18 1987

It began in 1986 with a major planning exercise between Sabta and Shell SA, instigated by Sabta Marketing MD James Chapman.

Planning took 12 months and resulted in a 264-page agreement setting out full financial, organisational and management details for the setting up and running of black-owned garages. Chapman then toured SA and Namibia with the document, explaining the concept to small groups of black taxi men.

The net result was the formation of the Sabta Bridge Trust to provide finance, with outside trustees to monitor and control the situation.

Says Chapman: "The trust was an attempt to show possible investors that we were not looking for a quick killing. It also demonstrates just how serious we are about this project and illustrates our willingness to learn from past mistakes, as we have been severely criticised about financial control."

Companies were approached to make available soft loans and more than R1m was raised in three months. Each garage costs around R80 000 to set up, including the acquisition of the site, which is provided as a repayable short-term loan.

Already there are 12 service stations running in centres as far afield as Johannesburg, Soweto, Benoni, Pretoria, Springs, Zwidi near Port Elizabeth, Uitenhage, Glibe outside Durban and Umlazi. The finishing touches are being put to another in Bloemfontein and there are plans for four others in

financial and organisational support organised labour over the issue.

Taxi men run off the road

332

Weekly Mail Reporter

THE Carleo family may still be selling its controlling stake in Putco — but they will not be selling it to black taxi owners represented by the South African Black Taxis Association.

Instead, the man who was Sabta's agent in the deal, Ivan Brownlees, is now the buyer. He has set up his own company, Brownlees Holdings. Putco announced on Wednesday that Brownlees share option to buy out the Carleos' had been extended but that BH was the principal in the deal.

Reports at the weekend suggested feuding within the association as the reason for Sabta dropping the deal.

But Sabta executive vice-president Godfrey Ntlatleng said on Tuesday that the association had withdrawn from negotiations on the advice of Rand Merchant Bank, "due to unacceptable demands by third parties".

A Johannesburg financial weekly reports that the "third party" was Brownlees, who effectively hijacked the share option, according to Sabta and its bankers. Not only was commission on the deal unusually high, but Sabta was not told by Brownlees of the formation of his holding company or of its role in the deal.

"We and Rand Merchant Bank understood that Sabta was buying control of Putco. Putco understood it was selling control to Sabta. Now it turns out we were all wrong," Sabta marketing executive James Chapman was quoted as saying.

Brownlees denied that the Afrikaans consortium which tried to wrest the option from Sabta, is involved.

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CAPE Times 18/9/84 (332)

★ Cape

City bus fares to rise 12%

Staff Reporter

CITY TRAMWAYS has announced a ticket price rise of an average of 12,7%, with a maximum of 17,5% — but at the same time has increased benefits for senior citizens.

The new fares will come into effect on Sunday.

At a press conference yesterday the managing director of the company, Mr N S Cronjé, said the company had applied some time ago to have its fares adjusted.

"Unfortunately, the adjustment also has to take account of the additional six cents a litre the company has been paying for its fuel since July 1 this year," Mr Cronje said.

"The increase, including the adjustment for fuel, will result in a 15% improvement in the company's revenue."

"On average, cash fares will increase by 12,7% with a maximum increase of 17,5%."

Mr Cronje said that because cost increases had a greater effect on those living on fixed incomes, especially senior citizens, the company had decided to extend a currently limited concession to all people over the age of 65.

All people over that age could apply for the company's special photographic pass and would be able to travel on any scheduled bus any day of the month between 9am and 3.30pm on the pensioner's 12-ride clipcard.

Previously, this had applied only to the week of the month in which the government pension was paid out.

The regional director of the National Council for the Aged, Mrs Will Bryan, yesterday welcomed the assistance for senior citizens and said she was "very pleased that they are recognizing that pensioners are not coming out on their incomes".

"Clipcard passengers will also unfortunately be affected by this increase, but due to the assistance of the Department of Transport it has been possible to limit the extent of this increase," Mr Cronje said.

"Almost 80% of clipcard passengers will have to pay no more than R1.10 a week (11c a ride) extra.

"The company is acutely aware of the negative impact fare increases have on its passengers but tariff adjustments are unfortunately unavoidable if the company is to continue providing safe, regular and reliable services to the people of greater Cape Town."

All clipcards bought by tomorrow will be valid for two weeks after the purchase date.

The company was also introducing special Sunday services "specifically geared to needs we have identified for Sunday travel".

These are the price rises on the 13 most popular routes from City Tramways:

Route	Old cash fare	New cash fare	Old clip-card fare	New clip-card fare
Cape Town to Claremont	70c	80c	R5,00	R6,10
Cape Town to Sea Point	65c	70c	R5,00	R5,80
Cape Town to Elsies River	89c	R1,04	R4,60	R5,70
Cape Town to Killarney	R1,07	R1,25	R6,70	R7,70
Cape Town to Bellville	R1,27	R1,45	R7,70	R8,90
Belhar to Tygerberg	R1,01	R1,18	R6,40	R7,60
Nyanga to Claremont	82c	95c	R5,00	R6,10
Nyanga to Parow Industria	69c	80c	R4,40	R5,40
Mitchells Plain to Cape Town	R2,21	R2,55	R12,80	R14,10
Heideveld to Cape Town	R1,30	R1,32	R7,20	R8,30
Mowbray to Cape Town	50c	55c	R3,90	R4,40
Atlantis to Cape Town	R3,09	R3,63	R13,80	R15,50
Khayelitsha to Claremont	R1,55	R1,83	R5,00	R6,10

PUTCO AND SABTA

Black taxi deal hits snags

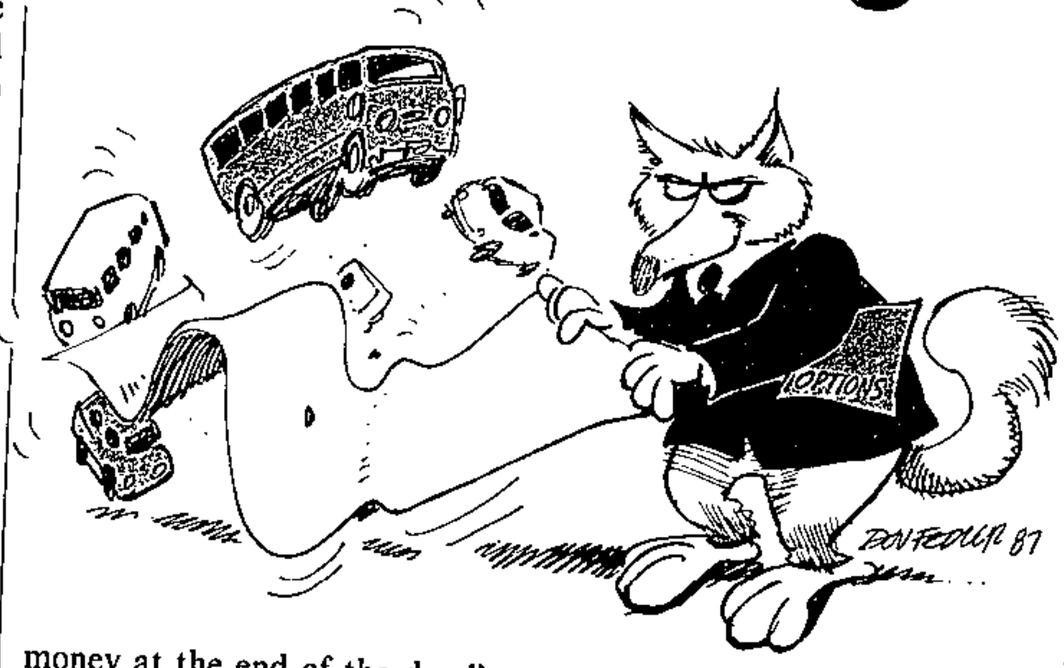
The black taxi takeover of Putco has gone sour. One of the biggest and most publicised business deals in years has degenerated into an unseemly debacle that could end up in the law courts.

The Southern African Bus and Taxi Association (Sabta) has now officially withdrawn from the current series of negotiations on the advice of its financial agent, Rand Merchant Bank, because of "unacceptable conditions imposed by third parties." These are understood to include unusually large commissions and a possible split in the Carleo family's 52,6% controlling interest.

The third parties are agent Ivan Brownlees, a computer consultant and former brother-in-law of Sabta Marketing CE James Chapman, and his company Brownlees Holdings (BH).

Brownlees, who was originally brought into the negotiation process at the beginning of the year by Sabta Marketing to act as *agent* for Sabta, has now turned out to be the *principal* in the deal, through his company BH, with an option (expiring midnight on September 15) for the Carleo shareblock.

He explains the anomaly: "Initially, Sabta only wanted Putco's bus operation. We therefore planned to redistribute the company's wealth and hand over bus ownership to Sabta. A series of negotiations took place on the basis that all parties would get some money at the end of the day," says Brownlees.



"Sabta then decided it wanted the whole company, which meant that previous deals were null and void. So we renegotiated a new deal and a commission amounting to 5% of the selling price, which is slightly high but acceptable since it was spread over a number of people."

Brownlees would not expand on that other than to say it included an agent for the Carleo family.

"Now, at the 11th hour, Sabta drops this little bombshell and says it is pulling out. The Sabta executive was aware of everything that was done, it has agreed to everything and now they turn around and say they didn't know what was going on."

The Sabta and Rand Merchant Bank side of the story is different. Sabta says the contract signed with Putco called for setting up a company to take over the Carleo controlling interest. It was obviously supposed to be a Sabta company.

But BH, it maintains, was set up without its knowledge and effectively hijacked the option. In other words, says Sabta, its agent became the principal without the knowledge of either the association or the Rand Merchant Bank, and then proceeded to make new demands.

Under the circumstances, the bank had no option but to advise its client to withdraw.

Says Chapman: "We held on as long as possible, but were not prepared to continue with a deal in which we were playing second fiddle.

"We and Rand Merchant Bank understood that Sabta was buying control of Putco. Putco understood it was selling control to Sabta. Now it turns out we were all wrong. Sabta is definitely going to take the issue further after the dust has settled."

That could take a while. Brownlees maintains he still believes in the deal and its objective of blacks gaining control of the company that provides their bus transportation. He says financial backing is available from "banks, insurers and other institutions" which he is not prepared to name, adding there is still room for Sabta if it wishes to participate.

He also denies that the Afrikaans business consortium, which tried to wrest the option from Sabta, is in any way involved. "Nor do they have a second option, because there is no such thing as a second option."

Brownlees has "a couple of ideas" about the possible structuring of the final transaction. One involves forming a trust in which interest could be sold to members of the black community, private bus and taxi operators and any interested Sabta affiliates. Another involves forming a management company which would take in existing Putco management and employees like bus drivers.

But this all hinges on whether or not he can gain an extension on the option, or fulfill the contract — in other words, come up with the money — by the deadline. He seemed confident at the time the *FM* went to press.

Meanwhile Putco, which sits uneasily in the middle of the unseemly conflict, remains bound by the signed contract and refused to comment as it cannot be seen to be in conflict with the written agreement.

There remains, however, one more joker in the pack: government. Whatever deal is eventually structured and agreed must have government approval before it can be finalised.

The Sabta alternative is therefore not dead. If Brownlees is prevented from purchasing the 52,6% shareblock — either by Putco or by government — Sabta could resubmit its original offer or open a new round of negotiations.

One thing is clear — the biggest private bus company in the country, one of its foremost merchant banks and one of the largest trade associations weren't keeping a close enough eye on the ball. ■

AECI SYNFUEL PLANT?

It would seem that AECI's synfuel project is still a starter. This follows the placement of an advertisement in last week's *Business Times* calling for process engineers "with experience in the petrochemical or chemical industries" as the company is "piecing together the team to work on one of the most exciting projects in years."

AECI, however, is not prepared to discuss the project at this stage. Industry sources agree that there is at present simply not enough engineering expertise in SA to handle another synfuel project on top of the Mossel Bay off-shore venture.

So it would appear that the AECI project is still in its infancy.

However, its plans would fit in with the Central Energy Fund's (CEF) privatisation philosophy and Gencor's long-mooted torbanite project. CEF's Mossel Bay oil-from-gas project will also, ultimately, be privatised.

eventually structured and agreed must have government approval before it can be finalised.

The Sabta alternative is therefore not dead. If Brownlees is prevented from purchasing the 52,6% shareblock — either by Putco or by government — Sabta could resubmit its original offer or open a new round of negotiations.

One thing is clear — the biggest private bus company in the country, one of its foremost merchant banks and one of the largest trade associations weren't keeping a close enough eye on the ball. ■

COAL EXPORTS

Rail tariff shocker

Coal producers intend ignoring a Sats directive that rail tariffs to users of the Richards Bay line went up by around 20% on September 1.

They contend that Sats acted "irresponsibly" by hiking the rail rate so soon after April's interim rate adjustment — especially since the whole tariff issue is the subject of a full-scale government inquiry.

Producers were clearly shocked by the Sats telex outlining the new charges. Though tariffs vary according to the haulage distance involved, in effect it means a rise in transport costs of R4/t-R5/t for most producers.

Many coal owners are marginal cost producers. They contend the rail tariff hike would blow them out of even some of the most lucrative export markets if this were to be added to end prices. And coal tonnages this year ex Richards Bay are already some 5,5% down (around 36 Mt) on last year (38 Mt).

Hans Smith, Gencor director, coal marketing, says the increases would have a disastrous effect on the industry. "It would halve coal exports and cause at least half the country's coal mines to close down," he predicts.

Producers have made known to government their discontent over the unilateral imposition of the new rail charges. Sats now appears to be doing some backtracking. A spokesman for the Richards Bay coal terminal confirmed the tariff increase has not yet been implemented.

Although there still appears to be some confusion within government, producers say they have a broad understanding that they can continue paying tariffs at the interim levels set in April until the commission of inquiry into the tariff structure reaches a finding. This is not expected until the next rate review in March next year.

Meanwhile, prices on the spot coal market appear to have stablised at US$19,50/t-$20/t. While few mines can be profitable at these prices — even without the rail hikes — the average price to South African producers could be closer to $23/t, taking into account long-term contracts to places like Japan.

Smith believes the export outlook will remain unattractive in the short term. But in the longer term he sees more buyers turning to SA as demand increases — in spite of sanctions pressures and the current international coal surplus. ■

RETAIL INDUSTRY

Rebates round two

Checkers' MD Clive Weil has certainly stirred up feelings in the grocery business with his disparaging remarks about target discounts (*Business* September 11).

Several suppliers and manufacturers have contacted the *FM* to voice support for his contention that the rebate system (worked as an annual kickback on retail sales targets) makes it difficult for smaller businesses to get their products on the supermarket shelves.

However, the suppliers against the rebate system where fearful of being identified by name or brand. As one put it: "We do a minuscule amount of business with the big chains, but at least we've got a foot in the door and if we speak out against the system we could well end up being victimised."

All maintain, however, that they are offering cheaper products than the large manufacturers, but that they cannot place goods with major supermarket chains because of the rebate system.

"We even give support through advertising, including television. It costs us a lot of money, but the big chains just turn around and say they can't afford to buy too much from us because it would prejudice their meeting targets and upset their rebate," says one supplier.

Examples of affected goods include peanut butter, vegetable oil, tinned pet food, mushrooms and rice.

Consensus among the more than a dozen suppliers who called the *FM* seems to be that their products are 4%-6% cheaper than those offered by the large manufacturers. "Not that it matters, when we can't get them on the shelves."

They say the rebate system is a "comfortable little arrangement" that benefits the big manufacturers at the expense of the consumer. They also agree with Weil that government will eventually intervene if the industry does not voluntarily amend the practice. ■

MOSSEL BAY PROJECT

All systems go

The proposed R5 billion-plus Mossel Bay gas-oil project gained new momentum this week when "pre-qualifying" tenderers for the construction of an off-shore metal jacket met with project managers Emso to discuss tender details.

The final value of the contract could be around R150m, says a Soekor spokesman. The jacket will absorb around 14 500 t of purpose-made, corrosion-resistant steel manufactured by Iscor. Tubular steel will be rolled into diameters of up to four metres and the final assembly could be close to eight storeys high.

The jacket will rest on the sea bed over the drill site and will support production and accommodation modules on a platform 30 m above the sea. Initial estimates were that construction would involve 1m manhours and take about 24 months. Likely construction and assembly sites are Port Elizabeth or Saldanha.

The significance of the tender talks is that it indicates government's intention to stay on target for production by 1990/1991.

It appears that only three groups were invited to tender: Genrec, Dorbyl and a third potential bidder. A fourth pre-qualifier which passed Emso's stringent tests, Sandock-Austral, has since been bought out by Dorbyl.

Dorbyl is controlled (52,6%) by International Pipe and Steel Investment SA, in which Anglo American has a 40% interest and Metkor (in which Rembrandt holds a 50% interest and Iscor 26,5%) the balance. Know-how agreements required for the gas project are held with Chicago Bridge Incorporated of the US and Press International.

Genrec, recently bought by Murray & Roberts (M & R) was previously an independent in the construction/engineering industry. In terms of the takeover, designed to create a vehicle for Mossel Bay tenders, Ian Colepeper, divisional director of M & R Construction & Engineering, became chief executive of Genrec.

M & R's Elgin Engineering ship repair facility in Durban harbour came under the newly structured Genrec wing, as did M & R's mechanical/electrical instrumentation division, MEI. International partner is Trafalgar House.

Neither Dorbyl executive director Brendan O'Connor, nor M & R's Colepeper would comment on the tenders. It is understood that a condition of tender was that no information would be divulged to the media. ■

BLACK TAXI INDUSTRY

The new capitalism

Shell's venture into the uncharted waters of black capitalism through its encouragement of a network of black-owned service stations around the country is beginning to reap rewards.

Service stations owned by black shareholders and managed by trained black staff in the major CBDs and country areas now serve as nuclei for associated small businesses in a classic example of developing free enterprise.

The move involves hundreds of enthusiastic blacks and has been quietly planned and put into practice by the Southern African Bus and Taxi Association (Sabta), in association with Shell, over the last 18 months.

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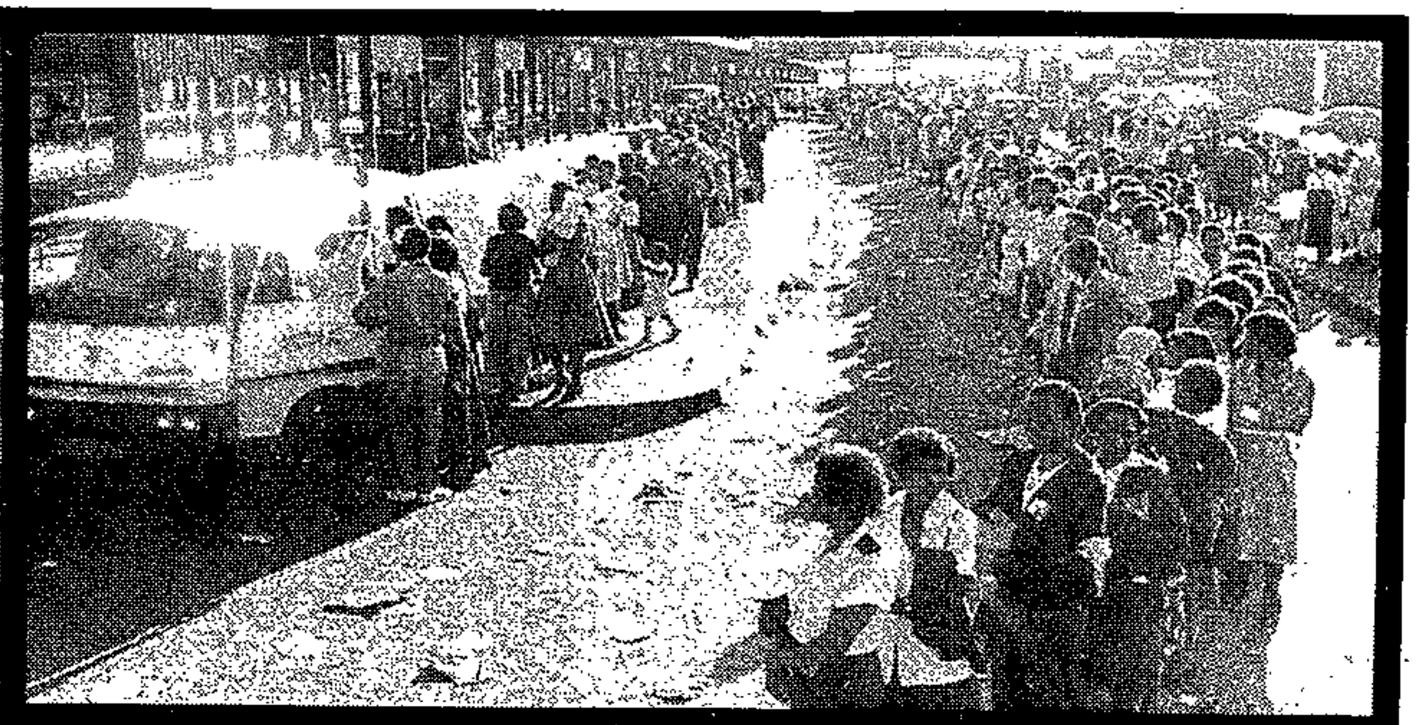
rt giant flexes its muscles







cars into Thokoza.

Commuters asking for lifts in Soweto were also attacked by taxi drivers and dragged from cars and beaten.

In August the same year, four people were killed when rival associations, using assegais, pangas, sjamboks and stones, battled over control of the taxi ranks at Merafe and Naledi railway stations in Soweto.

A month later another driver was shot dead after attempts at negotiations between the two groups failed.

Two people were killed in Maritzburg in 1985 in another local feud, and a further two in Cape Town in November last year.

The most recent outbreak of violence on the taxi ranks involves factions of the Johannesburg Taxi Association — one of SABTA's oldest affiliates — when 10 people were injured in Soweto last month.

LEGAL BATTLES

Legal battles between feuding organisations have also been heard in the Rand Supreme Court — the most recent in June this year.

But Sabta has attempted to im-

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Transpo

A dramatic history of bloodshed, bitter feuding and astounding growth has characterised the development of the Southern African Bus and Taxi Association (Sabta) into the largest privately owned transport network in the country.

Born out of a motley association of taximen only nine years ago, Sabta, which this week pulled out of a planned takeover of the Putco bus company, has become the largest consumer in the transport industry and an economic force to be reckoned with.

Its powerful infrastructure, divided into seven provincial, 40 regional and 300 local associations, pumps an estimated R66 000 million into the economy annually, making it the spearhead of black business in South Africa.

by MARK GLEESON

Bloodshed, feuding and dramatic growth mark Sabta's path to power and leadership in its field

More than R64 000 million is spent on petrol and oil alone — the biggest private consumption in the country — while Sabta is also the largest private buyer of spare parts and motor accessories nationwide, spending about R800 million.

Some R171 million is spent each year on insurance, with an average of R3 800 for each vehicle annually.

Sabta represents more than 75 000 taxis on South African roads, most travelling an average of 8 000 km a month and up to 18 hours each day.

The total distance travelled annually is estimated in excess of 440 billion km.

The organisation has a membership of 45 000.

PETROL STATIONS

The Pretoria headquarters directs growing subsidaries such as 12 wholly owned petrol stations, with two more opening up each month, an insurance brokerage and extensive public relations work.

Figures released by the National Association of Automobile Manufacturers of SA (Naamsa) in January show a rapid growth in sales of minibuses over the last 10 years — both new and second-hand — to taxi-fleet owners.

The Naamsa said, however, the full potential of the market, estimated at about R252 million, has yet to be fully realised.

A survey by Sabta in 1983 found the average taxi made R3 500 a month, while an independent survey last year said fares paid by Soweto commuters alone amount to R96 000 daily.

The organisation, which also has affiliates in neighbouring Lesotho, Namibia and Swaziland, is headed by Durban-based president Mr James Ngcoya, but the day-to-day running is in the hands of executive vice-president Mr Godfrey Ntlaleng.

Sabta's hierachy includes one white member, national adviser and chief planner Mr James Chapman, who has played an important role in the rapid development of the organisation.



Mr Chapman said Sabta was only beginning to flex its muscles. "You haven't seen anything yet. What we have achieved up to now is only the tip of the iceberg."

In spite of its failure to obtain a majority shareholding in Putco, Sabta is still keen to broaden its influence. And, it is to the white market that the organisation now plans to direct its attention.

Sabta's rapid growth, however, has been clouded by frequent feuds within its membership and sometime bloody "taxi-wars" with rival organisations and "pirates". There are an estimated 35 000 unlicensed operators.

At least 10 people have died in taxi-wars since the organisation was formed.

Alexandra, Cape Town, Mamelodi, Maritzburg, Soweto, Tembisa and Thokoza, among others, have all been the scenes of ugly confrontations between Sabta members and pirates and sometimes even commuters.

In 1982, taxi drivers set up a roadblock at the entrance to Thokoza to prevent commuters, who had hitched private lifts, from entering the township.

The confrontation was the high-point of a severe transport short-age in the Alberton township which left many commuters stranded for up to three hours at taxi ranks.

When taxis finally did arrive, angry passengers refused to board them and instead hitched home.

Police had to break up the hitle roadblock to allow private

prove its public image and as a result has introduced several services to the community.

In recent times the organisation has embarked on a high-profile public relations campaign that includes an advice bureau, employment service for blacks and travel schemes for commuters.

"As we grow stronger and stronger, so our commitment to the black community increases," said Mr Chapman.

Sabta also runs a Black Taxi Driver of the Year award.

To improve driving standards, it is soon to set up a centre to train drivers before they are allowed on to the road.

The Southern Africa Bus and Taxi Association is often still called by its original name, the Southern African Black Taxi Association. But the organisation changed its name in January last year.

Ex-spy Craig had a hand in Putco deal

SARA MARTIN

Former Security Branch superspy and National Party member of the President's Council, Mr Craig Williamson was one of the financers in the Putco deal with the Southern African Black Taxi Association (Sabta) which collapsed this week.

This was confirmed to The Saturday Star yesterday by a highly-placed source in Sabta who refused to be identified. It was also confirmed by Mr Ivan Brownlees, who was the agent in the deal and has now become the principal.

This fact emerged this week after Sabta made a formal announcement that it would withdraw from the deal because of "unacceptable demands made by a third party". Responding to this Mr Brownlees said he failed to understand what the "unacceptable demands" were or why Sabta pulled out.

A spokesman for Sabta said Mr Williamson had made an offer to Mr Brownlees — who acted as Sabta's agent and is now carrying on with the deal — for R80 million to become part of a consortium which would have been formed by himself and Brownlees Holdings.

The bus company would have been offered for sale to Sabta and the transport authorities of Bophuthatswana and kwaNedebele.

"We turned down his offer as we had already been approached by the Rand Merchant Bank and we felt that it would be wiser to be entirely financed by a bank," said the spokesman.

"At one stage I did not even realise we were dealing with Mr Williamson as the deal was being conducted through my attorneys," Mr Brownlees told The Saturday Star last night.

"When we met with the executive of Sabta, I still did not link him to the President's Council as our dealings were always very amicable."

Mr Williamson was not available for comment last night as he was on his way back from Cape Town, but Mr Bronwlees denied outright that Mr Williamson was

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Ex-spy in Putco deal

● From Page 1

still backing Brownlees Holdings who are taking over the option to buy the majority shares in Putco.

The company has until early next week to come up with the R156 million, failing which they will be in breach and will be given two weeks to remedy it or the contract will expire. Mr Brownlees said he had already raised a considerable amount and the chances of the deal going through were "very strong".

He said he aimed to establish a high-powered trust to physically take control of Putco.

In his efforts for the Putco deal to go through before the option expired on midnight on Tuesday, Mr Brownlees apparently offered to cut the purchasing price by decreasing his commission from R15 million to R6 million.

But at the advice of the Rand Merchant Bank, Sabta decided not to continue the transaction.

Mr Williamson is reported to have said this week that Mr Brownlees was apparently an operator who acted on behalf of himself, with the aim of buying Carleo Enterprises with money provided by others, to collect his commission and to participate in restructuring the company.

TOP NAT'S PUTCO LINK



FORMER master spy Craig Williamson, who penetrated and exposed ANC involvement in South African students affairs and activities, has emerged in another role – he has been secretly involved in the Sabta-Putco deal negotiations.

By DERRICK LUTHAYI

The facts behind the story emerged this week with disclosures that Williamson has been clandestinely involved in the Putco deal through another personality, Ivan Brownlees, the prime figure in the deal, who has been acting as a spokesman for Sabta and negotiated the option to buy the shares from the controlling shareholders, the Carleo family.

It is now thought Brownlees is going ahead on his own, having switched roles from agent to principal buyer.

Disagreements between Brownlees and the Rand Merchant Bank, Sabta's financial backers, is thought to have been the main reason behind Sabta's sudden pull out from the deal.

Williamson last year became Brownlees' boss as managing director of GMR – a multi-million dollar organisation based in Seychelles and has its administrative headquarters in Switzerland.

The Carleo Enterprises confirmed this week that Sabta had withdrawn as a prospective buyer at the recommendation of their financers, the Rand Merchant Bank.

Announcing their withdrawal, Godfrey Ntlatleng, Sabta vice-president, said Sabta was withdrawing from the R156-million purchase of Putco, "because of unacceptable demands imposed by third parties".

Ntlatleng did not elaborate on this statement.

From our Special Correspondent, *City Press* was able to put together the following:

- Ivan Brownlees, who was generally considered to be an agent acting on behalf of Sabta, and his partners would have received a commission of R15-million from the Carleo family, sellers of Carleo Enterprises, which would have been paid out of the purchasing sum of R156 million.
- Brownlees would also have been renumerated for his expenses and would have received payment from Sabta after the transaction was concluded.
- An additional commission of R5-million would have been paid out of the purchasing sum to two other individuals, Sarel Gouws and Paul Nucci. Nucci is a godchild of Albino Carleo, chairman of Putco, and he was previously employed as a regional manager.
- Sabta was under the impression that Brownlees was acting as its agent for the purchasing of Carleo Enterprises but, without Sabta's knowledge, Brownlees planned to form a consortium with President's Council member, Craig Williamson.

The consortium planned to split up Carleo Enterprises and sell sections of the company to Sabta and other transport organisations and to consolidate the remaining sections into a company for which Williamson would have applied for listing on the Johannesburg Stock Exchange.

- Rand Merchant Bank may encounter problems to retrieve the amount of R500 000 it loaned to Sabta. This money was lent to Sabta with the understanding that Sabta would use it to purchase an option for buying Carleo Enterprises from the Carleo family.
- Brownlees is a computer salesman and is not normally involved in such transactions. It appears as if nearly all the parties involved in the transaction misunderstood Brownlees' role.

Sabta, Rand Merchant Bank and the Carleo family were apparently under the impression that he was acting as Sabta's agent to purchase Carleo Enterprises. The misunderstanding developed from the option agreement between Brownlees and the Carleo family, which indicated that he was acting on behalf of a company which still had to be formed.

Apparently Sabta, the bank and the Carleo family believed the company referred to in the option agreement, was the company which was to be formed by Sabta, should it have succeeded in taking over Putco. It is now being interpreted as a reference to Brownlees Holdings, Brownlees own company.

According to Williamson, Brownlees was apparently an operator who acted on behalf of himself, with the aim of buying Carleo Enterprises with money provided by others, to collect his commission and to participate in stripping the company of its assests in the most profitable manner.

Williamson says his company was ready to provide R80 million to a consortium which would have been formed by himself and Brownlees Holdings.

The black bus service would have been offered for sale to Sabta and the transport authorities of Bophuthaswana and KwaNdebele.

It was their aim to obtain listing in the property section of the JSE.

Williamson then heard that Rand Merchant Bank was, looking for money which would enable Sabta to buy Carleo Holdings, he said.

The chances of concluding any transaction diminished when Williamson and the bank learned about the involvement of the others.

In a last minute endeavour to conclude one or other transaction before the option expired at midnight on Tuesday this week, Brownlees apparently offered to cut the purchasing price by R9-million by decreasing his commission from R15-million to R6-million.

It is believed that Rand Merchant Bank would have advised Sabta not to continue with the transaction, even if the complications with respect to Brownlees did not occur.

The bank apparently believed that the price asked for the shares in the public company (in which Carleo Enterprises has a shareholding of 52 percent), was too low, while the price asked for the other company, fully owned by Carleo Enterprises, was too high.

Rand Merchant Bank also doubted if possibilities of co-operation between Sabta's taxi service and Putco's bus services existed.

The bank was also concerned that the company could possibly not assure a satisfactory yield on investments.

The bank also expressed its strong displeasure when it learned about the R20-million in commission which Brownlees, Nucci and Gouws would have received in the event of a successful conclusion of the deal.

Rand Merchant Bank will probably have to enter into litigation to retrieve the loan of R500 000 to Sabta, because the money was utilised to buy an option for Brownlees and not an option for Putco.

Act like to remai on books

By REVELATION NTOULA

THE controversial Group Areas Act – which mines where South Africans may or may not according to their race – is most likely to intact, with the exception that the central g may devolve discretionary powers to property opers and local authorities under very stringent tions.

The PW Botha-appointed Group Areas Act mittee – whose task was to investigate the de the Group Areas Act, Reservation of Separate ties Act, Slums Act, and the Community De Act – has come out with the startling o one of the basic fears expressed by the average person against the scrapping of the Group A was that of being swamped by blacks.

The committee has recommended that the A amended to allow local authorities and new to developers a choice between open and racially sive residential areas.

According to the committee's recomm the status of one or more proclaimed townships be altered by either the local authorities group of legal residents or owners by pe petition, or by the management of local affairs mittees concerned.

Abolition of the Act, the committee found interviews with whites in the lower and middle groups, would have the effect of lowering the the houses in the affected areas.

The committee's recommendations, which ly to be adopted by the government, came in the of a concerted effort by ultra-conservative groups to fight tooth and nail against mixed tial areas.

The committee has suggested minor "concessions allowing for mixed living in "grey" areas.

But, says the report, the existing order of ing seperate residential areas, should, as possible, be left undisturbed.

Regarding occupation of land or pre industrial, trading, commercial, professional or gious purposes, the committee recommeded that be opened to occupation and ownership by any of any population group.

- Meanwhile Sapa reports that demonstrators testing against the Group Areas Act "invaded United States and United Kingdom Durban yesterday morning.

A spokesman for the demonstrators, a the Durban Central Residents' Association, said wanted to make known their antipathy to the tious legislation.

Quiet coup in Hambanathi

BY S'BU MNGADI

THE South African government's quiet transfer of Hambanathi, outside Tongaat, to the KwaZulu homeland, was this week greeted with shock and anger by residents who described it as a "recipe for interniciine warfare" in the township.

Some of the residents, who said the announcement came as no surprise at a time of heightened tensions in the KwaZulu-Natal region, are today "refugees" in neighbouring townships as a result of bloody strife between opposing groups.

It was reported this week from Parliament in Cape Town that the north coast township has been quietly incorporated into KwaZulu by the central government – ignoring widespread opposition.

Hambanathi and the nearby prime sugarcane land had been embarked for inclusion into Kwazulu since 1985, according to the Commission for Co-operation and Development.

The proposed incorporation of Hambanathi resulted in bloody clashes in the township between Inkatha supporters and those of the Joint Rent Action Committee – an umbrella body of township residents' associations.

This was sparked by attempts by certain individuals to rid the township of Jorac leadership and supporters.

Lamontville – a scene of a similar widespread opposition to the proposed incorporation – may be next on the list.

Battle for control of Putco springs from minibus taxi growth

MICK COLLINS

THE current battle for control of bus giant Putco has sprung from deregulation — in practice, if not officially.

An informal-sector minnow, the black taxi movement has grown to the extent that it is poised to swallow the whale — former monopoly Putco.

The advent of the minibus on the black passenger transport scene heralded a period in which the bus group shuddered from one crisis to the next.

Without government subsidies — in the region of R150m in the current year — the transport giant would be hard pressed to staunch its cash bleed.

As it is, Putco made steady losses over the past three years — 1985, R8,4m; 1986, R18,5m; 1987, R8m — despite a stringent cost-cutting programme with a target of R1m a month.

The minibus taxi business — which organised transport, including Putco, strenuously resisted and at first tried to strangle — has almost destroyed Putco's off-peak business and seriously eroded — by 33% — peak-period business.

The majority shares (52%) in the business are held by the Carleo family, which gained control in 1971 when Leyland sold it its 49% shareholding.

Even before talk of takeovers, Putco was negotiating with the newly formed Regional Services Council for a fixed contract for its Soweto service.

Then along came the emergent and powerful SA Bus and Taxi Association (Sabta), speaking for 40 000 independent black taxi-owners.

Sabta, funded by members' fees and donations from local and international companies, received enough sponsorship to establish 10 filling stations and plan another 10.

Immediate cash

Fronted by national adviser James Chapman, Sabta made a R156m bid for Putco through Chapman's brother-in-law Ivan Brownlees, who acted as nominee.

Sabta offered two options — a R220m payment over two years, or an immediate cash payment of R156m which would secure the 52% Carleo share majority.

Then an Afrikaner consortium, which was never identified, made a counter-bid to stop the bus giant falling into black hands. Through its nominee Anthony Mayer, it said the bid was a direct result of concern voiced by its Afrikaans-speaking members. Chapman questioned whether it was a serious offer.

All the while super-spy Craig Williamson was lurking in the background, heading a Seychelles-based company, GMR, to "help" Sabta achieve its buyout.

He was part of a group which said it was prepared to put up US$80m for the outright purchase of Putco and at last call was still in the deal through an agreement previously signed with Brownlees.

Claims that Sabta was fully aware of discussions with Williamson appear to be borne out since Chapman attended a meeting at which Williamson was present on July 6.

But Sabta then said black business would go it alone with an all-black-sponsored bid.

It said the help of major black businessmen — including African Bank's Gabby Magomola and Nafcoc's Sam Motsuenyane — would be sought.

Meanwhile, bitter in-fighting in the Sabta background came to a head. The crunch came on September 11 when Sabta withdrew from its option, claiming third party interests and demands.

R15m commission

Since then it has been ascertained that Brownlees stood to earn a R15m commission on the deal which he said was not for himself but for other parties involved. When Rand Merchant Bank voiced its opinion that commissions should not be more than R6m, all parties agreed.

Sabta said it had pulled out of the deal on the advice of Rand Merchant Bank.

There followed a furore which saw nominee Brownlees claiming full principal's powers and going ahead with the deal in his own right.

Bitter accusations followed. Sabta issued a final statement attempting to dissociate itself from the Williamson connection and crying foul because Brownlees had decided to go it alone.

Sabta executive vice-president Godfrey Ntlatleng said Sabta had wanted to buy Putco on its own, with no partners, using funds from a reputable bank with no strings attached.

He denied Sabta had approached Williamson or that it had ever considered funds from any source other than Rand Merchant Bank.

The latest state of play has seen Brownlees calling for the formation of a trust fund. Brownlees said he already had a R60m basis for the trust with the KwaNdebele National Development Corporation indicating it wanted its own bus service.

Brownlees has since reserved his rights in the deal, claiming non-disclosure of information and citing the Carleos as being in violation of their agreement.

Putco seems certain to be sold in the near future. And the most likely ultimate owner is some organisation based on black taxis, whose success has both weakened Putco and given them the power to bid for it.

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Money supply growth continues accelerating

GRETA STEYN

MONEY supply growth continued to ac- ...preliminary figures ...ey flowing into unit trusts is causing administrative backlogs which are adversely affecting brokers and investors.

Admin hassles for unit trusts

Business Da

50c (45c + 5c tax)
For other prices, see Back Page

Natal, Western Province, Eastern Province 80c (71c + 9c

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'Trust' call to make Putco black

THE man behind the R156m takeover of Putco, Ivan Brownlees, has called for the formation of a trust fund to enable control of the bus giant to pass into black hands.

Interviewed yesterday in Pretoria, Brownlees said he already had a R60m basis for the trust.

"KwaNdebele has wanted its own bus service and is now keen to cooperate. An agreement in principle is in place and KwaNdebele has indicated it wants a portion (500 buses) of the northern region for which it is prepared to pay R42,5m.

"It has also indicated that a sum of R20m would be available for refurbishing the fleet and establishing an infrastructure."

Referring to the trust, Brownlees said principal Putco shareholder, the Carleo family, had selected the terms option and as such it was a relatively simple exercise to comply with the terms of the contract.

"If we have reasonable support from commerce and government, it would give us a full year to formalise the trust and raise the necessary funding.

"What we need is to get KwaNdebele to participate in the trust (R42,5m) which would leave us with a cash shortfall at this stage of only R12,5m."

"What we are asking is for companies to come forward and collectively contribute the shortfall plus guarantees that the payments over the next three years will be made."

Outlining the terms of the option, Brownlees said the Carleo family would get R4,5m immediately for its shares and as such the minorities would be entitled to a similar amount (33c a share).

MICK COLLINS

Williamson's role outlined

SUPER SPY Craig Williamson's involvement in the Putco takeover was well known to the SA Bus and Taxi Association (Sabta), the principal participant.

This was said yesterday by the man behind the R156m takeover of Putco, Ivan Brownlees.

"The headline articles relating to Craig Williamson create the wrong impression. He was part of a group which was prepared to put up US$80m for the outright purchase of Putco.

"Sabta was fully aware of discussions with Williamson and their national adviser James Chapman attended a meeting at which Williamson was present on July 6. Williamson was brought in by one of the lawyers connected with the deal – certainly not by me."

He said Williamson's group wished to retain the public company Putco and the white bus operation Pots and restructure the various remaining assets to recover funds and make a profit.

Asked why Williamson was no longer connected with the multi-million trans-

● To Page 2

Williamson's Putco role outlined

● From Page 1

action, Brownlees said that Sabta – unrelated to Williamson – decided it wished to handle the whole transaction itself.

Asked about the withdrawal of Sabta from the negotiations, Brownlees said it would have no ultimate bearing on the Putco takeover.

"Sabta withdrew in a manner I find unacceptable. They had sufficient time to complete their investigations in conjunction with Rand Merchant Bank. They had requested that the commissions be adjusted, which was complied with. The lawyer in the case, Alfie Kok, had indicated there was no problem with finance."

Brownlees said Sabta had even held discussions with Putco's unions and "there was no doubt in anybody's mind that the deal was to go ahead".

"Why use excuses for not going ahead. All parties involved knew I was the principal from Day 1."

"All the parties knew all along that I was doing this for Sabta, and if they didn't want to go ahead, I had the right to proceed in my own right."

Plans for control of Putco go ahead

JOHANNESBURG — A Pretoria businessman, Mr Ivan Brownlees, disappointed but not downcast at the withdrawal of the black taximen's support for his plans to get the giant Putco bus company into black hands, is going ahead on his own.

He is launching a one-man drive to raise the R150-million needed to gain control of Putco, and envisages the establishment of a trust, funded by large corporations, which will be prepared to pass control of the vast organisation into the hands of the communities it serves.

He says he already has backing of around R50-million, "and in the next few days I hope to raise the rest".

Mr Brownlees, widely experienced in business in South Africa and overseas, is brimming with enthusiasm, and optimism.

"I don't think my task should be too difficult. I should be able to establish in the next few days whether all the talk by big business about the need to establish a black middle class is so much hot air or not.

"Company executives are always going on about what a lousy job the government is doing, and how big business must step in and set a good example. Here is the ideal opportunity for them to do something about it.

"What I envisage is the establishment of a high-powered trust, with the names of all the companies involved published, to physically take control of Putco.

"Once it has established itself, and ensured the soundness of the organisation, it could then start transferring ownership of the organisation in segments to the communities they serve." — Sapa

Putco applies for increases

Putco has announced that the hearing of its application for a 14 percent fare increase will be heard in Pretoria on October 1.

A statement by the bus company's public relations manager, Mr R K Duff, said the National Transport Commission would hear motivation for the application.

Putco plans to implement new fares on November 1. — Pretoria Correspondent.

THE PUTCO DEAL

Cloaks and daggers

Superspy Craig Williamson, the former security policeman who penetrated the ranks of the ANC and the South African Communist Party, came within an ace of purchasing the troubled black bus company Putco.

Williamson's involvement came via his connection with the Seychelles-headquartered GMR Group, of which he is South African deputy chairman. Williamson, who failed in his attempt to get elected as a Nationalist MP for Bryanston, is now a President's Councillor.

Initiative on the Putco-Sabta deal has since passed to Ivan Brownlees of Brownlees Holdings (BH) as the principal in the negotiations. But Williamson apparently remains in the picture, as BH has "obligations" to GMR which entitle it to compensation. GMR is also still interested in Putco's assets if a deal is concluded within the next fortnight.

BH holds the right — under a signed contract with Putco — to purchase the Carleo family's controlling 52,6% shareblock.

Williamson was brought into the negotiations by Nimrod van Zyl, Brownlees' lawyer. He was asked for, and was prepared to pledge from GMR, US$80m — which at current exchange rates covers the full Putco asking price of R156m — derived, he said, from offshore sources.

Williamson tells the *FM* GMR was interested in some of Putco's assets, including its engineering works, or Putco itself or Putprop (the holding company for a number of properties, most of which are bus depots). The idea was to form a cash shell to help with the listing of "another deal we are busy with," which could have incorporated certain of the Putco assets.

"We would have sold off all the assets that didn't fit into the concept we have," he says. That would have included the bus operation itself, which, Williamson says, would have been offered to black entrepreneurs.

The offshore finance, he claimed, was available, and at one stage a team of experts was ready to fly to SA to handle the takeover.

Williamson categorically denies any government money was behind the GMR bid for Putco, saying the first time anyone in government even knew of his involvement was when the story made headlines.

"GMR specialises worldwide in the takeover of politically and economically troubled companies and has taken over companies far bigger than Putco," he says.

The potentially sensitive involvement of Williamson — who can hardly be regarded as an acceptable figure to blacks — clouds the picture.



His $80m offer was withdrawn when the Southern African Bus and Taxi Association (Sabta) — originally considered by Putco to be the sole principal — and its financial advisers at the Rand Merchant Bank refused to admit any third parties into the deal (*Business* September 18). Legal obligations, however, still exist between GMR and BH.

Should BH succeed in meeting Putco's new deadline of raising guarantees for the cash by October 5, GMR could still have a role in the takeover.

The "superspy" issue is only the latest in a bizarre series of twists and turns in the Putco deal, which looks as if it is fast falling apart.

Brownlees maintains the Carleo family failed to disclose two key points: that Putco has a R45m-a-year exclusive use contract with Shell and that Putco properties are bonded against a R30m loan. He remains adamant, however, that he will see the transaction through.

"I have 14 days to get guarantees from reputable financial institutions for the agreed terms. These involve an immediate initial payment of 33c a share, which would mean R4,5m to the Carleos and R4,5m to minority shareholders. One year later they would all get another R2,44 a share, then R1,70 in the second year and R1,66 in the third year. That adds up to a total of R6,13 a share.

"The institutions do not have to put up a penny. They only have to guarantee payment and then they have 12 months to enable a correctly funded trust to be established which would release them from their obligations."

He says he is giving local and international companies the chance to involve blacks in the mainstream economy. "Our objective remains to pass ownership of the buses to the communities they serve, through a trust and a management company which are viable entities. It is a worthwhile goal and only needs white business to get behind it."

However, first prize for Brownlees remains a deal with Sabta. "Sabta can have the whole thing. All they have to do is state clearly that they want Putco, that the bank will finance the deal and that they will pay R6m in compensations."

What is becoming increasingly clear is that the current deal — a complex mix of various possible participants, including other bus companies and non-transport companies like GMR, a possible trust, a mooted management company and BH itself — is a doubtful starter.

That would leave the field clear for Sabta and the Rand Merchant Bank, who are keeping their options open, to renegotiate from a clean slate.

In the final analysis, the black taxi operators could yet gain control of Putco. ▣

MERCEDES STRIKE

A R300m loss

The strike at the Mercedes-Benz (MB) plant in East London is now in its eighth week — and accumulated losses suffered by the German multinational already exceed those endured by the mining houses during the miners' strike.

MB CE Sepp van Hullen puts the production loss at 130 units a day, which means that over the 40-odd working days the strike has lasted, the plant has lost production valued at a massive R300m.

This calculation is based on an average retail value per vehicle of R65 000 as the company's production is split roughly 50-50 between MB and Honda on the passenger car side.

At the time of going to press, Mercedes

Commuters complain of bad taxi services

332
9/10/87

Daily Dispatch Reporter

EAST LONDON — It was compulsory for taxis to take commuters to destinations specified by passengers, not ones preferred by taxi drivers, the chairman of the Mdantsane, East London and Districts Taxi Association, Mr M. Bukweni, said yesterday.

Mr Bukweni was reacting to criticism by commuters that taxi drivers had a preference for certain zones nearer the taxi rank.

The commuters accused taximen of serving zones 8, 4, and 9, which were nearer the rank, so they could make more trips and make a higher profit, particularly on busy days and during peak hours.

Mr Zolile Ralaza of Zone 16 said the taxi service to far-off zones such as zones 13, 14, 15, and 16, was poor.

He said commuters from those areas had to wait a long time before they could acquire a taxi. Taximen refused to serve them and instead called for commuters from nearer zones.

A zone 13 resident, Mrs Lulama Soqo, said she worked in East London and had problems getting a taxi home from the Highway taxi rank.

She said as a result she and other residents were always exposed to bad weather and the criminals who prowled the rank day and night.

She said taxis started transporting commuters to far away zones only when the flow of commuters to nearer zones had slowed down.

Mrs Soqo said the problem was not only confined to taxis going into residential areas, but also those which fetched commuters from residential areas to the Highway terminus.

Mr Bukweni said taxis were supposed to take commuters to destinations specified by the first passengers who entered the vehicle.

He said those taximen who ferried passengers according to their own wishes were acting contrary to the decisions of the association, and dissatisfied commuters should report such taximen to the taxi regulators or the executive of the association.

Should a taximan refuse to take certain passengers of a certain zone, the association would mete out punishment as laid down in the association regulations, he said.

The problem of preferential treatment of certain zones was caused by employees and not by the taxi owners, Mr Bukweni said.

He added that commuters were also to blame for this problem because they, too, would not abide by the requests of the regulators.

The commuters of each zone were supposed to form a queue at the start of the taxi row.

The taxis would come and take the people in the queue irrespective of their destinations, Mr Bukweni said.

Turning to the the question of Mdantsane Extension taxis having a separate rank from taxis for other zones like 5, 6, 7 and 1, Mr Bukweni said the association had no power over the demarcation of taxi ranks.

These were decided by the township management.

In response to complaints that taxi drivers "slept over on Mondays or when the weather is bad," Mr Bukweni said taxis were supposed to be at the Mdantsane rank at 4.30 am for commuters travelling to King William's Town and at 5 am for those who commuted to East London.

The commuters, who stood huddled together in the recent heavy rains waiting for taxis, complained that the "scarcity of taxis on Monday mornings and in rainy weather is an unnecessary inconvenience in our schedules", according to one commuter, Mr S. J. Mabele, who said he hated being late for work.

One taxi-driver said another reason might be that on Monday mornings most taxis took "special trips" to other places in Ciskei and as a result there would be fewer drivers than usual in Mdantsane.

"We don't want people standing in the rank without getting a taxi," Mr Bukweni assured the commuters, and said they had even applied for a rank in Mdantsane because they were aware that the present rank was in a bad spot and became "too muddy" during rains.

More machinations

As time runs out for Ivan Brownlees to exercise his option to purchase the Putco bus company (*Business* September 25), the focus switches to a new contender.

He is Anthony Mayer, MD of Taxi Bureau and the man said in July to head an Afrikaans consortium's bid to keep Putco in white hands.

Mayer (34), who apparently has the backing of "a large company," is waiting in the wings for the final October 5 deadline on the option to expire so that he can step in. Sources indicate that he is strongly in the running and a buyer who would be acceptable to the Carleo family.

The little-known Pretoria businessman is a Rand Afrikaans University B Comm graduate with an MBA and diploma in transport affairs.

He made his Putco debut in July when he appeared as nominee for a multiracial consortium offering the Southern African Bus and Taxi Association (Sabta) R5m to withdraw from negotiations.

Mayer himself stood aloof from much of the speculation, stressing that his offer was economically, rather than politically based. He claimed he would split Putco into four separately managed segments: transport, property, bodybuilding and maintenance and a holding company. Blacks would be given the option of purchasing shares.

He also undertook to improve the transport service by providing better facilities and introducing smaller vehicles.

His reappearance as a potential purchaser is the latest development in an on-going saga that has sapped the morale of Putco employees and left the company moribund.

Brownlees, and his company Brownlees Holdings, have to come up with financial guarantees for R156m to secure the Carleo family's controlling interest.

However, the controversial principal bidder appears to be having second thoughts.

"The chances of actually doing the deal are about 90%. But the question I am asking right now is, do I want to do it? If I am sure I will have the co-operation of the black community and no antagonism, that's fine. But if I'm going to end up fighting a one-man war, then it's not worth it."

Brownlees says Mayer has tried to contact him several times and offered to purchase his option. He refused, because he is "not prepared to get into that kind of transaction."

With official Carleo family spokesman Luigi Carleo still in the US and not due back until October 19, there is little likelihood of anything being finalised much before month end. ■

F/M (332) 2/10/87

BLACK TAXI INDUSTRY

Upgrading the image

Times are certainly changing. From next month, a R1m advertising campaign on television, radio and in print will be launched by the Southern African Bus and Taxi Association (Sabta) in an attempt to improve its image and that of black taxis in general.

The fact that black taxis will be advertised on SABC-TV is noteworthy. It demonstrates how the black taxi sector has developed, in a few years, from being classified as "illegals" accused of "stealing" bus passengers to a respected and integral part of the transport industry.

Finally, it is a landmark in the development of the still burgeoning taxi industry and an achievement for black entrepreneurial development and free enterprise itself.

The campaign, designed by a major agency, is an attempt to inform passengers that they are entitled to expect cleanliness, friendliness and safety from the vehicles they use. More importantly, that there are channels for redress.

Says Sabta Marketing's James Chapman: "We have installed a four-line switchboard to cater for the calls we think we will get as a result of the campaign. There are four different ads and every fourth ad will give the telephone number for complaints."

What gives the campaign teeth is Sabta's Code of Ethics and Disciplinary Procedure, a detailed document which every member is required to read, understand and sign on joining. It includes a laid down grievance procedure which starts with the taxi owner and follows through until, if necessary, a fine, ranging from R10 to more than R1 000, is imposed or the member is dismissed from the Association.

Since membership of Sabta offers several advantages, including financial benefits, this is a very real threat.

Chapman maintains the campaign will reduce problems by something like 50%, even if there is not a total response from all taxi drivers or users.

It also underlines Sabta's new policy of openness, exemplified by the fact that it now offers membership to pirate operators in regions where Sabta Committees have given approval.

"In those regions, pirates have been registered in great numbers," says Chapman.

"New Sabta members have also found that instead of carrying fewer commuters, there is more control and operation is smoother.

"We now hope to influence the Department of Transport (DoT) to legalise those pirates with Sabta membership. The pirate issue has to be dealt with, after all. We see this as the way to do it — get them roadworthy, get them to sign a code of ethics, and the problems should disappear." ■

Putco decision due next week

3/10/87

The future of South Africa's largest black bus transport system, Putco, is to be decided next week after being clouded by some of the most bizarre wheeling and dealing the country's transport business has ever known.

Ivan Brownlees of Brownlees Holdings, who has taken over from Sabta (the Southern African Black Taxi Association) as principal in the takeover deal, has until midnight on Tuesday to meet Putco's deadline for raising guarantees for the required R156 million.

He failed to raise the amount two weeks ago and, as stipulated in the contract, had two weeks to remedy the breach or the contract expires.

Although Mr Brownlees is determined the deal will go through, its eventual outcome is still uncertain — especially as Brownlees is suing the major shareholders of Putco, the Carleo family, for R15 million for failing to inform him of two issues: that Putco has a R45 m-a-year exclusive use contract with Shell and that Putco properties are bonded against a R30-million loan.

The controversial involvement in the deal of superspy and member of the President's Council Craig Williamson and his Sychelles-based company GMR, has further clouded the issue.

But there are several more new twists still to come.

A second option is on the cards and is waiting on the sidelines in anticipation of the Brownlees offer falling through. This option is from Mr

SARA MARTIN

Anthony Mayer who runs a fleet of taxis. He made the rival bid on behalf of a consortium of investors.

Mr Mayer says he is 99,9 percent certain he will clinch the deal. He claims he already has the required financial backing.

"The consortium I represent, but which cannot reveal until next week, is not made up entirely of white Afrikaans businessmen as was initially reported in the press. It is composed of 50 percent white English-speaking, 30 percent Afrikaans and 20 percent black businessmen," he said.

"The Department of Transport has in principle approved our deal."

Sabta, too, appears to be back in the deal. Mr Mayer denies that Sabta is part of the consortium.

Morale among concerned Putco employees is believed to be low.

According to a spokesman for the Transport and Allied Workers Union of SA, employees are afraid of losing work benefits. This triggered off a two-day strike at Boksburg and Wynberg depots three weeks ago.

In all the negotiations so far, Mr Luigi Carleo, director of the major shareholding company, has emphasised that the welfare of his employees is of utmost importance.

Sunday Times 4/10/87 (338)

SPECIAL REPORT BY HAMISH McINDOE ON THE GROWING MINI BUS CARNAGE . . . AND WHAT ON



All aboard the Time

A DEADLY time bomb is ticking on South Africa's roads.

They are already host to more than 3 000 minibus collisions every month and all the signs point to a sharp rise in the carnage.

Putting flesh on this shock statistic disclosed by the National Road Safety Council (NRSC) this week is a recent run of horror minibus crashes.

Most of these accidents are caused by taxis breaking just about every rule in the book.

And motor industry experts say the registered black taxi population, which stands at about 40 000, could double by the end of the decade.

In Johannesburg alone, the casualty rate of minibus accidents has piled up by another 25 percent in the year to June, with 10 people killed and 580 maimed or injured, according to latest traffic department figures.

On the other hand, bus accidents have dropped by a staggering 65 percent.

But, in one province at least, traffic police have declared war on



Traffic Officer Kevin Moss checks a taxi driver's licence

reckless taxi drivers to keep death off the road.

On the N1 Pretoria-Pietersburg motorway, a blitz has been mounted against overloaded and speeding minibuses to stop the slaughter after four horror smashes last month in which 39 people were killed. So far the plan has worked.

Pietersburg traffic police have stepped up fines from R30 to R300 for every passenger over the permited limit. Patrols have also been stepped up on known trouble spots along the motorway.

"We haven't had a minibus accident on the Pretoria-Pietersburg road since August 19," said the chief provincial traffic officer Mr Piet Nel.

"Maybe other provinces should think of following our example."

Few seem to be doing so. Traffic departments appear to be holding fire until the Government's proposed National Taxi Council (NTC) to control the safety standards of taxis comes into force — possibly during the next Parliamentary session.

An afternoon patrol with traffic officer Kevin Moss in an unmarked car on the Soweto highway threw into sharp focus the antics of the taxi drivers on their daily shuttle from township to city.

Taxis blatantly overtook in the face of oncoming traffic, changed lanes without signalling, stopped in heavy traffic to pick up passengers and double-parked.

"Their standard of driving is lousy," said Mr Moss, signalling a heavily overloaded minibus to pull over.

Pirates

On the other side of the road, a long line of minibuses sped towards Johannesburg to pick up more passengers. "It's just a race to get back to town to load up again," he said.

Minutes later, a minibus veered into the wrong lane to overtake several bunched-up vehicles. The gap closed and the minibus loomed dangerously close to our car before pulling in.

"There's just too much traffic around to follow him," said the 29-year-old former Rhodesian policeman.

Virtually every minibus we saw on the highway was overloaded. Seats designed for three people carried four — often five passengers.

Overloading makes minibuses potential death traps as the vehicle's handling is greatly reduced.

Observers believe overloading is set to worsen with the trend towards 16-seater minibuses ousting the traditional 10-seater.

"The problem", explained Mr Moss, "is particularly acute with the so-called pirate taxis, most of which are unroadworthy. At least registered taxis have to renew their certificate of fitness every six months."

The chilling fact is that there are more pirate taxis — about 45 000 — on our roads according to the Southern Africa Black Taxi Association (SABTA).

Nearly half of the 24 800 prosecutions against black taxi-owners in Johannesburg over the past 10 months were for overloading.

In several municipalities, drivers are fined R50 for every overloaded passenger. But the Johannesburg Traffic Department, for one, is openly sceptical that stiffer fines would reap results on a par with Pietersburg.

Said the city's chief traffic officer Alain Portelli: "Our hand will be strengthened once the NTC's quality control register comes into effect."

SABTA, anxious to clean up the industry's dirty image, is calling on the Government to legalise the pirates and make them join taxi asso-

SUNDAY TIMES, October 4 1987

...E CITY IS DOING ABOUT IT



Bomb!

ciations.

"Then we can really get down to improving driver skills and safety standards," said SABTA vice-president Mr Godfrey Ntlatleng.

SABTA has also launched a campaign urging commuters to demand a better taxi service. "You pay the fare. Take the taxi that cares," runs the slogan.

Latest NRSC figures show that nationwide minibus collisions in the six months to June jumped to 18 715 from 15 371 in the same period last year.

Eight of these accidents have been studied by the Department of Transport "and the pirates were responsible for all eight crashes. That shows just where the problem is," added Mr Ntlatleng.

The hope is that South Africa will switch to the demerit-points system used in Europe to make sure that drivers who persistently violate the law — and not just black taxis — are taken off the road.

But time is of the essence for SABTA and the Government to put the taxi house in order before there is total chaos on the roads.

The number of registered black taxis has more than doubled, to 36 800, in the six years to 1986. Top-end estimates put this year's sales at 40 000 and, according to some estimates, this figure could double by the end of the decade.

3SD SUT 4/10/87

Sabta still in driver's seat for the Putco deal

The fight for Putco could hot up after the option held by former Sabta agent Brownlee Holdings to buy the bus giant expires tomorrow. And Sabta may still end up as the buyer.

The black taxi association pulled out of the Putco deal on the advice of its advisers, Rand Merchant Bank, stating "unacceptable conditions imposed by third parties".

This referred to the company, Brownlee Holdings, which Sabta believed was acting as its agent in the deal but was in fact the principal. Brownlee Holdings is also believed to have upped its commission fee, a condition which Rand Merchant Bank found unacceptable.

Business Times Reporter

However, Sabta has not given up on Putco.

"We made mistakes in the deal, but we have learnt a lot. It won't stop us trying again," says its national adviser James Chapman.

With all the adverse publicicity surrounding the collapse of the Sabta deal, Brownlee Holdings may find it difficult to raise the R156-million needed to buy Putco.

However, one area of possible revenue could be the Seychelles based GMR group. Craig Williamson, the former security policeman and spy, is the South African deputy chairman of GMR. It is claimed that GMR was prepared to put up $80-million to cover Putco's asking price of R156-million.

Williamson is also believed to hold a 25% stake in Brownlee Holdings, so the possibilty of Williamson acting as a financial intermediary between GMR and Brownlees is still on the cards.

However, the involvement of Williamson would certainly not go down well with the black community who patronise Putco buses.

Sabta, meanwhile, is likely to wait its turn in the hope that Brownlees does not raise the finance before the option expires.

Another player to reemerge may be Anthony Meyer, managing director of Taxi Bureau and spokesman for the reputed Afrikaans consortium interested in Putco.

However, members of the consortium have never been identified and industrial sources doubt if the consortium's bid was genuine.

beauty contest held at the cess.

Putco lost R38-m

5/10/87 (332)

PUTCO suffered losses amounting to R38,6 million in the past three years, Mr Vic Coetzee, a director of the giant bus company, told the National Transport Commission last week.

He disclosed this during Putco's application for bus fare increases which was heard in Pretoria. The company has applied for a 14 percent increase which is intended for the Pretoria, Johannesburg and Durban areas.

According to Mr Coetzee, there has also been a decrease of 1 549 million passengers since 1983. He attributed this to the increased number of black taxis and the number of individuals travelling in their own cars.

Mr Coetzee said Putco

By ALINAH DUBE

was losing its market to taxis. Unrest, increased maintenance costs, the poor economic climate, the low subsidy and the phasing out of buses operating between Mabopane and Pretoria had affected his company.

He said the KwaNdebele route remained profitable because of the high subsidy it was enjoying from the Government. He urged the commission to ask the Government to increase Putco's subsidy.

The application was opposed by a Vosloorus councillor, Mr L S Mofokeng. He urged the commission to consider the plight of the thousands of commuters dependent on Putco.

"I find it very unfair that thousands of people including those who are unemployed will have to face another increase. Lives have already been lost in road accidents as escalating bus fares left communities with no alternative but to resort to unlicensed taxis.

Putco's inefficient service had often led people to using taxis as a means of transport. Buses were often late and people lost their jobs as a result, he said.

The commission will announce its decision later.

Three burnt to death

THREE people — two men and a woman — were burnt to death in a fire in a dwelling in the Port Elizabeth township of Red Location near the New Brighton residential area.

A spokesman for the municipal fire brigade has said that the fire broke out in one of the units of a seven-unit complex in the early hours of yesterday morning and was brought under control about 4am. — Sapa.

possibilities are for the provision of such facilities in the near future;

the financial position of the bus company which intends providing the service; and

whether the bus company is capable of providing and maintaining a reliable and efficient service by availing itself of the necessary servicing and repair facilities and infrastructure.

After determining what portion of the economic fare the commuter can afford to pay from his wages, the subsidy, being the difference between the economic fare and the portion thereof which is affordable by the commuter, is calculated.

Open commercial vehicles: conveyance of persons

569. Mr R J LORIMER asked the Minister of Transport Affairs:

(1) Whether consideration is being given to introducing legislation in connection with the conveyance of persons on the back of open commercial vehicles; if so, (a) what is being envisaged in this regard and (b) when will such legislation be introduced;

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

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) Standards to which vehicles must comply.

(b) During 1988.

(2) No.

Diarrhoea/dysentery

571. Dr M S BARNARD asked the Minister of National Health and Population Development:

How many (a) White, (b) Coloured, (c) Indian and (d) Black children died of (i) diarrhoea and (ii) dysentery in 1986?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(a) to (d) (i) and (ii) Information not yet available. The indication is that it will be available early 1988.

Hospitals: beds

572. Dr M S BARNARD asked the Minister of Constitutional Development and Planning:

What percentage of the beds in each provincial hospital are designated for (a) White, (b) Coloured, (c) Indian and (d) Black patients?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Transvaal

Hospital	*White*	*Coloured and Indian*	*Black*
Amajuba Memorial, Volksrust	25,5	*5,3	69,2
Andrew McColm, Pretoria	100	—	—
Baragwanath	—	—	100
Barberton	19,4	—	80,6
Bernice Samuel, Delmas	100	—	—
Bethal	20,0	*6,5	73,5
Bloemhof	85,7	*14,3	—
Boksburg-Benoni	27,8	*9,1	63,1
Brits	94,2	*5,8	—
Carolina	17,9	—	82,1
Christiana	38,7	—	61,3

Hospital	*White*	*Coloured and Indian*	*Black*
Coronation	—	*100	—
Delareyville	100	—	—
Dr A G Visser, Heidelberg	37,5	*3,3	59,2
Duiwelskloof	100	—	—
Edenvale General	100	—	—
Elsie Ballot, Amersfoort	100	—	—
Ermelo	36,8	—	63,2
Evander	100	—	—
F H Odendaal, Nylstroom	15,3	—	84,7
Genl De la Rey Memorial/Lichtenburg	91,4	*8,6	—
Groblersdal	100	—	—
H A Grové, Belfast	80,0	*20,0	—
Hendrik van der Bijl, Vanderbijlpark	100	—	—
H F Verwoerd Complex	80,2	*11,7	8,1
Hillbrow, Johannesburg	—	*9,1	90,9
J D Verster, Koster	39,1	—	60,9
J G Strijdom, Auckland Park, Johannesburg	100	—	—
Johannesburg	100	—	—
Kalafong, Pretoria	—	—	100
Kalie de Haas, Potchefstroom	45,9	*0,7	53,4
Kempton Park	100	—	—
Klerksdorp Complex	28,4	*2,9	68,7
Laudium	—	*100	—
Louis Trichardt Memorial	85,7	*14,3	—
Lydenburg	24,6	—	75,4
Middelburg	26,5	*11,0	62,5
Natalspruit	—	—	100
Nic Bodenstein, Wolmaransstad	19,9	*0,6	79,5
Nigel	37,7	*5,8	56,5
Ontdekkers Memorial	100	—	—
Paardekraal/Leratong Complex	17,6	*2,5	79,9
Paul Kruger Memorial, Rustenburg	47,1	*2,6	50,3
Phalaborwa	100	—	—
Pietersburg	27,9	*2,6	69,5
Piet Retief	15,5	*1,8	82,7
Pretoria-West	100	—	—
Rob Ferreira, Nelspruit	53,4	*2,9	43,7
Sabie	14,0	*1,8	84,2
Sannieshof	100	—	—
Schweizer-Reneke	31,9	*8,5	59,6
Standerton	25,2	*8,6	66,2
South Rand	100	—	—
Sybrand van Niekerk, Carletonville	100	—	—
Tembisa, Olifantsfontein	—	—	100
Van Velden Memorial, Tzaneen	100	—	—
Ventersdorp	88,2	*11,8	—
Vereeniging Complex	27,6	*2,6	69,8
Far East Rand, Springs	30,8	*1,9	67,3
Voortrekker, Potgietersrus	92,3	*7,7	—
Warm Baths	100	—	—
Waterval-boven	80,0	*20,0	—

terms of the Prevention of Illegal Squatting Act, 1951, has been assigned to the Provincial Administrators and their Administrations. The following information was therefore furnished by the Provincial Administrations:

(a) ±786 200 squatters as on 30 June 1987;

(b) ±40 000 families as on 30 September 1987 (It includes families in the back yards of Black towns);

(c) ±37 249 families as on 30 September 1987 (It includes families in the back yards of Black towns);

(d) ±3 003 families as on 30 September 1987.

(2) Yes.

(a) PWV area ..... unknown
Western Cape ..... nil
Eastern Cape ..... nil
Durban/Pinetown area ... 3 003

(b) Illegal squatting is an offence and it can not be accepted that each and every squatter family qualifies for housing in a relevant area. Sites will be provided for those who qualify on a priority basis and if circumstances so dictate, assistance in the form of material loans will be provided.

Upgrading of roads

564. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

What total amount was budgeted for the upgrading of roads in Black areas falling under his Department for the 1986-87 and 1987-88 financial years, respectively?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Projects which include the construction of roads/streets normally form part of township development and are submitted by local authorities for approval by Regional Committees of the National Housing Commission. The information as requested by the hon member is therefore not readily available and an extensive survey will be required to ensure a meaningful reply.

Objections to establishment of townships

565. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

(1) Whether any local authorities have raised objections to the establishment of Black townships since 15 September 1986; if so, (a) which local authorities, (b) in respect of which Black townships, (c) when in each case and (d) on what grounds did each of these local authorities raise these objections;

(2) whether plans for any of these townships were cancelled in consequence of these objections; if so, for which townships?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) Yes. As township development vests in the provincial administrations, the following information has been obtained from the various provincial administrations:

(a) Town Councils of Midrand and Ventersdorp;

(b) Ivory Park (previously Park Ridge) at Tembisa (Kempton Park) and Tshing (Ventersdorp);

(c) 3 July 1987 and 7 September 1987 respectively;

(d) The structure Plan for Tembisa, drawn up by the Town Council of Tembisa, is, as far as external roads and access points are concerned, not acceptable to the Town Council of Midrand;

The Town Council of Ventersdorp objected because of the security situation which may arise as a result of the locality of a

road adjacent to the new extension.

(2) No.

Women permitted to buy houses

566. Mr P G SOAL asked the Minister of Constitutional Development and Planning:

(1) Whether (a) single and (b) married Black women are permitted to buy houses in urban Black areas; if not, why not; if so,

(2) whether any conditions are imposed on Black women wishing to buy houses in such areas; if so, (a) what conditions and (b) why?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) (a) and (b) Yes.

(2) (a) No conditions are imposed in instances where black women are competent persons who are unmarried or who are married out of community of property. In instances where black women are competent persons who are married in community of property or in instances where customary unions prevail, the conditions are laid down by regulation 16 of the Regulations promulgated by Government Notice R2451 of 1 November 1985.

(b) To ensure maximum uniformity between the various population groups irrespective of cultural differences.

Privatization of SATS

567. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

(1) Whether any consideration has been given to the privatization of the South African Transport Services; if not, why not; if so, (a) when, (b) what was the decision reached in this regard and (c) what factors were taken into consideration in reaching this decision;

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

The MINISTER OF TRANSPORT AFFAIRS:

(1) Dr Wim de Villiers addressed the question of privatisation in his investigation into the South African Transport Services and his report is currently being considered by the Minister.

(2) No.

Subsidies to bus operators (332)

568. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

Whether the National Transport Commission grants subsidies to bus operators; if so, what criteria are applied in (a) granting and (b) determining the extent of these subsidies?

The MINISTER OF TRANSPORT AFFAIRS:

No, not as such. The function of the National Transport Commission in the relevant regard is to consider applications submitted by the Department of Transport and on the strength thereof to make recommendations to the Minister.

(a) and (b) Fall away.

For the sake of completeness I wish to point out that the following criteria are taken into account by the Department of Transport when the subsidisation of commuters is considered —

whether the need exists for workers to be transported from their place of residence to their place of employment;

the unemployment situation prevailing in the area where employment opportunities exist;

whether the place where workers are to be transported from is a resettlement area, township or squatter camp;

whether rail facilities exist for commuting purposes and, if not what the

possibilities are for the provision of such facilities in the near future;

the financial position of the bus company which intends providing the service; and

whether the bus company is capable of providing and maintaining a reliable and efficient service by availing itself of the necessary servicing and repair facilities and infrastructure.

After determining what portion of the economic fare the commuter can afford to pay from his wages, the subsidy, being the difference between the economic fare and the portion thereof which is affordable by the commuter, is calculated.

Open commercial vehicles: conveyance of persons

569. Mr R J LORIMER asked the Minister of Transport Affairs:

(1) Whether consideration is being given to introducing legislation in connection with the conveyance of persons on the back of open commercial vehicles; if so, (a) what is being envisaged in this regard and (b) when will such legislation be introduced;

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

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) Standards to which vehicles must comply.

(b) During 1988.

(2) No.

Diarrhoea/dysentery

571. Dr M S BARNARD asked the Minister of National Health and Population Development:

How many (a) White, (b) Coloured, (c) Indian and (d) Black children died of (i) diarrhoea and (ii) dysentery in 1986?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(a) to (d) (i) and (ii) Information not yet available. The indication is that it will be available early 1988.

Hospitals: beds

572. Dr M S BARNARD asked the Minister of Constitutional Development and Planning:

What percentage of the beds in each provincial hospital are designated for (a) White, (b) Coloured, (c) Indian and (d) Black patients?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Transvaal

Hospital	*White*	*Coloured and Indian*	*Black*
Amajuba Memorial, Volksrust	25,5	*5,3	69,2
Andrew McColm, Pretoria	100	—	—
Baragwanath	—	—	100
Barberton	19,4	—	80,6
Bernice Samuel, Delmas	100	—	—
Bethal	20,0	*6,5	73,5
Bloemhof	85,7	*14,3	—
Boksburg-Benoni	27,8	*9,1	63,1
Brits	94,2	*5,8	—
Carolina	17,9	—	82,1
Christiana	38,7	—	61,3

Hospital	*White*	*Coloured and Indian*	*Black*
Coronation	—	*100	—
Delareyville	100	—	—
Dr A G Visser, Heidelberg	37,5	*3,3	59,2
Duiwelskloof	100	—	—
Edenvale General	100	—	—
Elsie Ballot, Amersfoort	100	—	—
Ermelo	36,8	—	63,2
Evander	100	—	—
F H Odendaal, Nylstroom	15,3	—	84,7
Genl De la Rey Memorial/Lichtenburg	91,4	*8,6	—
Groblersdal	100	—	—
H A Grové, Belfast	80,0	*20,0	—
Hendrik van der Bijl, Vanderbijlpark	100	—	—
H F Verwoerd Complex	80,2	*11,7	8,1
Hillbrow, Johannesburg	—	*9,1	90,9
J D Verster, Koster	39,1	—	60,9
J G Strijdom, Auckland Park, Johannesburg	100	—	—
Johannesburg	100	—	—
Kalafong, Pretoria	—	—	100
Kalie de Haas, Potchefstroom	45,9	*0,7	53,4
Kempton Park	100	—	—
Klerksdorp Complex	28,4	*2,9	68,7
Laudium	—	*100	—
Louis Trichardt Memorial	85,7	*14,3	—
Lydenburg	24,6	—	75,4
Middelburg	26,5	*11,0	62,5
Natalspruit	—	—	100
Nic Bodenstein, Wolmaransstad	19,9	*0,6	79,5
Nigel	37,7	*5,8	56,5
Ontdekkers Memorial	100	—	—
Paardekraal/Leratong Complex	17,6	*2,5	79,9
Paul Kruger Memorial, Rustenburg	47,1	*2,6	50,3
Phalaborwa	100	—	—
Pietersburg	27,9	*2,6	69,5
Piet Retief	15,5	*1,8	82,7
Pretoria-West	100	—	—
Rob Ferreira, Nelspruit	53,4	*2,9	43,7
Sabie	14,0	*1,8	84,2
Sannieshof	100	—	—
Schweizer-Reneke	31,9	*8,5	59,6
Standerton	25,2	*8,6	66,2
South Rand	100	—	—
Sybrand van Niekerk, Carletonville	100	—	—
Tembisa, Olifantsfontein	—	—	100
Van Velden Memorial, Tzaneen	100	—	—
Ventersdorp	88,2	*11,8	—
Vereeniging Complex	27,6	*2,6	69,8
Far East Rand, Springs	30,8	*1,9	67,3
Voortrekker, Potgietersrus	92,3	*7,7	—
Warm Baths	100	—	—
Waterval-boven	80,0	*20,0	—

SA's black taxi association is driving in the fast lane

7/8/85 Star

$32

By Kitt Katzin

The largely black South African Bus and Taxi Association (Sabta), which has bought the JSE-listed Putco bus company, is anything but a backyard transport business.

Figures disclosed for the first time show that Sabta is, in effect, the pivot of a massive self-generating operation pumping millions of rands into key sectors of the transportation industry in South Africa.

In the past four years, Sabta, which initially grew out of a motley assortment of taxi associations, and which today has 45 000 vehicle-owners on its books, is by far the largest privately-owned transport network in Southern Africa.

And in terms of economic clout, it stands head and shoulders above most other independent black business sectors — and has just bought a controlling interest in Putco for an estimated R156 million.

However, Sabta has in its own right acquired important government recognition for what it really is: a strategic homespun industry and community service controlled and financed countrywide by black entrepreneurs and management executives.

Standing at the helm of its all-powerful executive are Mr James Ngcoya, its president, and Mr Godfrey Ntlatleng, his deputy, who are closely linked with Mr James Chapman, the only white to hold a senior position in Sabta's organisational hierarchy.



In four years Sabta has grown from an assortment of taxi associations to the largest privately owned transport network in southern Africa.

Mr Chapman (36) is Sabta's national adviser and chief planner, a position he has held independently for six years. He heads Sabta's marketing and promotional operations through a private company, Taxi SA Marketing, of which he is MD.

Born and bred in Pretoria, Mr Chapman, a father of five who wanted to be a lawyer and was articled for three years, is known in the black taxi industry as "Thanduxula", the Zulu word for peacemaker.

This is in recognition of his efforts in developing Puta, the Pretoria United Taxi Associa-



Mr Godfrey Ntlatleng . . . No 2 in the taxi giant.



Mr James Chapman . . . Sabta's national adviser.



Mr James Ngcoya . . . president of Sabta.

association on a firm business footing.

"Soon the Government and the motor industry recognised

● A wide range of spare parts running into millions of rands — Sabta, again, is the biggest independent user of parts and

which are also open to the public. It has another 10 in the pipeline, and is planning to set up 50 more.

Star 7/8/87

332

tion, and other groups, into the Sabta concept. Sabta is today represented throughout the country, in Transkei and in some national states.

It also operates in Lesotho and Swaziland.

Mr Chapman, whose involvement with black transport stretches over nine years, first



Sabta pays R171 million annually for accident and theft cover with premiums growing at the rate of R900 000 a month.



made contact with the industry while running a filling station in the black areas of Pretoria.

The taxi association rank was situated on the same block, and Mr Chapman soon became involved with the drivers and owners of the vehicles.

"They gave me their business — my petrol sales trebled in one month — and in return I undertook to help to teach them to audit books, develop an accounting system, conduct meetings and elections, open bank accounts, and place the

the movement as being representative of the black taxi industry, and it began to expand into new investment and promotional fields."

His ties with Sabta grew closer, and he was given the rights to find sponsorships and market and develop the fledgling conglomerate through his private company which, by agreement with Sabta, is entitled to 50 percent of new business obtained on its behalf.

Mr Chapman has no executive power on Sabta's board — he takes instructions from the board on how to promote Sabta's growing business interests, its public image, and the taxi industry, and reports to it on results and progress.

"The insight into this business has been an incredible experience," said Mr Chapman. "The degree of expertise in Sabta's top management is phenomenal. It has been a sheer pleasure to work with a brilliant and far-sighted executive team."

Today, Sabta has:

- 45 000 registered members.
- One-man fleets operating as many as 26 minibus-taxis.
- Over 300 local, 40 regional and five provincial associations, each with their own management structures.

Its vehicles use:

- Over 800 million litres of fuel a year — Sabta is the biggest private user of petroleum products in South Africa.
- About 3,6 million litres of oil a year.

accessories in the motor trade in South Africa.

Most of its vehicles average 8 000 km a month, and are on the roads up to 18 hours a day.

With average insurance premiums of R3 800 a vehicle per year, Sabta is responsible for paying in R171 million annually for accident and theft cover,



Sabta vehicles use over 800 million litres of fuel a year. It owns 10 petrol stations, has another 10 in the pipeline and plans 50 more.



and premiums are growing at the rate of R900 000 a month.

Vehicles cost an average of R28 000 each, which means an injection of R252 million into the motor industry by the time 45 000 units are paid for over three years.

And disposable income, according to Sabta surveys, of 45 000 households (five members per family), is estimated at R1,2 billion.

Sabta has established its own insurance brokerage and has 10 petrol stations of its own,

It produces its own in-house publications and has recently launched a nationwide advertising campaign on radio and TV.

Sabta is financed out of membership fees (R15 a year per member), sponsorship, advertising, and donations by petrol companies and other sectors in the business community contributing to black upliftment.

Through its status as a rising force in terms of buying power, it has clinched substantial discount deals on the price of new vehicles. The discounts are as high as R4 000.

By arrangement with a lending bank, 21 percent of the price of a new vehicle is paid in one instalment by the purchaser into a pool account controlled by the bank, and the balance monthly over three years.

The pool, or foundation account as it is called, acts as a protection against defaulters.

Says Mr Chapman: "If you consider that 60 000 'pirate' taxis are operating in the black market, you appreciate Sabta's potential if most of them joined us.

"Many, in fact, are doing so and the Government is anxious that all should be legalised under Sabta's banner."

Meanwhile, he is confident of government approval for the Putco takeover, which was in line with its policy of deregulation and depoliticising black public transport.

Minibus taxi service running smoothly

Argus 8/10/87 332

Staff Reporter

MINIBUS taxis were reported to be running smoothly between the Cape Flats townships and the southern suburbs today after hundreds of commuters were forced to get out and walk at roadblocks yesterday.

Some taxi operators were arrested at roadblocks yesterday while others were summonsed for various infringements of the law, a spokesman for the Western Cape Black Taxi Association said today.

A convoy of about 80 taxis, each with a full load of about 15 passengers, was ordered off Wetton Road near Youngsfield military base yesterday.

Road Transportation Board inspectors handed drivers summonses for fines averaging R45.

Offences listed included various vehicle defects and driving through red traffic lights.

The drivers, most of them "pirates", are members of the association.

A spokesman for Western Cape Black Taxi Association said today everything appeared to be normal.

"About four of our people were arrested yesterday afternoon," he said.

"It seems that warrants were issued for their arrest because previous summonses were not paid."

He said roadblocks had been set up in Lansdowne Road and in Guguletu and Wynberg during the afternoon and evening peak.

"Apart from that we have had no problems."

Putco: Majority control to stay

JOHANNESBURG. — Putco Ltd said majority control of the company will stay with the carleo family for the "Foreseeable future."

"Shareholders are now advised that no change of control of Putco is to take place, and that for the foreseeable future the carleo family will remain in control of putco," the company said in a statement.

Putco gave no explanation for the apparent break down of efforts by other groups to buy control more.

Carleo enterprises owns 52 pct of Putco which on september 16 said it expected brownlees holdings ltd to acquire majority control following withdrawal of the southern african bus and taxi association (sabta) as the potential purchaser.

The company said today that it and the carleo group "Regret the uncertainty that has been aroused by the publicity in recent months concerning the supposed imminent change of control of Putco, for which publicity neither Putco nor the carleo family is responsible." — Reuter

Putco saga is far from over

SARA MARTIN

The Putco take-over saga is far from over.

The major shareholders of the company, the Carleo family issued a statement on Thursday saying: "No change of control of Putco is to take place and for the forseeable future the Carleo family will remain in control of Putco."

The statement implies that the attempt by Brownlees Holdings to raise R156 000 by this week's Tuesday midnight deadline failed.

However, the statement makes no mention about what has happened to the second option from Mr Anthony Mayer who runs a fleet of taxis and made a rival bid on behalf of an anonymous consortium of investors.

Neither the staff of Putco, Mr Mayer nor Mr Ivan Brownlees were available for comment last night. Attempts to trace Mr Mayer both at home

● To Page 2

Attempt to buy Putco fails

● From Page 1

and at the office failed and The Saturday Star was told that Mr Mayer had not been home for two days. But according to an impeccable source, Mr Mayer spent the whole of yesterday finalising the deal with his attorneys.

Mr Luigi Carleo, director of Putco Ltd, is expected to issue a statement when he returns from the United States in the next fortnight.

12/10/87 Sunday Times

Putco is not changing hands

(332)

THE Putco saga apears to be over, with control of the black bus giant staying in the hands of the Carleo family.

A statement issued to the Press said:

After months of speculation during which prospective buyers ranged from the black taxi group Sabta to a mysterious anonymous Afrikaans business consortium, all confident of raising the R150 million needed for control, Putco announced last week that there was to be no change.

"Putco Ltd and its controlling shareholders, the Carleo family, regret the uncertainty that has been aroused by the publicity in recent months concerning the supposed imminent change of control of Putco, for which publicity neither Putco nor the Carleo family is responsible.

"Shareholders are now advised that no change of control of Putco is to take place, and that for the foreseeable future the Carleo family will remain in control of Putco."— Sapa.

Also av

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Cape Times 13/10/87 332

Pupils' fares up from R6 to R15

Staff Reporter

BUS FARES for pupils from Atlantis to Cape Town are to be increased from R6 to R15,50 a week for a 10-ride clipcard after it was found that pupils had "incorrectly" used the clipcard for three years, the managing director of City Tramways, Mr N S Cronje, said yesterday.

His comments follow an outcry by Atlantis parents about the "removal" of the pupils' clipcard subsidy.

The pupil clipcards, subsidized by the company, were never valid between Atlantis and Cape Town, Mr Cronje said, adding that it had always been "expressly excluded" in the official schedule of clipcard fares issued following adjustments in fares.

Following a "routine rebriefing" of drivers and inspectors, it had become apparent that some pupils used the clipcard incorrectly.

Mr Cronje said pupils' clipcards was issued on the "reasonable understanding" that parents would send their children to schools close to their homes.

"It is unreasonable to expect the company to allow children to occupy places during peak hours on high-demand commuter buses at a cost of only 60 cents a ride when the full economic fare amounts to R3,63 and commuters have to pay R1,55 a ride if they are using the subsidized clipcard intended for workers."

The company was sorry that some parents were "inconvenienced" but the strict application of the company's regulations was to "protect the interest of bona fide commuters", Mr Cronje said.

PUTCO: NEW MOVES

Putco is officially back to square one. With the collapse of the trust mooted by agent-principal Ivan Brownlees and his company Brownlees Holdings, the Carleo family has notified shareholders that it will remain in control of the black bus giant "for the foreseeable future."

Attempts are now being made to pull Putco into line after sale negotiations led to a collapse of morale and a period of distracted management which resulted in sloppy service and poor maintenance. Sources in Putco say it is likely there will be a "short cooling off period" before any resumption of negotiations on the sale of the company.

The Carleo family is still worried about the health of MD Albino Carleo, and is due to discuss developments when Luigi Carleo returns from the US on October 19. Luigi is not only the official family spokesman but also prime mover in the sales process. Word has it that he is expected to reopen informal talks with potential buyers in a month or so.

Currently heading that list is Taxi Bureau MD Anthony Mayer, who purportedly has both the finance and the expertise to satisfy the Carleos. The position of the Southern African Bus and Taxi Association (Sabta) is uncertain, with sources saying it is reluctant to become involved again so soon after the damage to its credibility as a result of the Brownlees fiasco.

Given the organisational and financial complexity of Putco, as well as the implications for the black transport sector of its sale, it is unlikely that anything firm will emerge for some weeks.

Certainly the Carleos, smarting from the bad publicity surrounding the first series of stalled negotiations, will be hesitant to commit themselves to anything less than a firm offer from a credible purchaser.

It's rank injustice, say harried taximen

Staff Reporters

TAXI operators running a city shuttle service from a makeshift "rank" of parking bays next to the Golden Acre bus terminus are up in arms because of a traffic police crackdown.

AREA D: Kroonstad

Footnotes

1. Additional Allowa

A disgruntled Mr Mike Wollenschlaeger, the vice-president of the Western Province Taxi Owners and Operators Association, said he and other operators had been parking there for almost a year.

"That's the side where people waiting for taxis gather."

Until this month traffic officials had permitted operators to park in any metered parking available provided they "fed" the meter.

"Now we've been told to park on the station side of Strand Street, which means that people have to dodge the traffic crossing the road for lifts. It's very dangerous."

No proper place

Taxi operator Mr Doela Safidien said today the taxis generally parked at meters for "15 to 20 minutes".

"Where are we supposed to go? There is a demand for taxis but we haven't got a proper place to stand. We have been asking for so long for a rank," he said.

This morning during a roadside meeting with a senior traffic officer at the Golden Acre the taxi drivers were told to adhere to the conditions laid down in their permits.

A traffic officer said he had "no choice" but to act.

"The way they have been operating has given cause for complaint," he said.

"There are ranks available but they are obviously not satisfactory. Right next to the bus terminus here they obviously have a higher profile."

"Won't touch you"

Another officer told the drivers: "Operate according to your permits and we won't touch you."

He said that warnings to drivers had been issued since Wednesday.

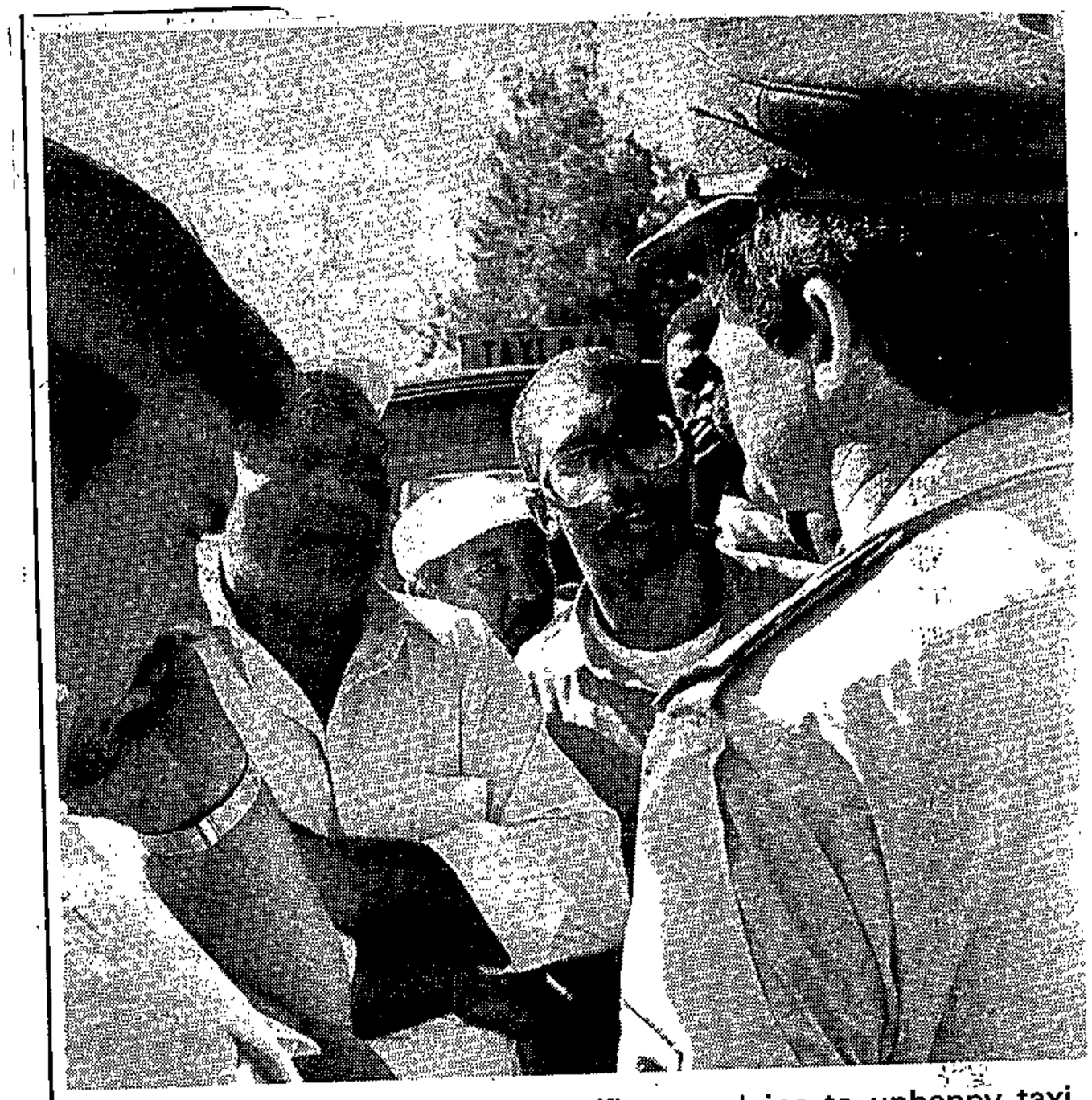
Mr Yusuf Louw's permit from the Road Transportation Board allows him to operate within a 15km radius from his Bonteheuwel base.

It does not allow him to wait for passengers anywhere but at the rank.



Picture: DANA le ROUX, The Argus

Taxi operators, from left, Mr Yusuf Louw, Mr Junaina Wall and Mr Doela Safidien discuss the traffic police crackdown with an officer.



CONFRONTATION ... A traffic officer explains to unhappy taxi owners why their vehicles must be moved from Strand Street to Lower Plein Street.

Picture: PATRICK COLLINGS

Cape Times 17/10/84 332

Taxis moved: Drivers upset

By PATRICK COLLINGS

TRAFFIC OFFICERS yesterday prevented taxi owners from parking their mini-buses next to the bus terminus in Strand Street which the drivers objected to.

The officers, who had been waiting for the taxis since 6am, explained to the drivers that their taxis were obstructing the flow of traffic and that they must be moved around the corner to the taxi rank in Lower Plein Street.

Taxi drivers told the Cape Times that by moving their taxis around the corner they were losing business.

Mr Yusuf Louw, a registered taxi driver for 25 years, said the traffic officers had forced him to leave a parking bay in Strand Street while he still had 25 minutes left on the parking metre and that the traffic officers were "depriving them of their daily bread".

Another driver said a traffic officer had told him he would be fined R100 if he stopped in Strand Street.

A senior spokesman for the traffic department said his department had received complaints from motorists and the general public about the double and even triple parking of the taxis in Strand Street.

"It was never our intention to have a clampdown on the taxis, they must toe the line like everybody else.

"We cannot tolerate taxi drivers doing what they like to the detriment of the safety of other drivers," the spokesman said.

Mr Louw confirmed that 20 to 25 taxis parked in Strand Street when there was parking space for only 10 vehicles.

Mr Louw said: "We (the taxi drivers) are organizing a petition among ourselves and our passengers to show the traffic police that they want us here. It is convenient for them."

CAPE TIMES 28/10/87 252

Taxi drivers claim new harassment

Staff Reporter

TAXI DRIVERS claimed that traffic officers yesterday harassed them at their new, unofficial taxi rank on the Grand Parade next to the City Tramways bus terminus.

But a traffic department spokesman dismissed the claim as "silly".

Less than two weeks ago, traffic officers prevented taxi drivers from parking their mini-buses next to the terminus in Strand Street as the taxis were obstructing the flow of traffic.

Drivers told the Cape Times yesterday that traffic officers told them they should use a log book to record the names of their passengers before transporting them to their destinations and that the passengers must meet in a predetermined place.

One of the drivers, Mr Shahied Jappie, said: "How are we going to get anything right when we have to use a log book to record people's names — everybody is confused."

A senior spokesman for the traffic department dismissed as "silly" the claim that the drivers had been harassed and would be forced to use a log book.

He said the traffic department had no objection to the taxis parking on the Parade — as long as they paid for their "pay and display" parking tickets.

He said the problem was that the traffic department had received complaints from the public that the drivers were causing a nuisance by "soliciting" passers-by as well as members of the public who usually used the buses.

The spokesman added that the taxi owners had been offered a taxi rank in Strand Street extension but had rejected it because it would mean their passengers would have too far to walk.

"The traffic department is investigating the problem, but will have to wait for the traffic manager, Mr Wouter Smit, to return from overseas before a final decision can be made," the spokesman said.

'Pretoria on verge of announcing major steps'

Cape Times 19/10/87 (332) 30 18 15

Business deregulation: Govt considers reports

Own Correspondent

JOHANNESBURG. — The government is considering a series of reports recommending widespread business deregulation, particularly for blacks.

Recommendations include country-wide Sunday trading, abolition of local trade licensing boards, repeal of laws restricting black business, and open entry to the taxi market.

The reports, prepared by the Competition Board, were made public at the weekend. Board chairman Stef Naude says their release, at the government's request, indicates Pretoria is on the verge of announcing major deregulatory steps.

The reports' release coincides with the first use of the 1986 Temporary Removal of Restrictions on Economic Activities Act. The so-called "Red Tape Act" empowers the State President to cut through regulations impeding economic development.

According to the latest Government Gazette, the Act is being used to speed up a building development in the Johannesburg suburb of Kew. Naude expects further applications of the Act to follow.

However, Free Market Foundation director Leon Louw warned yesterday that the government had promised deregulation action before without delivering. While welcoming its apparent new willingness to act, he said: "I'll wait and see what happens before getting excited."

Local government

The board's recommendations on entry into the taxi market — that licences should be available on demand, subject to driving ability and vehicle road-worthiness — have already been incorporated into the white paper on National Transport Policy.

The report says the existing subsidized bus system is inefficient and unpopular.

Another board report recommends deregulation of trade at local government level. The report says that of the approximately 75 economic activities requiring licences, only a handful should be retained on health and public safety needs.

The report also recommends the rest of the country follow Natal in ending Sunday trading restrictions.

The Departments of Constitutional Development and of Development Aid are currently examining a report calling for the repeal of laws restricting trade in black areas.

The report says two elements of the Development Trust and Land Act — prohibiting blacks from possessing a trading licence or buying and owning a business site without individual ministerial permission — should be repealed. It adds so should two government proclamations from the 1960s barring blacks from licensing two premises within a 32km radius, and prohibiting salesmen and hawkers from entering black areas without written permission.

Labour update

Sowetan 20/10/87

Workers defy Putco ultimatum

STRIKING Putco workers at Wynberg defied the company's ultimatum to return to work on Friday, the company said yesterday.

"After four days of continuous negotiations between Putco and its workforce at Wynberg, the shop stewards and the trade union Zakheni Transport and Allied Workers Union (Zatawu), Putco eventually gave the striking

SA Press Association

workforce a deadline to return to work by not later than Friday at 12 noon," a company statement said.

"The striking workforce elected not to adhere to this deadline and voluntarily left the premises."

The strike started last Tuesday when workshop workers walked out. Drivers joined the stoppage in sympathy.

The operations executive, Mr Charl Beyleveld, was handed an agenda of grievances on Tuesday.

Since Tuesday the company and the workers have held a series of unsuccessful negotiations.

"The company did its best to address the grievances of the workforce, but the workforce elected not to adopt the agreed grievance procedure instead preferring to enter into an illegal strike, which, until the last hour, the company was sincerely trying to bring to an end," the statement said.

Labour Update

Hope for an end to Putco strike rises

By THEMBA MOLEFE

THERE is hope that the Putco strike involving 500 workers in Wynberg, Johannesburg, and which has left thousands of commuters stranded in its wake, could come to an end today.

The company's industrial relations executive, Mr Louis Meyer, said yesterday that Putco was "cautiously optimistic" that some agreement could be reached out of negotiations between Putco's and the Zakheni Transport and Allied Workers Union attorneys.

Mr Meyer said the talks began yesterday and that he hoped to make public the outcome by late last night.

He denied Putco had begun recruiting a new labour force to replace the workers dismissed last Friday after failing to heed a return-to-work ultimatum.

Zatawu general secretary Mr James Sikosana said yesterday that the strike was sparked off by the "unfair" dismissal of two workers at the depot on October 13.

He said management had consistently refused to compromise in negotiating its grievance and disciplinary procedures.

Mr Sikosana said Putco's attitude was in "contrast with its corporate philosophy of respecting the dignity of the 250 000 black commuters it serves."

He called on Putco to speed up negotiations and ease the suffering of the commuters.

The Wynberg depot serves commuters travelling to Pretoria, Halfway House, Johannesburg, Sandton and other suburbs surrounding Johannesburg.

Since the strike began on October 13 stranded commuters had to resort to taxis or walk to and from walk.

The depot, situated next to the densely populated Alexandra Township, employs about 1 000 workers.

Drivers and technical staff are involved in the stoppage.



Putco strike cost up to R0,7m

THEO RAWANA

THE seven-day strike by 300 Putco workers at the Wynberg depot, which ended yesterday, cost the bus company between R500 000 and R700 000.

PRO Robin Duff said the estimate did not include long-term repercussions, such as loss of passengers.

Duff said the no-work, no-pay rule was agreed upon with the workers' union, the Zakheni Transport and Allied Workers Union.

The strike, which started last Tuesday when drivers and technical staff stopped work in protest against the dismissal of two employees, ended when agreement was reached with the union.

332 B/day 21/10/87.

Taxis: govt accepts view

(332 B/day)

ROGER SMITH 21/10/87

GOVERNMENT has accepted the Competition Board's standpoint on the deregulation of taxi licensing, incorporating it into national transport policy, according to an addendum to the board's memorandum to government on the issue.

The move has the greatest implications for the black "illegal" taxi industry and a formal announcement is expected from government soon.

The addendum said the board had found the Road Transportation Act imposed extreme restrictions on the entry of operators into the taxi industry and that the proposals of a draft white paper on national transport policy would not succeed in limiting entry by "illegal" taxis.

"The board made a recommendation to government to the effect that restrictions of an economic nature should play no role in the issue, renewal or withdrawal of an 'operating authority' in respect of taxis."

It said on the strength of that submission government had rejected certain recommendations of the white paper and had incorporated the board's standpoint into national transport policy.

Caught up in the taxi-war madness

3-9/12/87 South (332)

By CHRIS GUTUZA

TRAVELLING home from work recently I found myself in the middle of a "taxi war" in which a driver was severely assaulted.

At the Grand Parade last Saturday evening, I boarded a minibus bound for Mitchells Plain. Several other people, eager to get home, boarded the same taxi

Seconds before the taxi was due to leave, an empty taxi stopped in front of the one in which I was sitting.

Two tattooed men approached our taxi. Completely ignoring the driver, one of the men demanded that we board their taxi.

The driver immediately confronted them, and in the ensuing argument, drew a pocket-knife. One of the tattooed men produced a large knife. The other grabbed a broomstick from a City Council worker. Both men challenged our driver who was forced to retreat. But he was determined to stand his ground. Clasping his knife he dodge the men's blows.

Stabbed

Our driver's youthful "guard" or assistant — who collects fares, operates the sliding doors and announces the route to prospective passengers — came to his aid by attacking one of the gangsters from behind with a 500ml cooldrink bottle.

Rivetted by the scene, I got out of the taxi, leaving my bag behind. I was overcome by a sense of hopelessness, wanting to do something, but failing to think of anything to stop this madness.

The "guard" was hit with the broomstick, causing the handle to break. From where I was standing it appeared as if he was also stabbed in the back at least once before the driver helped him.

The youth with the bottle faced the man with the large knife while the driver faced the man with the broomstick. They circled each other, one pretending to lunge to test the other's nerves. The driver and the youth gained the upper hand and the men fled to their taxi, one shouting "ons gaan haal nog tools" (let's fetch more weapons).

Ruthless

By now a large crowd had gathered and passengers aboard another taxi got out to see what was happening.

The two tattooed men returned loaded with weapons including a hammer, a wheel brace, the head of what looked like a four-pound hammer and other blunt objects.

The bottle-wielding youth fled into a crowd of bystanders. But the driver, although sensing he was in grave danger, refused to flee until it was too late. Appearing confident both adversaries sped in his direction.

Turning on his heels the driver tried to get out of their way. But one of the men threw a blunt object at him, hitting his lower back. He fell to the ground like a sack of potatoes.

Instinctively I went closer, realising I was in danger myself.

The men ruthlessly aimed blows at their victim. Some struck home while he miraculously dodged blows targetted at his head and upper body.

Women screamed, one calling on someone to summon the police, another pleading at ashen-faced bystanders to help the driver.

The bottle-wielding youth half-heartedly threw the bottle at the men. People seemed too shocked to help.

I hesitantly approached the men pleading with them, telling them they had already proved their point. The man standing nearest to me, still sporting the large knife, looked up and for a moment it seemed as if he was thinking of attacking me. He again turned on his victim who defiantly scolded them, refusing to plead for mercy.

I could stand it no longer and lunged at the attacker. I pulled him off his victim. He suddenly seemed to lose interest in the driver and made for the taxi. His friend aimed one last blow at the driver's head with the hammer-head. Suddenly the driver went limp and blood streamed from his face.

By now the driver's guard was driving the taxi in our direction. When the taxi stopped I picked up the driver who was faintly calling for help. As soon as I had put him on the front seat of the taxi the "guard" accelerated. I hastily retrieved my bag and shut the door.

Most of the crowd seemed to have left the scene. I saw the Council worker confronting the men about his broken broomstick. Before they hurriedly left, they told him to report it to the police. The Council worker cursed them.

I turned towards another taxi driver and asked him if he knew any of the men in the fight. He said he did not. Before driving off he said both were drivers of pirate taxis.

Finding no one else to talk to, I headed for the station. I still had 20 minutes before the train left.

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UNIVERSITY OF CAPE TOWN

Centre for Intergroup Studies

Applications are invited for the following posts for appointment as soon as possible. The Centre for Intergroup Studies is an autonomous research institute situated on the campus but not part of the University of Cape Town, which conducts and promotes research on relations among political and other groups in South Africa.

Administrative Assistant

The ability to work independently and with initiative in the administration of a comprehensive research programme is essential. Knowledge of (or willingness to learn) the Wordstar wordprocessing programme is an essential requirement, while bilingualism, facility in language and editorial skills and shorthand would be strong recommendations.

The commencing salary will be determined according to qualifications and experience in the salary range R1 108-R1 742 per month.

Secretary

Duties will include responsibility for the typing load, using the Wordstar wordprocessing programme, filing, reception and processing of orders for Centre publications. A knowledge of elementary bookkeeping would be a recommendation. Applicants must be bilingual, accurate typists with initiative and a happy disposition, who can handle pressure with confidence. The salary range is R932-R1 249 per month.

Staff benefits for the above posts include an annual service bonus of approximately one month's salary, participation in a special retirement annuity scheme, medical aid and a housing subsidy.

Applicants should state clearly the post for which they are applying.

Applications including a full curriculum vitae, present salary, and the names, addresses and telephone numbers of two referees, should be sent to the Director, Centre for Intergroup Studies, University of Cape Town, Rondebosch, 7700, by 11 December 1987. Further information about the posts and the Centre programme is available from the Centre: tel: 650-2503/4.

Applicants are considered irrespective of sex, race or religion.

Bates Wells Recruitment CT 341R

Row over taxi permits

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Sowetan
11/11/87

A ROW has erupted between members of the Thokoza Taxi Organisation and the township's administrators over the allocation of taxi permits.

Mr Moses "Motlokoa" Tsotetsi, president of Toto, said the chairman of the Thokoza administrators, Mr Jacob "Phabla" Sekete, was stopping the issuing of new taxi permits while he was planning to form a new taxi company.

By MZIKAYISE EDOM

Mr Tsotetsi said only taxi owners willing to join Mr Sekete's company were issued with new permits and that those who refused to join the company were rejected.

Mr Tsotetsi also alleged that Mr Sekete had suggested at a recent meeting that taxi owners sell their vehicles — some not paid off yet — and contribute R6 000 each towards the formation of the company.

"He told us that the money would be used to buy new vehicles and to pay the salaries of taxi drivers. We rejected this and we told him that we were happy to operate as individual businessmen," he said.

Mr Sekete has denied the allegation. He said he did not own any taxi in the township and that he was not planning to form any company.

"It is true that the Road Transportation Board has issued 118 new taxi permits. The permits are with the administrators and we will issue them out after we have sorted out parking (ranks) facilities in the township," Mr Sekete said.

He said the taxi company was being formed by Mr Aaron "Fats" Mthembu, a taxi owner in the township.

Mr Mthembu said: "I am forming the company and so far, 30 taxi owners have joined my company and have paid R6 000 each. They have not sold their old vehicles as Toto claims."

Mr Mthembu said his company was renting offices from Mr Sekete's filling station in the township.

"It is not true that the company belongs to Mr Sekete. He is not even a director in the company," he said.

Govt recognises taxi association

Argus 22/10/87

232

The Argus Correspondent

JOHANNESBURG. — The Government has accepted and will recognise the South African Bus and Taxi Association (Sabta) as the official mouthpiece of the taxi industry in the country.

This announcement was made by the Director-General of the Department of Transport Affairs, Mr Ronnie Meyer, at the taxi association's annual meeting in Johannesburg yesterday.

Mr Meyer said the decision to accept Sabta was made last month by the National Transport Commission, of which he is a chairman.

He said the recognition will not benefit Sabta only, but passengers who used taxis daily. The recognition means Sabta will be consulted in all transport policy matters.

Assocom this year is evidence of a deeper malaise. Heading the list is the fact that

PUTCO'S PROBLEMS

For Putco it never rains but it pours. After the row over the sale of the bus company, first to the Southern African Bus and Taxi Association and then to Brownlees Holdings, it is now immersed in labour problems.

Management recently took the unusual step of firing its entire work force at the Wynberg bus depot — a move which has left residents of Alexandra without bus transport. Some vehicles from Putcoton have been called in to ferry passengers from Johannesburg to the northern suburbs. But until the issue is resolved, arrangements to carry commuters will remain unsatisfactory.

There is little doubt that uncertainty over the protracted on-again-off-again sales talks has taken its toll of morale. Workers from head office to depot level have apparently been affected. Sources within the company say the possibility of further difficulties remains — until employees are convinced the ownership crisis is over.

That could take some time. Chief family negotiator Luigi Carleo is now back in Johannesburg from the US and is rumoured to be involved in a new round of negotiations.

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bona fides in this respect will be accepted. Very often quiet diplomacy achieves more than a dramatic press statement."

Groom's speech and the wording of congress motions reflected Assocom's efforts to use "quiet diplomacy" to prod government back onto the reform path.

"In regard to Assocom's relations with the government, these are based on the view — long held worldwide — that politics (non-party politics) and economics are two sides of the same coin.

"Our economy needs more growth. More growth calls for more investment, and more investment calls for more confidence in the South African economy and in the future of SA itself on the part of investors, businessmen, consumers and workers both here and overseas."

Groom noted that it was imperative that the economic system be opened to blacks as soon as possible so that they could participate and profit from it and resist the blandishments of socialism.

Social reforms, he maintained, would of necessity cost money. They could not be funded by a weak economy. By opening the economy, government could immeasurably strengthen economic performance.

Groom picked up the threads of government's much-mooted confederation theory, saying Assocom believes "that the federal or confederal option has much to commend it."

The conciliatory approach of the congress again came through in Groom's plea to the Federated Chamber of Industries (FCI) to "give serious consideration" to the question of merging with Assocom, adding that "the

CONTAINER TRANSPORT

Deregulating costs

Once government eases road transport licensing restrictions, importers and exporters of containerised and breakbulk cargoes should receive faster and more competitive deliveries.

Transport Affairs Minister Eli Louw has proposed extending the free delivery area from a radius of 40 km to 300 km from the major centres before the year-end. Temporary permits to go beyond 40 km are being granted to a selected few — amid regular objections from full-time permit holders and Sats.

Smaller transporters claim red tape keeps delivery prices artificially high and stifles entrepreneurial flair among transporters.

Barry Saxton, vice-chairman of WTC, an international forwarding company which sub-contracts private hauliers and Sats to move containers, says easing licensing restrictions will benefit business in general.

"There is not a manager in commerce and industry who does not recognise the need for quick response times to cut down stockholding, reduce downtime, and lessen the amount of capital uselessly tied up," he says.

Relaxation, he notes, will encourage WTC to introduce its own container transport service instead of being compelled to sub-contract to other parties to deliver beyond 45 km.

Saftainer GM Barry Middleton, of the container management division of Safren, agrees that deregulation — "if and when implemented" — should impact significantly on land-based container transport operations.

"In fact, the more Sats moves towards basing rail rates on cost of movement, which Sats says it intends doing as deregulation is implemented, the cheaper container rail transport should become in relation to the carriage of goods breakbulk," he says.

Containerised transport promotes better utilisation of trucks through faster turnaround. "Container trucks tend to have a better return load factor than the average Sats truck-type, which also assists in lowering transport costs," he says. ■

Putco giant is not for sale

24/10/87 332 SM

SARA MARTIN

South Africa's largest transport company, Putco, is not for sale. That's official.

And it would remain that way for some time, said Mr Luigi Carleo, acting managing director of Putco in an exclusive interview with The Saturday Star and the first interview Mr Carleo has granted to the press.

Giving reasons for this dramatic move which stifles all rumours of further negotiations, he said the company needed to overcome the unpleasantness caused by the Brownlees/Sabta deal and it was hoped the company would be made more profitable and would fetch higher prices on the stock market by the initation of certain changes.

Mr Carleo feels so strongly about the matter he will formally announce to all 15 divisions of the company on Monday that it is not for sale. He feels this is necessary to boost staff morale which has suffered recently because of uncertainty about the company's future.

"We have been through a very traumatic experience with the Brownlees debacle. We had real problems even though they weren't our doing.

● To Page 2

Putco sale called off

24/10/87 332 SM

● From Page 1

We kept our noses absolutely clean.

"It was due to their incorrect legal documentation that Mr Ivan Brownlees who initially acted as agent for the Southern Africa Black Taxi Association (Sabta) turned out to be principal in the deal.

"For three months we were kept suspended in mid-air, uncertain whether the deal was on or off. Then it was off.

"As far as we are concerned the Brownlees deal with Sabta is dead."

According to reliable sources, Mr Ivan Brownlees has either left the country or is on holiday in Israel.

As far as rumours concerning a possible takeover by a group represented by Mr Anthony Mayer are concerned, Mr Carleo said he challenged anyone to produce evidence of any document signed by himself and Mr Mayer.

"To date, he has shown me no proof that he can purchase the company. With respect to the Sabta deal, they had the reputable Rand Merchant Bank behind them. They paid us the R500 000 as stipulated by the contract to show their good faith as well as a letter from the Sabta executive giving their go-ahead in the deal.

"I received phone calls every other day from business brokers or other parties who said they wanted to purchase Putco.

"They said they were potential buyers. I could say I wanted to buy the Eiffel Tower. But having the money or persuading the French government to sell it to me is another kettle of fish. Many of the so-called buyers were nothing but conmen taking a chance to make a quick buck.

"I was even contacted by a secret Afrikaans consortium who did not want to say who they were. I said if they did not want to reveal themselves, I did not want to do business with them, so that died a rapid death."

Another reason for not selling, said Mr Carleo was that the company is likely to be more profitable soon as the Government was phasing out the subsidies and replacing them with contracts which are tendered by the regional services council.

Leave us alone, warn taximen

24/10/87 SARA MARTIN

The Johannesburg Taxi Association (JTA), which last week broke away from its mother body, the South African Black Taxi Association (Sabta), has issued a warning to Sabta members in the area to leave it alone.

"Ever since the Johannesburg City Council granted us a ranking (parking area) on the corner of Kerk and Pritchard streets last Wednesday, our taxi-drivers have been threatened with assault from rival groups — all members of Sabta Region 11 under the chairmanship of Mr Pat Mbatha," says Mr William "Jood" Selebogo, chairman of JTA.

"They tell us that unless we amalgamate with them, they will step up the violence."

According to Mr Selebogo, the JTA, the oldest member of Sabta, had asked the mother company since 1983 to intercede for this parking area in the city centre.

"The failure to do so, as well as dissatisfaction and disappointment with the running of Sabta, has forced us to pull out," he said.

"We were also extremely upset with Sabta's negotiations to take over Putco."



332 Sunday 26/10/87

Sabta asks for more foreign aid

THE president of the South African Taxi Association, Mr T J Ngcoya, said if overseas business leaders wanted to be part of a new SA, they should commit themselves into helping black business leaders.

He was addressing the annual general meeting of Sabta which was attended by more than 500 delegates in Johannesburg.

Guests at the meeting included chairman of the National Transport Commission, Mr R G Meyer, the chief executive of African Bank, Mr Gaby Magomola and Nafcoc president, Mr Sam Motsuenyane.

Mr Ngcoya said the assistance overseas companies gave towards housing and education in South Africa was not enough.

Referring to Sabta's attempts to buy Putco he said the organisation made many mistakes and was widely criticised.

He said: "We accept the criticism in good faith."

He urged the government to reconsider its privatisation policy. Putting the black businessmen at an advantage over their white counterparts was more important than deregulation and privatisation.



SABTA president Mr J Ngcoya.

'PIRATE' TAXIS

Comrade cabbies

There may be some small justification for the pleas of black businessmen that whites should not be allowed to compete with them in the black cities while white businesses have the advantage of superior skills (thanks to superior education) and abundant funding. We believe the argument is fallacious — but given our history there is an element of equity in it that we would not want to gainsay.

What is totally insupportable, however, is the plea for protection from aspirant competitors that has been heard from the Southern African Bus and Taxi Association (Sabta). It's what happens when pirates go legal.

Sabta president James Ngcoya says: "We are not opposed to the pirate taxi industry entering the legal taxi market. But we cannot allow the ranks to be flooded with new people overnight. There would be chaos."

Any attempt to remove the restrictive legislation which has long fettered the black taxi industry, Ngcoya correctly perceives, would open the doors to the hordes of de facto "illegals." Consumers, no doubt, would be on the winning side. That is what free enterprise is about.

The only losers would be the privileged "legal" insider permit holders who would be faced with an influx of new and unwelcome competitors. Their plea for what they suppose to be order is the cry of the apparatchik.

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Minibus taxi row: Talks with owners to go on

Staff Reporter

TRAFFIC officials will continue to hold talks with central Cape Town's minibus taxi operators over what they see as a menace — and what taximen regard as harassment.

In recent weeks traffic police have cracked down on the minibus taxi operators who ply their trade from parking bays next to the bus terminus.

Two meetings have been held at the Civic Centre between the traffic police and representatives of the disgruntled taxi groups.

Mr Willem Louw, Cape Town's acting traffic manager, said the taxis clogged the streets.

"There are not enough stopping places for all of them," he said. "We offered them a rank in Strand Street next to the station but they declined."

Mr Louw said the taxis "double and treble parked, causing disruption to the general traffic flow".

MORE RANKS

The possibility of providing more taxi ranks was being investigated.

Some taxis were using the Grand Parade as a rank but this was illegal and was unlikely to become permanent.

Although the taxis were restricted to a certain radius from a "home" rank in terms of their Road Transportation Board permits, many ignored this.

"They want to be only where the bus terminus is. That way they can pick up passengers easily and be under shelter."

"They would not, for instance, want to stand on the upper station level."

Complicating the issue was the fact that the taxi operators banded together in small groups. This made consultation more difficult than if they belonged to one organisation.

"We will be looking at the situation and I'm sure that when our traffic manager, Mr Wouter Smit, returns from overseas on Monday we will see some action."

Putco's young boss follows the family tradition

Personality

LUIGI CARLEO

Interviewed by: SARA MARTIN

The intricate dealings that formed the backdrop to the failed takeover of Putco, the country's largest transport business, might have overwhelmed any businessman, let alone one who is no more than 32 years old.

Yet Luigi Carleo, at this crucial time in the transport history of the country, proved he was made of the same tough material as his father, Albino, and grandfather, Gaetano Carleo. He took it in his stride.

"After all, I have been in the business since a young age," he says with a confident smile, granting The Saturday Star the first interview given to the press, at the company's elegant wood-panelled offices in Gallo Manor.

"My father, Albino Carleo, is a sick man. He has had two heart attacks and a recent by-pass from which he is still recovering. Furthermore, he is a diabetic. I felt it was my duty as his son to leave the United States, where I was working until June this year, and come home to take over while he was recuperating," he said.

"It wasn't traumatic for me. I know the business. Many of the mechanics and the drivers of the company have seen me walking around since I was a little boy.

"I am well versed in diesel mechanics. I have my own extra-heavy-duty licence. I have worked in several divisions of the company doing all sorts of things from pumping fuel to looking at traffic schedules.

"But I felt that it was important for a man who is behind a public company to have some academic qualifications. So I obtained a BSc with honours in chemistry from the University of the Witwatersrand, and then an MBA degree in transportation from the University of Indiana in the United States. I was gaining practical experience with a company when I was called back to help out."

But even though this young, happily married father of two young girls feels it would be the most natural thing in the world for him to run the company, he says it would not be fair for him to do so if his father recovered sufficiently to take up the reins again.

"He is only 59. My grandfather was active in the company until he was 80. My father has 40 years' experience in the business and he has the contacts.

"I have other interests that I wish to pursue. I would like to obtain a doctorate in transportation because the field fascinates me.

"I am also a great believer in multi-national trade, which I feel would be good for South Africa in this period of isolation. And I have ideas to expand internationally, firstly — if possible — to neighbouring countries, always in the field of transport, management consulting and management services."

Luigi Carleo shows all the signs of having the capabilities that made his grandfather Gaetano, who died in November last year, a legendary figure.

Gaetano came to South Africa from Salerno in Italy at the age of 25, virtually penniless. But through hard work and ingenuity he laid the foundation of the South African bus industry.

He worked as a miner when he first arrived in South Africa, then became a taxi driver, and with his first savings bought his first bus. He was to add more as time went by and eventually build up his own fleet.

Gaetano's life history is filled with numerous interesting events. He was in the same concentration camp, at Koffiefontein, as John Vorster. After the war he called his sons from Italy and their plane crashed in the Congo. The occupants all walked for 27 days through dense jungle before being rescued.

His sons, Albino and Luigi, started carrying some of the responsibility in the running of the company in 1968.

In 1971, when the Carleo family took over Putco Limited, Putco was running 850 buses. By 1985 it had increased that number to 3 500.

Gaetano and his sons have been confronted by boycotts and riots and know at first hand the many problems that arise when fares are increased. He noted too the demands of commuters who felt that Putco should support a community which had supported the company over the years. To this end he established the Putco Foundation — funded from the revenue paid by advertisers on the Putco fleet.

His death was an incalculable loss to the South African transport industry.

PUTCO UPS FARES FOR SCHOLARS

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4/11/87

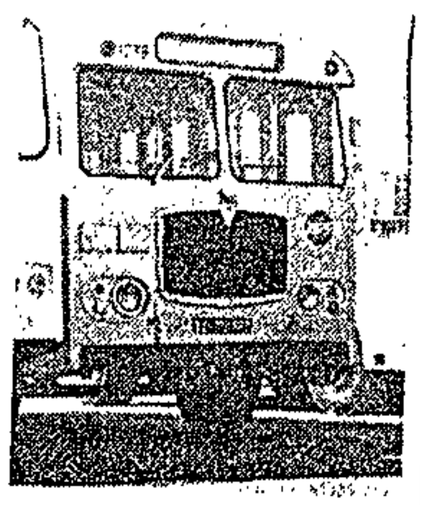
SCHOLARS travelling on Putco buses will in future have to pay full fares, a statement by the company said yesterday.

Scholar concessions cost the company between R12 and R15 million a year and Putco had suffered substantial losses over the last three years, the statement said.

"As a result, close attention has been paid to identify unprofitable operations and to eliminate them.

"One of the first areas to be identified has been the fares paid by scholars.

"Putco has for a long time carried students at below-cost fares during school terms.



Social

"This concession was introduced by Putco management in recognition of its social responsibility to the communities where the company operates.

"It was made possible by the increasing volumes of adult passengers who paid the full fare.

"Adult patronage has in recent years dropped.

"Putco Limited has therefore been forced to serve notice on the Government and school principals, that with effect from January 1, 1988, all scholars travelling on Putco buses will have to pay the full economic fare, the statement said.

Putco appealed to the various government departments with an interest in scholar transport "to come together and formulate a meaningful common policy for all population groups, so that any perception of unequal treatment can be eliminated and not be allowed to become a further focus for black criticism of their educational facilities." — Sapa.

PUTCO FARES GO UP

14% rise from December 14

PUTCO is to increase its fares on all its routes in the Transvaal by an average 14 percent from December 14.

In a statement yesterday, the bus company said the increase was to have come into effect on November 2 but that the date had been shifted because time was needed for "administrative procedures".

Putco applied to the Department of Transport in March for fares increases and the department has now approved the application.

A spokesman for Putco said the increases would affect all bus routes in the Transvaal

By NAT DISEKO

and the details about the fares hike would be announced at the end of the month.

Yesterday, Mr Simon Hanyane, a member of the Sats Consultative Committee, said Putco should not only care about its self-interests but should also care about the welfare of the commuters.

The Sats Consultative Committee is a body made up of delegates from municipalities, trade unions, business organisations and other



Mrs ELLEN Khuzwayo

parties including Putco.

They make recommendations to the railways authorities.

Mr Hanyane also said: "The weekly tickets must be valid for the whole week because there are people who work on Sundays.

"Putco's monthly tickets should also be valid on Sundays because they are valid on holidays. Railway tickets are valid to Sunday."

Reacting to Putco's announcement, president of the Black Consumer Union, Mrs Ellen Khuzwayo, asked how a caring company could raise fares when its commuters were battling with bread and butter issues.

She said Putco's increase of fares should be viewed against:

- The escalating cost of living and inflation;
- The stagnant wages of the majority of black workers who commute on these buses;
- The alarming unemployment figures in the black community.

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Sowetan 2/11/87

PUTCO UNDER FLAK FOR RAISING PUPILS' FARES

PUTCO yesterday came under heavy criticism for its decision to make scholar passengers pay full fares. This will come into effect from January 1, next year.

Spokesman for various black organisations accused Putco of being "insensitive" and said the move by the company would be colluding with the Government to deny many scholars the right to education.

Putco announced on Tuesday that it had notified the Government and school principals that with effect from January 1, all scholars will have to pay the full economic fare.

The company said scholar concessions over the last three years had cost it between R12 and R15 million. This had resulted in substantial losses.

A spokesman for the National Students Co-ordinating Committee (Nascoc), said they condemned the "merciless" decision by Putco.

He said it came at a time when their parents are being dismissed daily from work and are also struggling for a living wage.

"We view this decision as a provocative act of selfishness to deny many scholars the right to education. However, this issue will be among many that will receive attention from students nationally," he said.

Mr Thami Hlekiso of the Azanian Students Movement (Azasm), said Putco must be aware that black scholars had to travel long distances for their education — something not of their choice.

"We call on the company to come to its senses and not implement the increases. The company must realise that the increases come at a time when black scholars are experiencing problems in their education and this way add fuel to the fire," he said.

High rents

Mr Lybon Mabasa, deputy president of the Azanian Peoples' Organisation, said the decision was ill-timed. He said it came when there were over 10 million blacks facing unemployment, high rents and high transport costs to far away places of employment.

"We urge the Government to bring big subsidies in black transport because the problem emanates from its policy of apartheid.

"This would be justified particularly on black pupils because money spent on them is far below that of their white counterparts."

Mr Elmon Mathonsi, vice-president of the National Education Union of South Africa (Neusa), said the decision by Putco will have a direct impact on black education.

With many parents jobless, this would mean children will arrive late at school or not go at all.

"Neusa views this move as a way to cut down on scholars at school and create cheap labour for white South Africa. It is the duty of a Government that all children get free transport in order to acquire an education," he said.

(332) Sowetan 5/4/87

COMMENT

Telephone: (011) 673-4160

Putco's fare blunder

PUTCO, the giant bus company, has put the cart before the horse.

The company has announced that as from the beginning of next year schoolchildren will have to pay full fares for rides on its buses.

In the same breath it appealed to various Government departments with an interest in scholar transport "to come together to formulate a meaningful common policy for all population groups, so that any perception of unequal treatment can be eliminated and not allowed to become a further focus for black criticism of their educational facilities."

Putco should have met those departments before announcing the increased scholar fares, and the departments need to look at much more than mere perceptions.

Everybody will concede that Putco has been losing money, but are poor pupils to blame for it? Besides, any step into the minefield of education, particularly black education, has to be taken after serious thought.

For ages black pupils paid for their schooling while white pupils enjoyed free education. Even now when the Government is starting to give free textbooks and other material, the expenditure on a black child is a small fraction of the Government's expenditure on a white child.

And that black children have to travel for miles to their schools is again not of their making: the architects of apartheid, of the Group Areas Act, of ethnic schooling, are responsible. They should bear some, if not all, of the costs of transporting these children.

SATS: A TEST IN TIME

SA Transport Services (Sats) recently opened a R7m railway track testing laboratory at George Goch in Johannesburg that is expected to save millions.

The laboratory — which replaces a smaller, outmoded one built in 1950 — is among the best in the world and is certainly the most modern of its kind in the Southern Hemisphere. It has been operating for some time and is already doing work under contract for the private sector, including the Anglo American Corporation, other mining houses and Tongaat-Huletts in Natal.

By simulating track conditions accurately under controlled laboratory conditions, railway engineers can predict almost exactly how long track components will last. They can reduce maintenance costs by replacing components only when they need to be replaced — and ensure that elements are replaced before they fail.

They can also assess how long components will last when they are exposed to the elements and normal use measured in "the number and weight of axles that can use them before they fail."

According to Sats's GM, Bart Grové, the cost of maintaining a track usually ranges between 10%-20% of railway operating costs. Sats spends about R550m a year on track maintenance and the new facility is expected to save millions.

Sats's modern track maintenance methods reduced costs from 16,3% in 1976 to 13,3% in 1987 — a saving "equivalent to R170m in the 1987 financial year."

But Grové's real message was: "This facility will be available to all our neighbours to the north and to the east, as well as the private sector on a contractual basis. There is no reason why it should be duplicated."

332 FIM 6/11/18

Quo vadis?

Putco will either be sold for R500m or substantially restructured.

That is the view of Luigi Carleo, eldest son in the family that has controlled the giant black bus company for more than 15 years and who has a major role in deciding its future.

Back in SA from his home in the US, Luigi Carleo spoke frankly about the aborted sale of Putco and the family's intentions.

"The decision to sell Putco was due to a shift in shares within the Carleo family on the death of the principal shareholder Gaetano Carleo, and to the illness of the MD Albino Carleo, which happened to coincide."

He would not be drawn on persistent rumours that the decision was not unanimous and that it had actually been opposed by his father Albino. But he did say that the attempt to sell to the Southern African Bus and Taxi Association (Sabta) was genuine.

Interested buyer

"It was very serious. Sabta was an interested buyer and it was a vehicle for blacks to become meaningful partners in a major South African business."

The deal foundered when Ivan Brownlees, originally Sabta's agent, became the principal. "Brownlees changed from a broker to a



Putco . . . rebuilding the body corporate

principal due to weak legal scrutiny of documents by Sabta. Carleo Enterprises stuck to the letter of the agreement," he says.

On the alleged involvement of former police spy Craig Williamson, Carleo was blunt: "The family never met or dealt with Williamson. Nor do they know him. Carleo Enterprises does not know whether Williamson was or was not involved in this deal except from what was mentioned in the news media."

As for Antony Meyer, MD of Taxi Bureau, who surfaced first as the key figure in an Afrikaans consortium and latterly as a contender in his own right, Carleo says: "Carleo Enterprises has no way of evaluating how serious a contender Meyer is. He appears to be still interested. He does not have a chance because Putco is not for sale at the moment. However if he produces R500m as a purchase price, matters could be different.

"I want to emphasise, however, that at market related prices Putco is not for sale. At this point we have no intention to sell."

The family appears to be trying to put the protracted on/off sale negotiations behind it and to pull Putco back into shape. There can be little doubt that the negotiations have adversely affected it.

"Most of the damage has been to staff morale and the flight of some employees. This is to be expected and a programme is being implemented to stabilise the situation."

Carleo was non-committal, however, on the suggestion that the sheer size and complexity of the deal caused the problems. "It could be, but the answer has not definitely been established.

"The company is being split into different operating divisions, but not for the purpose of selling. The purpose is to adhere to the boundaries of the new Regional Service Councils as the subsidies are to be phased out and replaced by contracts tendered by the respective RSCs.

"We are also proceeding with spinning off of the properties in the form of Putprop as we were busy doing before the sale."

As to the future, if nobody comes up with R500m, Carleo has his own ideas. "Gaetano Carleo started the business. Albino Carleo made it into a national company. I see myself to be a failure if I maintain the status quo.

"It is up to my generation to make the company multinational in the transit management and consulting fields — services sector — and eventually to participate in transit properties worldwide."

That his generation is in the driving seat is unquestionable. Says Luigi Carleo: "Albino Carleo is going to retire in SA and is looking to purchase a wine farm in the Cape." ■

Activities: *Subsidiaries are in inter alia ship owning and operating; air transport; ships agencies; freight clearing and forwarding; and leisure industry.*
Control: *SA Mutual has a majority stake.*
Chairman and chief executive: *G A Macmillan.*
Capital structure: *52,6m ords of 50c each. Market capitalisation: R1 262,4m.*
Share market: *Price: 2 400c. Yields: 4,6% on dividend; 9,5% on earnings; PE ratio, 10,5; cover, 2,1. 12-month high, 3 500c; low, 1 600c. Trading volume last quarter, 427 000 shares.*
Financial: *Year to June.*

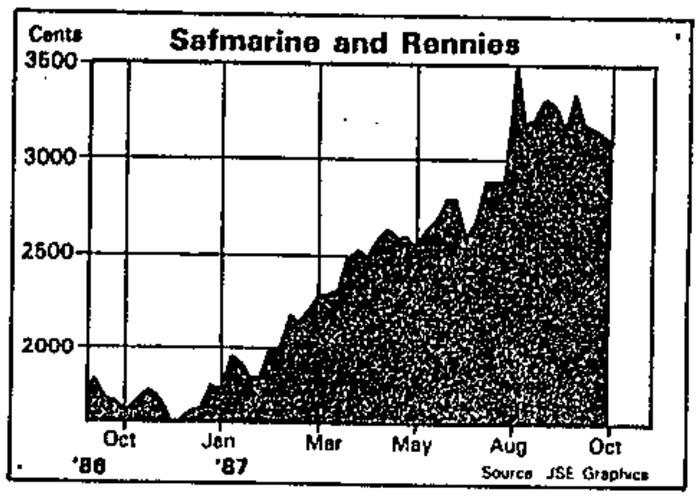
	'85	'86	'87
Debt:			
Short-term (Rm)	86,6	20,0	29,6
Long-term (Rm)	542,4	608,9	650,7
Debt:equity ratio	0,91	0,50*	0,36*
Shareholders' interest	0,35	0,40	0,44
Int & leasing cover	2,5	2,39	3,27
Debt cover	0,32	0,40	0,48
Performance:			
	'85	'86	'87
Return on cap (%)	12,3	11,7	12,1
Turnover (Rm)	1 732	1 914	2 075
Pre-int profit (Rm)	241,1	251,6	304,9
Pre-int margin (%)	17,5	13,1	14,5
Taxed profit (Rm)	111,5	147,7	202,9
Earnings (c)	131	177	229
Dividends (c)	76	88	110
Net worth (c)	792	949	1 184

* Net of cash

reality. The 29% earnings rise is certainly excellent in view of the problems some subsidiaries faced; an important factor was rationalisation and cost cutting.

A star performer was Kersaf (*FM* October 16). Held 75% by Safren, its operating profit is now only R11m less than giant Safmarine's R175,1m on a turnover R327m less than Safmarine's.

Safmarine's mere 6,7% rise in operating profit is blamed on factors beyond its control. Sanctions hit the bulk carrying of coal exports and meant the closing of the cargo liner service to Australia. The low rand and lack of economic growth hurt imports, while the strong yen harmed Far Eastern operations.



Good news was that rationalisation improved operating profits on the European and US routes, while iron is being carried from Saldanha and reefer profits grew with better freight rates.

Rennies also suffered from the low level of imports and exports. The main cause of profit improvement was better service and internal controls. Rennies chairman and CE Buddy Hawton says the balance sheet is strong: it is seeking acquisitions, both locally and abroad. Hawton considers a weaker rather than stronger rand preferable for Safren.

Kersaf will do well this year. An important factor is the major capital developments on the drawing boards. One which should benefit Safmarine is Mossel Bay. Hawton points to inventories being low. He expects restocking and considers that imports are standing up well. But he thinks earning will grow more slowly this year.

Pat Kenney

SAFREN

Merger benefits

Three years after the merger of Safmarine and Rennies, chairman and CE Alastair Macmillan says rationalisation benefits are a

SAFCOR

Contained costs

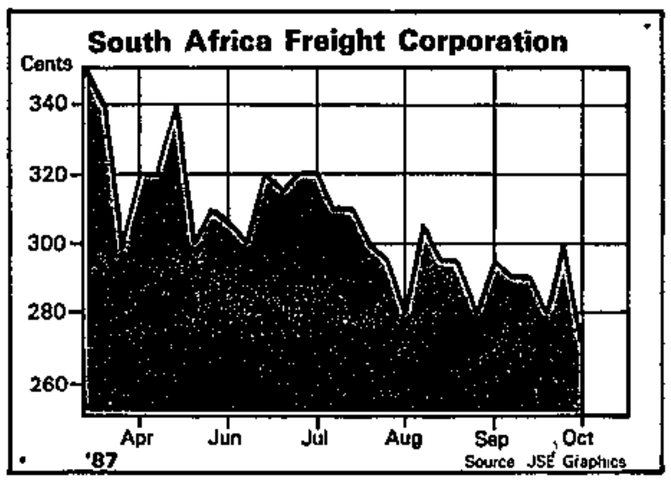
Activities: *Controls subsidiaries engaged in freight forwarding clearing and allied activities.*
Control: *Curfin holds 51,51% of the equity.*
Chairman: *M H Brodie; managing director: J P Desilla.*
Capital structure: *21,4m ords of 1c. Market capitalisation: R47,1m.*
Share market: *Price: 220c. Yields: 6,8% on dividend; 13,9% on earnings; PE ratio, 7,2; cover, 2,0. 12-month high, 350c; low, 220c. Trading volume last quarter, 454 805 shares.*
Financial: *Year to June 30.*

	'86	'87
Debt:		
Short term (Rm)	0,07	0,06
Long term (Rm)	0,05	0,06
Debt: equity ratio	—	—
Shareholders' interest	0,45	0,37
Int & leasing cover	14,1	40,2
Debt cover	58,8	66,6
Performance		
Return on cap (%)	19,1	18,6
Turnover (Rm)	44,1	47,1
Pre-Int profit (Rm)	10,2	12,1
Pre-Int margin (%)	22,8	25,1
Taxed profit (Rm)	5,0	6,4
Earnings (c)	25,1	30,5
Dividends (c)	12,0	15,0*
Net worth (c)	110	102

* Dividends adjusted to reflect change in dividend policy.

In the face of SA's shrinking import market, Safcor showed its mettle by holding net profit around R5m for three years. Last year proved even better and, despite static import volumes and a lacklustre economy, the company boosted net profits 25% to R6,3m on 7% turnover growth, as contained operating costs improved margins.

Chairman Mackie Brodie says given SA's balance of payments position, a steady volume of business can be expected this year, resulting in a modest improvement in results. A continued bearish stock market could slow down the economy, which may affect import volumes, yet he is confident the budgeted 10%-15% increase in earnings will be met.





Safcor's Brodie ... steady business

After listing in April, Safcor acquired control of Combine Cargo, a clearing and forwarding operation previously held by Anglovaal Industries (AVI), in a deal which made AVI a 20% shareholder in Safcor. Brodie says the acquisition offers good rationalisation benefits and opens the door to the vast network of AVI companies. Increased shareholdings in domestic transport operators are also expected to contribute to higher profits for the current year, though the group relies more heavily on international business.

At 220c the group stands on a 7,2 p:e, a justifiable rating given the uncertainty clouding the import market. *Kay Turvey*

Bus fares pushed up

By STAN MHLONGO

PUCTO bus fares are to go up by 14 percent from December 14 – a few weeks before the new year, when the company has decided to stop subsidising student fares to earn between R12- R15-million extra.

Telephone: Durban: (031) 301-4636.

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17

Wide objective coverage

Rival passenger poachers 'at war'

CP Correspondent

PIRATE and licensed taxi operators, armed with a hastily acquired assortment of weapons, including knobkieries and sticks, have milled around Port Elizabeth's Njoli Square for the last two days following alleged poaching of passengers by rival groups.

Although the mood between the rival factions was tense, a violent confrontation was averted when police stepped in causing the groups to disperse on Wednesday.

Taxi operators for the New Brighton and Kwazakhele routes have had a long-standing territorial agreement that Kwazakhele taxis would provide transport for Kwazakhele residents and likewise for New Brighton taxis and residents and that neither side would poach the passengers from the other's territory.

However, over the last two days the "gentleman's agreement" came unstuck, resulting in the development of a tense situation.

Sources in the township say the fat was thrown onto the fire when a New Brighton pirate taxi picked up a Kwazakhele resident and drove into Kwazakhele.

This move was not missed by registered taxi owners and about 200 supporters from both sides swiftly made their way to the scene armed with sticks and knobkieries.

However, the incident was merely one of many encroachments from both sides which has been causing dissatisfaction between the parties.

After comments were thrown back and forth between the two groups, the police, who had been monitoring the situation, stepped in.

According to the Press liaison officer for the Eastern Cape, Captain Peet Grobler, New Brighton taxi owners left the scene but threatened to return.

"After an hour had passed, no one showed up," said Grobler. – Pen.

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...better their record on

Ciskei taxi owners go into hiding

CP Correspondent

TAXI owners in Mdantsane have been forced into hiding, and six have been arrested, after a dispute over taxi ownership.

Local officials of the South African Bus and Taxi Association said they had begun "screening" taxi owners in the township after suspicions were aroused that one of them was functioning as a "front" for a white businessman – a practice contrary to Sabta policy.

However, the officials said Ciskei police seemed to have intervened in the matter by arresting several Sabta members.

Ciskei police have confirmed the arrest of Zalisile Guwa, Z Gwarube, T Manyoli, Wilson Blayi, Liber Rubushe and Velile Nongongo, who were arrested early last Thursday.

They appeared in court on charges of intimidation on Monday. They have all been released on bail of R100 each.

A local Sabta spokesman, Jongile Jaxa, said the arrests followed the association's discovery that well-known taxi owner Johnson Boqwana, of Mdantsane, was a "front" for a certain Du Plessis of Dunel Finance.

Jaxa said members of the association became suspicious when they saw that Boqwana was able to buy more than nine new taxis a month.

"We decided to start screening the ownership of all taxis," said Jaxa.

"Our policy is against any of our members being used as 'fronts'.

"Boqwana has violated our policy and he has now sought police protection against us. Some of us are not staying at home to avoid being arrested," said Jaxa. – Elnews.

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Putco waits for report on subsidies

THEO RAWANA

THE Department of Transport committee investigating the possibility of subsidising black schoolchildren's bus fares has completed its work.

Confirming that the committee's report would be tabled soon, the department's deputy director, Jaap Bester, said the investigation concerned black children only and not coloured and Indian children.

Putco PRO Robin Duff said the bus company was "dying to hear what the report carried".

Putco had decided to stop subsidising school fares from January next year.

"We have been talking to government for years on subsidies costing us between R12m to R15m a year.

"We are delighted something is being done and are awaiting the report with interest," Duff said.

Earlier, Department of Education and Training chief liaison officer Job Schoeman said the Transport Department was still talking to various education departments on subsidies and no decision had been taken.

Taxi warfare!

From MBULELO LINDA

PORT ELIZABETH — The Port Elizabeth Black Civic Organisation (Pebco) intervened in the bloody territorial conflict between pirate and licensed taxi operators last week.

Rival groups of taxi operators stationed at the pick up point at Njoli Square between Kwazakhele and Zwide townships declared war recently following the alleged poaching of passengers.

A group of armed operators, of the Port Elizabeth Bus and Taxi Association (Pebta), made the crowded Njoli Square their battle ground after one of their members was assaulted when he poached a passenger in the illegal taxis' territory

According to a spokeperson for the Uncedo Service Taxi Association which represents pirate taxi owners, a licensed member at the opposite side of the square, trespassed on their territory and "stole" commuters.

Clash averted

The representative, Mimityi Daweti, said his group saw this as provocation and a scuffle broke out.

He said the man violated the long standing territorial agreement that licensed drivers would not operate on the route between Kwazakhele and Motherwell township.

Pebta taxi drivers, armed with axes, knobkerries, swords and other weapons — including what was later discovered to be a toy gun — gathered at Njoli square to confront their rivals.

But the police stepped in. Pebco negotiated a peace agreement.

Pebta members said it was increasingly difficult to cover their costs and license fees because of the pirate taxis.

Meanwhile, pirate taxi owners allege that Pebta have conspired against them in refusing to issue valid taxi licences because Uncedo is not affiliated to the South African Bus and Taxi Association.

Uncedo, which claims a membership of 275 pirate taxi owners, alleged that Pebta was behind police harassment.

Confrontation

"We pay fines of up to R300 otherwise the police take possession of your vehicle," said a pirate.

"When the police arrest us they tell us that Pebta does not approve of us. This is unfair, we have never overstepped any of their boundries," another man added.

Uncedo also claims that recent attempts by 73 of their members to get licences were thwarted. It claims Pebta wants only their members to be eligible.

According to Uncedo drivers, it was initially agreed that Pebta members would control the routes between all other PE townships, the 'coloured' northern areas and town, and leave the Motherwell trips for pirate taxis.

"We are not moving from this place. Where do they expect us to go. We will rather die here," said another pirate.

The tension between the two groups goes back a long way. A year ago, two PE residents died and three drivers were injured when rival East Cape taxi drivers battled for control of PE/King William's Town route.

A New Brighton pirate taxi owner, Fanisile Sebetu, was found hacked to death and a woman pedestrian died during a high-speed car chase between the groups.

The feud was defused by Pebco, and the New Brighton taxi rank resumed operation after a temporary closure.

A taxi owner and an executive Pebta member, Isaac Masina, refused to comment, saying he was away when the confrontation occured.

Masina also said the matter was being discussed by his association and the concerned community organisation.

It is believed that Pebco has set up a monitoring committee of community members and taxi drivers.

The SA Police liaison officer for the Eastern Cape, Captain Peet Grobler, said any party with complaints against the police should discuss the matter with him.

He said he was tired of false allegations against the police and was not prepared to comment further. - *Pen*



A sedan taxi driver, Mr J Potwana of New Crossroads attends to a passenger.

Stealing our bread — say sedan taxis

By VUYO BAVUMA

SEDAN taxi-drivers are angry about alleged poaching of clients by the bigger 15-seater taxis.

At the Section 2 rank in Guguletu last week, some sedan and mini-bus drivers clashed leaving one man injured.

There are 400 legal operators in the Peninsula townships who feel their profits are being undercut by about 300 pirate taxis.

Sedan taxis operate mostly between Guguletu and Nyanga. Each passenger is charged 70c.

The sedans have a specific parking place at taxi ranks.

The violence in Guguletu and Nyanga started after the no-poaching rule was ignored.

Some sedan taxi owners felt they were being robbed of their livehood.

A New Crossroads driver, Mr J Potwana, a father of 12, said sedan taxis would be killed off by the mini-buses.

"In 1983 we made an agreement with the bigger taxis that they should not interfere with our clientele.

"This is because their vehicles are much bigger than ours. We can only take four to six passengers at 50c each.

But as from August the owners of the 15-seaters disobeyed the rule.

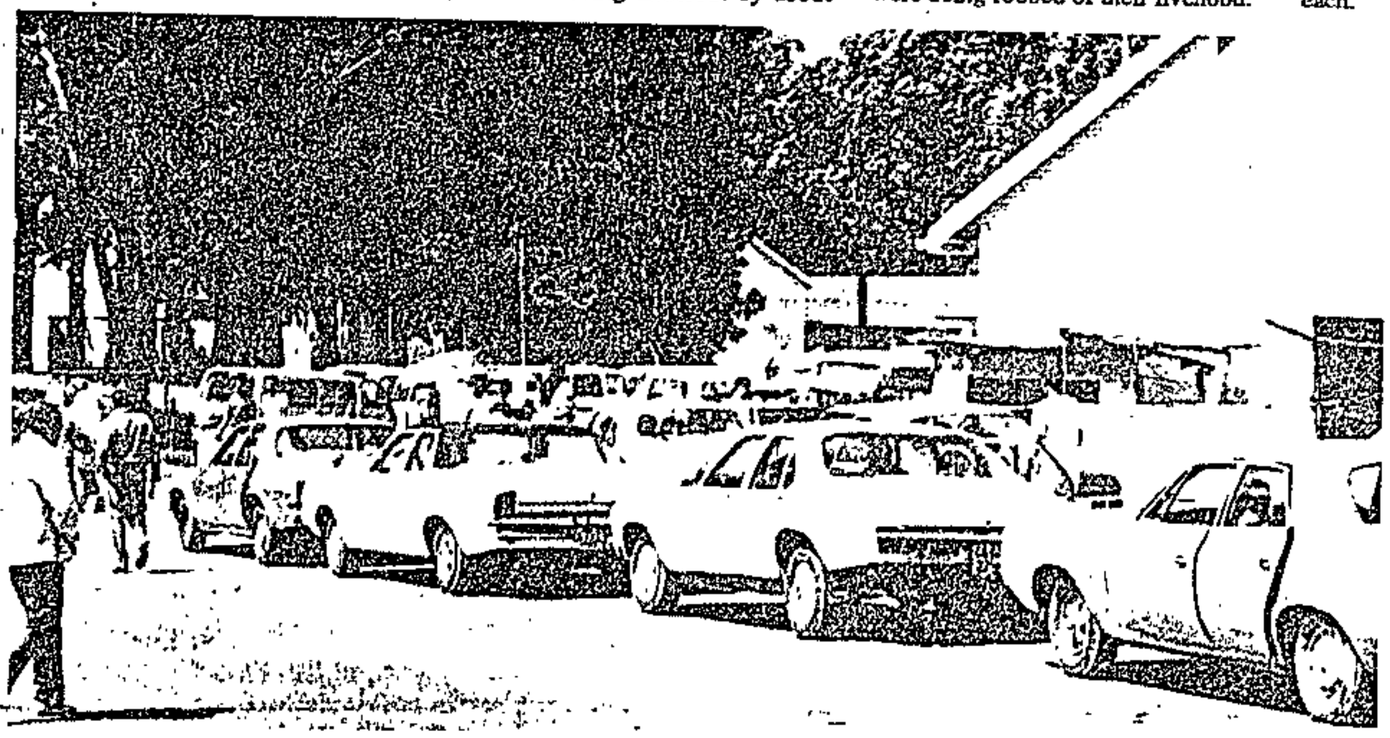
"People react when you take away their bread," he said.

Another taxi driver said the profits of the 15-seater taxis proved they were acting unfairly.

"Sometimes we get between R150 and R200 a week. The owners of the bigger taxis get about R700. This shows that their capacity is their strong point," he said.

Another Guguletu taxi driver, Mr M Khohla, said the Western Province Black Taxis Association would rule on the matter this week

A Langa mini-bus taxi driver said: "We also have licences to operate wherever we want. But for the sake of peace it is wise not to poach sedan taxis' passengers," he said.



A peaceful Nyanga taxi rank where sedan taxi drivers clashed with mini-bus taxi drivers over the alleged 'poaching' of clientele last weekend.

Argus 13/11/87

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Man burnt alive in car during taxi 'war'

The Argus Correspondent

DURBAN. — The Natal North Coast town of Isithebe is tense after a man was bound, thrown into his car and set alight and at least 14 other taxis were torched in a week of violence with angry passengers objecting to a fare increase.

Factory-owners have been forced to increase security and, in some cases, "smuggled" their employees home in vans after violence increased when a bus company moved in to ferry people to and from work.

The trouble started on Monday when taxi drivers increased their fares, but it was not until Tuesday that fighting broke out.

According to one employer, a taxi driver was beaten up, bound and thrown into the boot of his car, which was set alight.

WANT REVENGE

"The people went crazy and have burned another 14 taxis. Matters got worse when a bus company moved in. The taxi drivers hit back with their own mobs," said the employer, who did not want to be named.

There has been fighting in the streets between passengers and taxi drivers who are demanding revenge.

Last night, some employers allowed their employees to sleep on the premises, but they will have to go home tonight and fears for their safety heightened when gangs began "patrolling" the streets in Isithebe yesterday evening.

Brigadier Dries Laas, commissioner of the Kwazulu police, said today that police investigations were continuing. No arrests had been made.

There's no bus link either

By BARBARA ORPEN

GRAHAMSTOWN — A bus service linking Alicedale and Grahamstown was called for yesterday, following the cancellation of passenger train services to the City of Saints.

Referring to reports that buses run between the two towns, Alicedale's Deputy Mayor, Mr O Nicholson, said there was no such service. He hoped a bus would be introduced soon.

The lack of regular transport between the towns meant, he said, that people living in Alicedale and working in Grahamstown would probably have to find temporary accommodation in Grahamstown.

Mr Nicholson did not think the lack of a train service would depopulate the town. Although Alicedale had been stagnant for some time, he was optimistic that it could now attract industries.

The town, population 8 000, has a mohair factory and a small furniture factory at present.

The municipality would soon be taking over services such as water and electricity from SA Transport Services, he said.

Govt may help with black pupils' bus fares

By Maokeng Kgwete

An inter-departmental government committee is investigating the possibility of subsidising pupils' bus fares in the wake of a decision by Putco to withdraw these concessions.

Putco confirmed yesterday that it was proceeding with its plans to scrap the subsidy on January 1.

Talks between the Department of Transport and various educational departments were continuing, said Mr Job Schoeman of the Department of Education and Training.

He said: "At the moment no decision has been made on whether or not our department is going to subsidise scholar fares".

Earlier this month, Putco announced it was to withdraw its concessions on scholar fares from January 1. The move was taken as a result of the losses it had incurred for the past three years, it said.

Putco spokesman, Mr R Duff, said his company had incurred a loss of between R12 million and R15 million a year because of its these concessions.

"We became aware that various education departments had schemes in existence to assist white, coloured and Asian scholars to get to and from school through various types of transport subsidies. For nearly four years Putco has canvassed various government departments to give the black scholars' transport problem some recognition," he said.

Mr Duff said a further loss of about R11,7 million was recorded for this financial year alone and it was because of this that Putco was forced to take a move it had avoided for three years.

The new fares mean that scholars will have to pay between 30 percent and 90 percent more for their journey, depending on the distance they have to travel.

ARGUS 18/4/87 CITY/MITCHELL'S PLAIN 332

Urgent call for more minibus taxi ranks

Staff Reporter

EXTRA ranks for minibus taxis should be given high priority "as a matter of urgency", the City Council's utilities and works committee has recommended after recent heated clashes between taximen and law enforcement officers.

There are 1 261 licensed taxis operating from only 331 taxi stands in the municipal area.

As a stop-gap measure traffic manager Mr Wouter Smit has proposed establishing new ranks for 29 taxis. This would mean removing nine parking bays in Strand Street, scene of several confrontations between his officers and the taximen.

Lucrative market

"The recent problems can largely be attributed to the expectations created by the proposed deregulations contained in the White Paper on National Transport Policy," Mr Smit said in a report to the committee.

"During the past months many individuals have acquired the use of a kombi-type vehicle to join in the expected free-for-all of the lucrative market of conveying passengers for reward."

Traffic police were caught up in a "socio-political problem". Taxi regulations appeared to be enforced mainly against blacks in the view of "many members of the public and some persons in authority".

Valid permits

This made it more difficult to act against pirate taxis who, he conceded, provided a much-needed service.

Many taxi operators, pirates included, were now working from ranks in the city centre close to Cape Town station. Even legitimate operators were changing to minibuses. There had been calls for the reintroduction of the old Strand Street taxi rank, he said.

Additional "pick up and set down" areas have been introduced recently to be used by operators with valid permits. These include 20 each in Strand Street extension, Mowbray (with a further 20 planned) and Claremont.

Increasing demand for taxi permits covering the major bus and rail terminals have added a note of urgency to proposed developments on the station deck, Claremont, Wynberg interchange and Klipfontein Road at Gatesville.

Trencor: One of the JSE's star performers

By AUDREY D'ANGELO
Financial Editor

TRENCOR executive chairman Neil Jowell is the Cape Times Businessman of the Year. The award was presented to him by Cape Times executive editor Gordon Kling at a lunch attended by leading Cape Town business and professional people yesterday.

Describing Trencor as "one of the JSE's star performers", Kling explained that Jowell had been chosen to receive the award because of his group's consistently good performance over a period of years.

He said that from humble beginnings in Namaqualand when Jowell's father, a garage owner, started up a transport company to replace a railway which closed down, Trencor had grown to a group employing 5 000 people.

Road transport was still its core business, but it also manufactured trailers. A subsidiary manufactured containers for ships, and export earnings made a substantial contribution to profits.

Kling said it was impossible to refer to any dramatic turnaround for Trencor because it had never needed one. Unlike many other companies in recent years it had never been in any trouble, but had consistently increased its profits.

Jowell, who described himself as "a conservative businessman", said that company chairmen and CEs who made political statements should make it clear whether they were doing so in a personal capacity or as head of their organizations.

But he thought he was justified in making a plea to the government for more privatization, as this was something he had a mandate from Trencor to do since its road transport interests were in competition with the public sector.

There was a wide consensus that the public sector was too large and must be reduced. Private business in a free economy had an important part to play in bringing increased freedom and progress in this country.

Jowell said the government had often repeated its commitment to proceed with privatization, but so far had done so little that it "almost amounts to sub-contracting".

Bold move needed

There was a need to get the ball rolling with a bold move.

● Neil Jowell took B Comm and Ll B degrees at the University of Cape Town. After gaining an MBA degree at Columbia and working overseas for three years he returned to SA to join the family business.

He is married to Kate Jowell, a senior lecturer at the University of Cape Town Graduate School of Business, who served on the Margo Commission.

This year Trencor achieved record profits for the fourth successive year. Earnings rose by 40% to 154,3c (110,8c) a share.

Jowell said at yesterday's lunch that "Trencor expects a very good year in 1988".



Mr Neil Jowell

Transport man wins our award for business

By ROGER WILLIAMS
Chief Reporter

MR RIMMER DE VRIES, vice-president of the Morgan Guarantee Trust in New York and a world-renowned economist, said at the annual Cape Times Businessman of the Year lunch yesterday there was no doubt the US dollar would fall further.

But he believed a world recession would be avoided.

Mr De Vries was guest speaker at the lunch, at which Mr Neil Jowell, chairman of Trencor, a group of transport-oriented companies, received the 10th Businessman of the Year award from the Executive Editor of the Cape Times, Mr Gordon Kling.

Referring to the recent Wall Street crash and the decline of the dollar he said: "If nothing more happens I don't think the US economy will suffer all that much from this. But we do need significant budget action — and I believe we'll get this."

Mr De Vries said there was an "enormous challenge" facing South Africa, from an economic point of view. There was no reason, he added, why this country should not achieve an economic growth rate of 8% — 10%, rather than the mere 2 ½% that had been officially forecast.

"You've got the capital here — and the thing is to use it here.

"With more ambitious targets, and with better use of your labour resources and a better distribution of wealth, you can do so much better."

● Mr Kling, addressing more than 120 top business executives who attended the lunch, said the Cape Times saw itself as "very much a part of the city's business community".

"Our fortunes obviously remain closely tied to yours. It's our job to help you communicate. We want to keep you informed — and to a considerable extent we want to entertain you as well."

Referring to the 1987 award-winner, Mr Kling said Mr Neil Jowell's "low-profile" Trencor had been one of the Johannesburg Stock Exchange's top performers since 1977, and last year it had been ranked ninth best performer over a five-year period in the Financial Mail's top 100 companies.

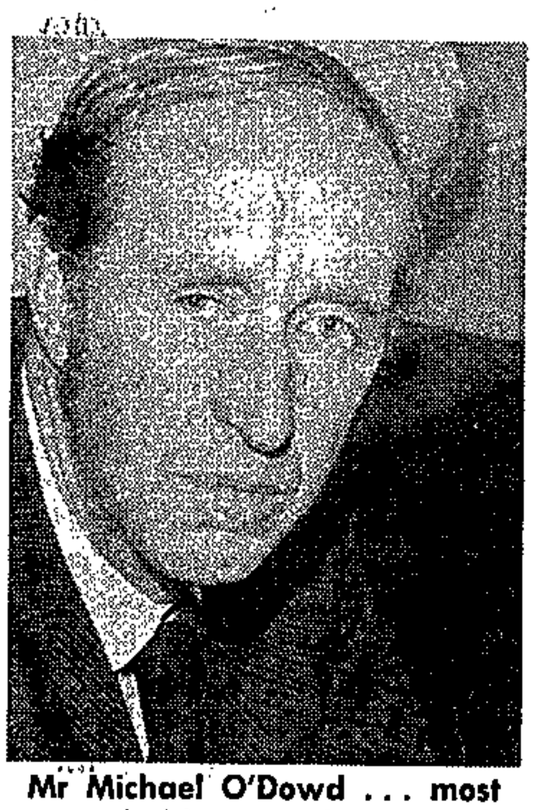
"As the FM put it recently: 'Trencor chairman Neil Jowell has become known for his conservative financial bias — and for consistently producing results that are better than his predictions.'"

● Pictures on Page 14

Thanks to the dismantling of controls . . .

Booming black taxi industry worth R1 billion

232 SMM 19/4/87



Mr Michael O'Dowd . . . most remarkable growth in South Africa for many years.

By Michael Chester

More than R1 billion has now been ploughed into the black taxi industry, with operators running more than 40 000 vehicles and supporting a labour force of 100 000, according to new estimates by the Free Market Foundation.

Foundation chairman Mr Michael O'Dowd, of the Anglo American Corporation, today described the development of the industry as "one of the most remarkable pieces of economic growth and development we have seen in the past few years".

He said in an annual report that its rise had taken place without any form of government help or stimulation of any kind — purely as a result of the relaxation of cumbersome controls and regulations.

"This is the kind of growth we have to look for and which we can have if we are prepared to deregulate," he said. However, the dismantling of controls and regulation had still not gone nearly far enough.

"It is no use looking for a re-run of the past," he said in a sharp attack on the economic theories propounded by political extremists on both wings.

"We have conservative right-wing demands for a return to controls and the kind of half-baked central planning which we had in the past — in other words, that we should re-run a set of policies which have manifestly failed.

"The situation in South Africa is rendered singularly ironical by the fact that the left wing here is using the arguments and proposing policies which are being abandoned all over the world.

"Left-wing intellectuals seem to believe that the kind of communism which was fashionable in the 1950s can be implemented in South Africa, even as it is being abandoned in Russia," he said.

"Our argument is that de-control and deregulation and a return to the market system has not gone nearly far enough."

(332) 22/11/87 City Vol

Taxi war is brewing on the East Rand

By STAN MHLONGO

A TAXI feud is brewing on the East Rand over a decision by a recently elected committee in Thokoza to refuse issuing 118 taxi licenses to applicants who are unable to pay R6 000 to join a new taxi body.

Thokoza Taxi Organisation public relations officer Paul Ngubeni said taxi owners who were reluctant to join the Thokoza Community Transport Services were not being issued with taxi licenses.

Ngubeni blamed "opportunists" for creating an atmosphere of disunity between the Thokoza Taxi Association and the Thokoza Taxi Organisation.

"Residents were looking at unity as a priority when elections were held at Thokoza recently. Instead, the elected committee went out of its way to form Thokoza Community Transport Services," said Ngubeni.

He added that some of the taxi operators were widows and poor "so where does the Community Transport Services expect them to get the R6 000?"

At present there are 85 illegal taxis operating in Thokoza, compared to the 20 who are known to be operating legally.

"Local taxi owners are very unhappy with the present situation. The 118 applications were made in 1983 and when the applicants have to be granted the licences they are being told to pop out R6 000 and become Thokoza Community Transport Services members first.

"It is surprising to see that taxi licenses are being withheld when there is a drastic shortage of taxis, and places like Verwoed Park and Rand Hut has no transport," said Ngubeni.

Founder of the Thokoza Community Transport Services Jacob Sekete said 30 taxi owners had already joined his organisation.



There are 85 illegal taxis operating in Thokoza township.

Nearly 19 000 in six months

Huge tally of mini-bus taxi crashes

By Frank Jeans

There were nearly 19 000 accidents involving mini-bus taxis in the six months to June this year — or more than 3 000 mishaps a month.

In the past 10 months there were 24 800 prosecutions against taxi owners.

These figures were given by Mr Phil Erasmus, chief executive officer of the Sandton-based Transport Technical Industries (TTI), in support of his argument that as deregulation of the country's transport industry nears, road users must take "the caution route and not the roller coaster to decontrol".

He emphasised that he was using the taxi accident figures purely as an indication of what might happen if deregulation occurred without quality control parameters thrashed out by the majors in road transport — in the public and private sectors.

Concern is mounting within the industry as the December 1 deadline approaches when road-hauling restrictions are lifted in metropolitan areas and the phasing out of deregulation begins.

"My fear is that while the long-term principle of deregulation has got to be right, there is the danger of a new breed of haulier entering areas of transportation in which he lacks hands-on knowledge," said Mr Erasmus.

"There are so many areas to look at — overloading, hazardous cargoes, driving hours, vehicle testing — that the industry just cannot afford to drive pell-mell into privatisation."

Mr Erasmus, who is also chairman of the Public Carriers Association, added: "In thinking about deregulation, people seem to envisage the same number of haulage contractors as at present and the same standards of behaviour and performance, but without the red tape.

"Unfortunately, it is not that simple. Black taxi operators are working under virtual deregulation and the police have no doubt why the accident figure in this sector is so high. Drivers, in the rush to get rid of one load of passengers and take on another, are breaking about every traffic regulation in the book."

While defending the policy of unshackling black taxis from "unreasonable restraints", the PCA chairman believes that by not initially ensuring that essential minimum standards were met and that these were understood by the drivers, the Government had created a very difficult problem.

Four regions pull out of taxi body

332

Sowetan 26/11/87

THE Southern Africa Bus and Taxi Association, which recently suffered a major setback when plans to buy Putco floundered, has had another major setback — four of its regions are pulling out of the organisation.

The four regions are Alexandra, Soweto, Western Transvaal and Vaal Triangle.

Alexandra has already formed a new taxi association, the Alexandra Midrand and Sandton Taxi Association, with 150 members.

The other three have indicated that they would be pulling out from Sabta.

It is not known if another national black transport organisation is to be formed following the pull out.

The four regions said it was still early to think of forming a new national taxi body.

By MZIKAYISE EDOM and JOSHUA RABOROKO

The four regions claim that:

- The mother body was not running the affairs of the organisation properly;
- Sabta had failed to inform members about developments in the organisation;
- Members were not informed when Sabta was negotiating to buy Putco;
- Members were also not informed when members of the national executive committee went to London on November 3. They came back on Tuesday;
- Regions were not sent financial statements; and
- The mother body was neglecting its members.

Mr Knox Matjila, the acting president of Sabta, yesterday said he was not aware of any split in the organisation.

He said: "I am also not aware of the allegations by the four regions. We are going to investigate the allegations and we will respond in the near future."

The chairman of the newly formed taxi organisation in Alexandra, Mr Ronald Seopa, said his association was prepared to meet other groups that split from Sabta to discuss common problems.

"We broke away from Sabta after they had failed to attend to our problems," Mr Seopa said.



KNOX Matjila . . . unware.

DEREGULATION — TRANSPORT HORROR

New exempted areas for the transport industry are being touted by government as a step towards deregulation. In reality they represent a tangle of red tape and administration that will increase transport costs and contribute to inflation.

Implementation of the new rules are so muddled that most transporters are now illegal because application for registration opened on the same day — December 1 — that the new areas became law.

Oil companies have been excluded from the exempt areas, and are now required to apply for permits to transport more than a 210/ container (44 gallon drum) of fuel. They are refusing to comply and are operating illegally.

Testing stations cannot cope with the flood of vehicles requiring certificates of fitness or roadworthiness certificates.

Minister of Transport Affairs Eli Louw has therefore been forced to declare a period of grace to April 30 1988 for carriers to comply with this requirement. He has not, however, extended the time of registration. The new regulations replace previously defined exempt areas with 300 km radii centred on main post offices in Cape Town, Durban, Johannesburg, Pretoria, East London, Bloemfontein, George and Port Elizabeth. Newcastle is an exception with a 150 km radius.

Operators wishing to use the non-permit areas must obtain Transport Registration Certificates for their businesses, and Transport Vehicle Certificates for each vehicle. In addition, loaded vehicles must carry a consignment note, delivery note, weighbill or bill of lading signed by both the consignor and consignee and giving full details of the cargo. This means transporters now have to alter their computer programs or admin procedures to provide information previously not required.

Those found in contravention of the new regulations could face stiff fines, and after a second offence could have both the vehicle and its cargo confiscated.

Says CE André Jacobs of the National Association of Private Transport Operators (Napto): "We asked the minister to phase in the new areas up to April or June 1988. We are pleased that the 300 km radius has been introduced, because it is a step towards deregulation and a more professional approach to transportation. But we are horrified at the implementation, which is totally-unworkable."

Napto meets Louw this week to try to renegotiate the whole issue.

Taxi crisis: Transport policy review

Pre Trials
7/12/87
332

Own Correspondent

JOHANNESBURG. — Government looks set to review its transport deregulation policy following a major crisis in the black taxi industry.

Informed sources said at the weekend a special ministerial work group, under the Minister of Transport, Mr Eli Louw, had been set up following reports of over 45 000 unregistered black taxis on South Africa's roads.

The move, they said, could lead to the reintroduction of stricter controls.

Transport spokesmen have slammed government's rush to deregulate and say National Road Safety Council statistics show 18 715 accidents involving mini-buses in the six months to June 1987.

The recently-appointed chairman of the Public Carriers Association, Mr Phil Erasmus, says prosecutions against black taxis have rocketed to 24 800 for the first 10 months of 1987 for a variety of moving offences.

These represent only a fraction of actual offences committed, he says.

Mr Erasmus points to four accidents on the N1 freeway between Pretoria and Pietersburg during September, which were responsible for the loss of 39 lives.

"The police are in no doubt why the accident rate is so high. Taxi drivers, in the rush to get rid of one load of passengers and take on another, are breaking just about every traffic regulation in the book.

"Overloading in this context is no technicality, but is a very serious matter. In the wrong hands, an overloaded minibus becomes a death trap."

SA Bus and Taxi Association (SABTA) national adviser Mr James Chapman says in its investigations of the N1 accidents, the Department of Transport found in all cases illegal taxis were involved.

"The situation is becoming critical. Passengers, the public and our drivers are at risk if something is not done." SABTA is the central body for 40 000 taxis.

Mr Chapman says his organization recommended to the National Transport Policy Study that deregulation be phased in gradually.

"For some reason the report was passed through the Competition Board, which objected to our recommendations, and they were dropped. Government has now had a rethink and has appointed the group to look at the problem."

Minister launches probe into taxi death traps

DD 7/12/87

JOHANNESBURG — The government looks set to review its transport deregulation policy following a major crisis in the black taxi industry.

Informed sources said at the weekend a special Ministerial Work Group (MWG) under Transport Minister, Mr Eli Louw, had been set up following reports of over 45 000 unregistered black taxis on South African roads.

The move, they said, could lead to the re-introduction of stricter controls.

Transport spokesmen have slammed the government's rush to deregulate and say National Road Safety Council statistics show 18 715 accidents involving mini buses in the six months to June 1987 — more than 3 000 a month.

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"For some reason the report was passed through the Competition Board which objected to our recommendations and they were dropped. Government has now had a rethink and has appointed the MWG to look at the problem."

He said Sabta had resubmitted its recommendations on deregulation to the MWG and has also formed the Black Transport Development Trust. — DDC

Call for stricter black taxi controls

9/12/87 (332) DD

EAST LONDON — Stricter controls on the black taxi industry were needed, the chairman of the Mdantsane, East London and Districts Taxi Association, Mr M. Bukweni, said yesterday.

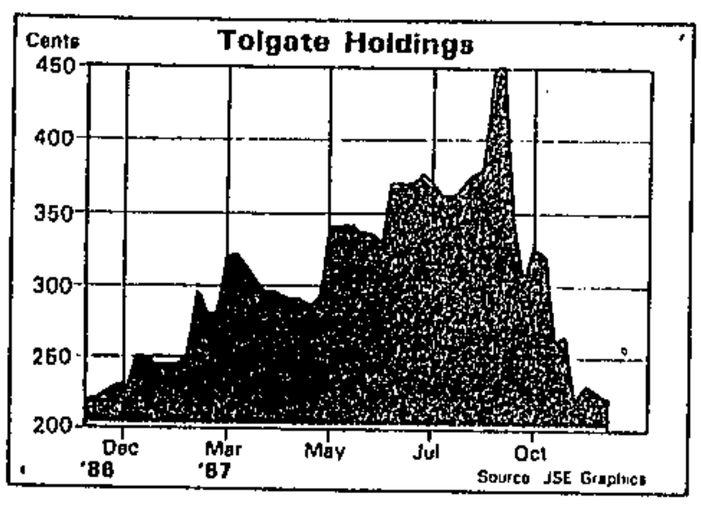
Mr Bukweni was responding to reports that the government was set to review its transport deregulation policy as a major crisis loomed in the black taxi industry.

The Daily Dispatch's Johannesburg correspondent reported that stricter controls might be reintroduced following the setting up of a special ministerial work group under the Minister of Transport, Mr Eli Louw, after reports of more than 45 000 unregistered black taxis on South Africa's roads.

"We need stricter controls on taxis but we don't know what these will be," Mr Bukweni said.

He warned, however, that stricter controls could affect the industry adversely and ultimately destroy it depending on what the controls were.

Transport spokesmen have criticised the government's rush to deregulate, saying that National Road Safety Council statistics show 18 715 accidents involving minibuses in the six months to June 1987 — more than 3 000 a month. — DDR



Activities: *Involved in road passenger transport, tourism, automotive engineering and related services.*
Control: *Directors control 22% of the equity.*
Chairman: *M D Marais; managing director: J Barnard.*
Capital structure: *18,5m ords of no par value. (Capital issue of 5,5m ords of NPV held after year's end). Market capitalisation: R40m.*
Share market: *Price: 215c. Yields: 10,7% on dividend; 19,5% on earnings; PE ratio, 5,1; cover, 1,8. 12-month high, 450c; low, 215c. Trading volume last quarter, 722 000 shares.*
Financial: *Year to June 30.*

	'84	'85	'86	'87
Debt:				
Short-term (Rm) ..	5,9	17,0	9,9	7,4
Long-term (Rm) ...	10,5	13,3	6,8	3,0
Debt:equity ratio	0,26	0,44	0,23*	0,14*
Shareholders' interest	0,63	0,57	0,62	0,63
Int & leasing cover .	5,2	2,24	3,50	18,0
Debt cover	0,84	0,49	0,92	1,8

Performance:

	'84	'85	'86	'87
Return on cap (%) ..	13,2	9,6	11,8	14,0
Turnover (Rm)	92	108	127	145
Pre-int profit (Rm) ...	13,1	11,5	13,3	16,1
Pre-int margin (%) ..	14,3	10,7	10,5	11,1
Taxed profit (Rm)	4,6	3,3	5,3	7,7
Earnings (c)	27,2	17,6	28,6	41,9
Dividends (c)	20	15	20	23
Net worth (c)	353	370	379	396

† All figures are calculated before the capitalisation issue of 5,5m ordinary shares on September 18, 1987.
* Net of cash

TOLLGATE

Steady ride

Tollgate's profits are closely related to the level of employment in the areas in which it operates, so the sluggish growth pace of the South African economy in the past year has been of limited help to the company. It reports that the hesitant improvement in the economy has not yet made a substantial impact on the level of unemployment, and the company's turnover growth of only 14% in the past year is indicative of this situation.

However, improved margins, lower debt, and a sharp reduction in interest paid enabled the company to show 58% growth in pre-tax profit, although net profit growth was trimmed to 47% by a higher tax rate of 49% (45%).

The company says prospects for further economic growth at an increased rate are not positive and in the absence of further increases in employment, especially in the eastern Cape, it is difficult to see Tollgate's operating results increasing at the same rate. While the number of commuters in the western Cape has increased slightly, there has been no improvement in the position of the bus company in Port Elizabeth, which continues to be affected by high levels of unemployment, coupled with social unrest and labour disturbances.

As Tollgate's debt is already low at R10,4m, making for a debt:equity ratio of 0,14, further financial gearing benefits will be difficult to achieve. However, there are certain factors which could have a favourable effect on the company's earnings in the current financial year and which have not been taken into account in the directors' prospects statement.

Government's White Paper on transport policy, tabled in parliament in January, accepted the principle that the Department of Transport should negotiate interim contracts with existing bus operators to convert the present bus subsidy system — which is based on the number of passengers conveyed — into fixed period contracts.

The contracts are intended to give operators "a measure of security and stability during the interim period in which the responsibility for transport is being handed over to the regional services councils."

Tollgate MD Johann Barnard says he is hoping the new system will guarantee returns on capital employed for a fixed period, and says that while the contracts didn't come into effect at the beginning of 1987, as envisaged by the White Paper, he is hoping they will be introduced from April 1 1988, thus affecting three months of the company's current financial year.

Barnard says although the system has not yet been finalised, he believes it will have a beneficial effect on Tollgate's profits in the current year.

In addition, the company is in an expansion phase, and acquisitions appear to be in the pipeline, although Barnard is unwilling to specify in what areas these might be.

He says: "We are the only South African bus company that did reasonably well in the past year and there are many opportunities up for grabs." However, the company will need to make an acquisition fairly soon if it is to contribute to Tollgate's profits for the year to June 1988. At 215c, the share yields a high 8,2% on dividend compared with the transportation sector average of 4,4%.

Pat Kenney

Changes to labour relations legislation

B. Day 17/8/87

CHRIS CAIRNCROSS

CAPE TOWN — Fundamental changes to existing labour laws, which could materially influence industrial relations, are to be tabled in Parliament later this year.

The purpose is to fine-tune existing legislation and tackle those pressure points in labour relations which are still creating problems, says Manpower director-general Piet van der Merwe.

The changes to be introduced are mainly the result of submissions made by employer and employee organisations on the draft Labour Relations Amendment Bill, published for comment in the Government Gazette last December.

Van der Merwe said a large number of organisations submitted their views, and there was a remarkable degree of consensus.

The main changes to legislation envisaged, but by no means finalised, concern the appointment of a special labour court, a court of appeal; changes in the numbers and streamlining of conciliation board procedures; and refinements to the definition of an unfair labour practice.

The legislation is expected to signal a mucher harder government line against "illegal" union strike action.

New provisions will make it far simpler/easier for employers to seek recompense from unions who take action outside agreed procedures.

Restructure SA's economy — Cosatu

B. Day 17/8/87

ALAN FINE

A 90-page booklet, Political Economy — SA in Crisis, published by Cosatu last week, criticises solutions put forward by SA's big business establishment as being unable to solve the country's deep-seated economic problems.

It calls for the economy to be restructured, but warns that to merely talk of socialism as if it were a "magic formula" also fails to answer key questions.

The booklet, produced by Cosatu's Durban-based education division, is aimed at union membership.

It argues privatisation will mean a hand over of parastatals to large monopolies. This process, it says, will not constitute new investment or create jobs.

A more likely outcome will be higher levels of retrenchment as the new owners rationalise the corporations to make them more profitable.

And profits from these new private ventures are unlikely to be invested in the creation of new jobs, because of a lack of business confidence and shrinking local markets.

It further argues privatisation of areas of "social consumption" like housing, health care and education will be counterproductive, in that these products and services cannot be made available to the mass black market at affordable prices.

The final chapter of the booklet raises a number of issues which Cosatu believes need to be addressed. These include the nature of political structures for a future democracy and protection of individual rights.

New traffic crackdown

Cape Times 18/12/87. 332

R5-m paid in city fines

Staff Reporter

CAPE TOWN's motorists have paid a whopping R5 million in traffic fines this year — an average of R420 000 every month, Cape Town's traffic manager, Mr Wouter Smit, disclosed yesterday.

Some of the serious offences were:

- Disobeying a red robot (7 800).
- Overtaking under dangerous conditions (700).
- Disobeying a barrier line (3 200).
- Disobeying a stop sign (4 500).

The traffic chief said 17 people had already died in road accidents in the city this month and 2 146 motorists were arrested for drunken driving this year (58 so far this month).

The city's road-accident fatality figure stood at 301 compared to 309 last year and this month's road death figure at 17 compared to 21 at the same time last year.

Traffic authorities have intensified their efforts to combat drunken driving and roadblocks will become a regular feature during the critical period between now and January.

The department is taking the festive season so seriously that few traffic officers have been allowed to take leave.

Mr Smit said said traffic authorities would continue to try and make drunken driving socially unacceptable. The legal limit for drivers is 0,08g/100ml.

Motorists who drink and drive can expect to be fined between R800 and R2 000; get a conditional suspended sentence; have their licences endorsed; be ordered to attend lectures in road safety at the Alcohol Safety School; serve periods of imprisonment or do community service.

Should a drunken driver be involved in an accident, the severity of the accident and level of intoxication are taken into account.

The traffic department has discussed "collective action" with Nicro and the Department of National Health and Population Development.

"We are looking at a multi-disciplinary approach to create an awareness of the effects of drunken driving and to make people aware that their judgment will be impaired and that people could die and a large number be crippled and maimed for life."

He appealed to businesses and companies planning staff parties not to allow their staff members to drive after drinking alcohol but rather to arrange alternative transport home.

"I beg motorists, but also pedestrians, to make a real effort to keep this an accident-free festive season," said Mr Gene Louw, Administrator of the Cape.

"The joy and happiness this will bring us will more than make up for the small sacrifice."

Catholic killed in Irish bombing

LONDONDERRY. — A Catholic man was killed and 15 people were injured when two bombs ripped through a Protestant housing estate on Wednesday night in what police believe was an IRA attack.

One witness said after the bombs damaged 50 houses and scattered torn Christmas trees across the streets: "It was pandemonium and everybody panicked. People were running about screaming and crying and the children were terrified."

There was no warning of the blasts.

British and Irish ministers swiftly condemned the attack. A police spokesman said the bombs were made from a type of gelignite used exclusively by IRA guerillas.

A spokesman for the IRA in Londonderry denied responsibility for the bombs.

Police said the bombs were planted in holdalls on the mainly Protestant Tullygalley estate. Two exploded in the same street. A third, thrown from a hijacked taxi by the bombers as they fled, was later defused.

The only fatality was retired milkman Mr Gerry Doherty, 60.

KARPOV TAKES GAME 23

PAGE 5

...rescued by Mr le Roux Kle

'All heavy vehicles over legal weight'

Cape Times 20/2/87 332

Own Correspondent

JOHANNESBURG. — Shock statistics released after a countrywide transport survey show the rear axle loads of all heavy vehicles travelling on SA roads to be 16% over the legal weight limit.

The survey, compiled by the National Institute for Transport and Road Research at the CSIR, says the damage to roads caused by overloaded axles amounts to about R120m a year.

Calling for stricter law enforcement, the report says the scale of fines imposed upon conviction should be increased.

"The fines currently imposed on conviction are negligible in comparison with the damage caused and clearly ineffective in discouraging overloading.

"Research in the US and SA has shown that damage to the road by axle loads that exceed the legal limit increases out of all proportion to the loads — an axle carrying twice the legal load causes 18 times as much damge as one legal axle load."

The report says that with investment capitalized at about R26 bn, the yearly upgrading of the country's road network is rapidly falling behind the new vehicle rate.

Full h... for fes...

Staff ...

THERE is ... accommod... able for th... val, due to ... ary 29, at ... hotels bet... Bay and Ge...

However, ... have made ... camping si... for a fur... people.

A spokes... Mossel Bay ... said nearly ... tors had fl... popular sea... and more w... to attend th... festival.

Trains a... groups will b... attractions a... val, which ... the arrival o... "Bartolomeu ... February 3.

ROAD TRANSPORT

Deregulation rules

Quality control will replace regulatory control of the national road transport industry under the newly drafted Road Traffic Bill and accompanying Road Traffic Regulations.

The proposed legislation, contained in three massive documents of more than 400 pages, has been circulated to industry bodies for comment by the end of February. Amendments will be made in the following weeks, after which presentation to parliament is scheduled for late in the first half of 1988.

An important related document has also just been issued by the SA Bureau of Standards: The Code of Practice for Testing Stations (number 0216). This is the first time that vehicle testing grounds in SA have been subject to a code of practice, and the move ties in with both the draft regulations and the introduction of the new 300 km exempted areas centred on major cities around the country.

Says a Department of Transport (DoT) official: "We are moving fairly fast on transport deregulation because it is seen as a major priority for government. We have recognised the fact that hauliers have been hidebound by hundreds of regulations for many years, and that over-regulation has added to the cost of transportation.

"Deregulation is aimed at streamlining this situation and making life a little easier for transporters, while retaining a form of control based on quality of operation rather than regulation. We hope in this way that deregulation will be an orderly procedure that will avoid most of the mistakes made in countries like the US, where deregulation resulted in chaos.

"It is to be hoped that the new approach will also help reduce costs, which will then directly affect the economy as a whole and the inflation rate."

Both the Bill and regulations contain major input from the private sector, which has been closely consulted by the DoT during drafting.

The most important new inclusions concern the introduction of professional driving permits and the concept of "fitness of operators."

Driving permits will be valid for 24 months and come in three categories: G for conveying goods (minimum age 18), P for conveying people (minimum age 21), and D for conveying dangerous substances (minimum age 25). They will be issued by the director general of the DoT and require a valid driver's licence and recent medical report. Category D applicants also have to provide a training certificate in terms of the Hazardous Substances Act.

Anyone refused a professional driving permit has the right, under the Bill, to appeal to the minister of transport within 21 days of the refusal.

Operator Fitness deals with the identification and registration of transport operators, defined as the owners of goods vehicles of more than 3 500 kg gross mass or passenger vehicles operating for hire or reward.

Operator cards will be issued by the director general for each vehicle owned, and displayed prominently in the vehicle.

The idea is to make an operator responsible for the actions of his agents, whether transport managers or drivers. He must ensure that his vehicles are properly maintained and equipped for their work, and that all loading is in accordance with the regulations.

This is a dramatic change from the current situation, where the vehicle driver is held responsible for anything which leads to an accident or an offence (be it poor maintenance or overloading).

Operators whose vehicles are involved in contraventions of the law can have their cards withdrawn, which would effectively either remove the vehicles concerned from the road or — in extreme cases — shut down their businesses.

Only if an operator can prove that he "did not connive at or permit" such contraventions, and that "he took all reasonable measures to prevent" them, is he off the hook. In any case, the "manager, agent or employee" is also liable for prosecution.

Transport operators contacted for comment have approved the approach in the legislation, saying that for the first time it places firm responsibility where it belongs.

Assocom has also welcomed the drafts. Says Peggy Drodskie, secretary of the Transport Committee: "It represents a major step forward in SA. The DoT has worked very closely with the private sector, and has shown itself willing to co-operate with any organisation that can provide valid input.

"There will be amendments to these drafts, but certainly they represent a lot of hard work and a real effort on the part of the DoT to produce something acceptable to the private transport operator.

"For the first time, we are not having legislation imposed on us. We have been able to contribute to the Bill and regulations and discuss the situation with the department.

"We all hope this is going to happen across a broader front in future."

For deregulation to be effective, that will have to happen.

Taxi crackdown nets quick result

ARG 1/11/91

Municipal Reporter 332

A CRACKDOWN on minibus taxi operators resulted in 571 prosecutions during a 17-day period in Strand Street.

This was among the answers tabled by city council utilities and works committee chairman Mr Leon Markovitz to questions by Mr Arthur Wienburg.

Mr Markovitz said that on March 4 his committee recommended firm law enforcement in the taxi industry.

But a planned information programme designed to precede law enforcement was delayed by the taxi war.

On October 7 traffic manager Mr Wouter Smit raised the issue at a utilities and works committee meeting.

A decision to start strict enforcement in Strand Street "forthwith" resulted.

The prosecutions were for driving violations, overloading, parking offences and defective vehicles.

● The city council yesterday approved the creation of 15 posts for traffic officers.