

TRANSPORT - PRIVATE - GENERAL

~~1987~~ - 1988

JANUARY — MAY

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Independent, non-profit, public interest law firm.

Aims and objectives:

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Minibus warning

C/Pres

332

MINIBUS taxis were involved in at least 746 accidents in Maritzburg last year and city traffic chief Geoff Pascoe has warned that the crackdown on taxis was to intensify.

~~1/10/88~~

1/01/88

Many of the accidents involved fatalities.

Pascoe said over 700 warrants of arrest were executed on taxi drivers in November, mainly for failing to pay traffic fines or appearing in court.

He stressed that in addition to increasing vigilance with regard to dangerous road offences, traffic officers would also arrest any driver whose identity was in doubt. — Sapa.

Taximen demand the release of colleagues

Daily Dispatch
Reporter

MDANTSANE — Taxi-
men here decided at a
special meeting to go to
the police station and
demand the release of
colleagues who had
been arrested, and to
protest against police
harassment.

The taximen decided
to approach the head of
the Mdantsane police
security branch, and to
suspend their services
until after the meeting.

It was also decided
that if the police ar-
rested some of their
members, they would all
ask to be arrested.

After the meeting,
they drove in to the
police station in zone 1,
where they were met by
several policemen.

The taximen then de-
cided to send a delega-
tion of four men to talk
to a senior officer.

Police ordered the
taximen to sit down and
then surrounded them.

A Major Potwana
asked them to speak,
and they replied they
were complaining about
the continual arrest of
their members for the
same offence, (intimi-
dation), by one particu-
lar policeman.

They said the police-
man had accused them
of harassing another
taximan who was alleg-
edly "fronting" for an
East London man.

They said they were
raided at night at their
homes by police and
taken away, and as a re-
sult stayed away from
home at night for fear of
arrest.

The taximen said
more than 60 of their
members had been ar-
rested, and a further six
were taken away by
police from their homes.

They asked for the re-
lease of their colleagues
and said continual ar-
rests disrupted their
business.

The police ordered
the taximen into the
police station. After a
while, the taximen came
out of the police station,
and each was accompa-
nied by a policeman to
his car.

The cars were then
driven into the police
station yard.

Another senior police-

man ordered that on-
lookers should be ar-
rested for unlawful
gathering, and specta-
tors in cars were or-
dered not to leave the
area. News reporters
were also told to leave
the area.

A police spokesman
said later that the taxi-
men had all been re-
leased after a warning,
and that no charges had
been laid against them.

The cause of the taxi-
men's move was the feud
between the taximen
and another taximan, he
said.

The police spokesman
added that the taximen
had not followed the
correct method in seek-
ing a meeting with the
police. He said they
should have sent a del-
egation of five or six
men, and not come as a
group. What they did
constituted an unlawful
gathering, he added.

Taximen to apply to court

MDANTSANE — The
Mdantsane, East London
and Districts Taxi Asso-
ciation is to apply for a
Supreme Court order re-
straining and preventing
the Ciskei Police from
harassing taximen, the
association's chairman,
Mr M. Bukweni, said yes-
terday.

Mr Bukweni said the
association's lawyer had

been informed of the
move and papers had
been drawn up, which
would be served as soon
as possible on the re-
spondents and filed in
the Ciskei Supreme
Court at Bisho.

Mr Bukweni said no
date had yet been set.
The association's lawyer
would inform them in
this regard, he added. —
DDR

AR 645 8/11/88

(332)

New Plain bus schedule will 'confuse' workers

By LINDA GALLOWAY
Mitchell's Plain Bureau

CHANGES to the Mitchell's Plain bus schedule, starting on Monday, have been criticised by a civic leader, but City Tramways says that they are "in the interests of a better service".

From 5am and 7.30am, buses serving areas outside Mitchell's Plain will leave from the town centre bus terminus and passengers will not have to change at Hanover Park, Tramways spokesman Mr Bob Krause said.

Buses on normal routes in Mitchell's Plain will run every 10 minutes to take commuters to the town centre.

Mr Willie Simmers, a spokesman for the Mitchell's Plain Civic Association, said City Tramways had undertaken to discuss changes with the association before implementing them.

Not informed

"Now we hear they are starting on Monday and we weren't informed," he said. "There will be a lot of confusion."

Mr Simmers said that factory workers who were paid bonuses for early attendance feared that they would lose them because it would take longer to get to work.

But Mr Krause denied this and said that commuters would no longer have to catch extra buses because the change-over at Hanover Park had been scrapped.

Trips would not cost any more because passengers could use their clip-cards to travel to the town centre.

Mr Krause said the new schedule was "by no means final" and he welcomed suggestions from passengers.

"The motivation for the changes was a better, more reliable service," he said.

With buses leaving more frequently, Tramways hoped there would be less crowding and that there would be a seat for every passenger on every bus.

The changes would affect only early morning buses and not contract services.

● Residents of Rocklands, Mitchell's Plain, are still having to put up with odours from the sewerage works and the city council expects the problem to continue for another month.

Residents said the smell was worse than when they first complained about it in November.

City council spokesman Mr Ted Doman said that when he visited the area the smell was "not too offensive".

He apologised and said that the plant, which was being overhauled, had developed another problem and the council hoped to have it repaired by next month.

Putco 'to pay grants'

PUTCO will continue to subsidise bus fares for scholars until the beginning of February, the bus company announced in a statement yesterday.

Subsidies for scholars were to have been discontinued but the company agreed to postpone any decision until February after discussion with the Transvaal United Teachers Association yesterday.

"In postponing our decision the company hopes to assist interested black organisations, like Tuata, to bring their application to the authorities for scholar subsidies to a satisfactory conclusion," the statement said.

Appeal

During December Tuata made an urgent appeal to Putco not to discontinue subsidies and to wait for the outcome of Tuata's discussions with the Government.

"Putco is extremely anxious for parents of scholars to understand that the company does not have the slightest desire to impose hardship on the communities which it serves.

"The company's dilemma is that it has been subsidising the fares of black scholars for years which it can no longer afford.

"Putco's agreement to postpone the withdrawal of subsidies is based entirely on the possibility that a satisfactory solution will be negotiated with the proper authorities with retrospective effect." — Sapa.

332
Ginethin 8/1/88

Minibus madness last year claimed 218 lives

SVEN FORSSMAN

Major steps will be taken this year to reduce the minibus road carnage which last year saw 218 people killed and 5 679 injured in 33 624 accidents, South African Black Taxi Association managing director Mr James Chapman told The Saturday Star yesterday.

"The taxi industry is in a chaotic state because insufficient planning has gone into it. Until 1982 it was the Government's plan to phase out the black taxi — and the situation is becoming critical," Mr Chapman said, referring to the startling statistics released by the National Road Safety Council.

The NRSC attributed the high rate of accidents to overloading, lack of driving knowledge, the poor state of many minibuses and the fact that there were more than 45 000 unregistered black taxis.

But, Sabta has plans to help rectify the situation.

Mr Chapman said: "We've opened our doors to the pirate industry and we're embarking on a massive press and television awareness campaign.

"We've invited pirate operators to join our association at regional level. But, if they join us, they're obliged to abide by our code of ethics. In return, we'll help them motivate an application for a permit to the department of transport."

"Members of the public must start asking themselves if the taxi is giving the service they want. If they are not happy, they must insist on a better service. This will put pressure on the driver to perform correctly.

'No clarity'

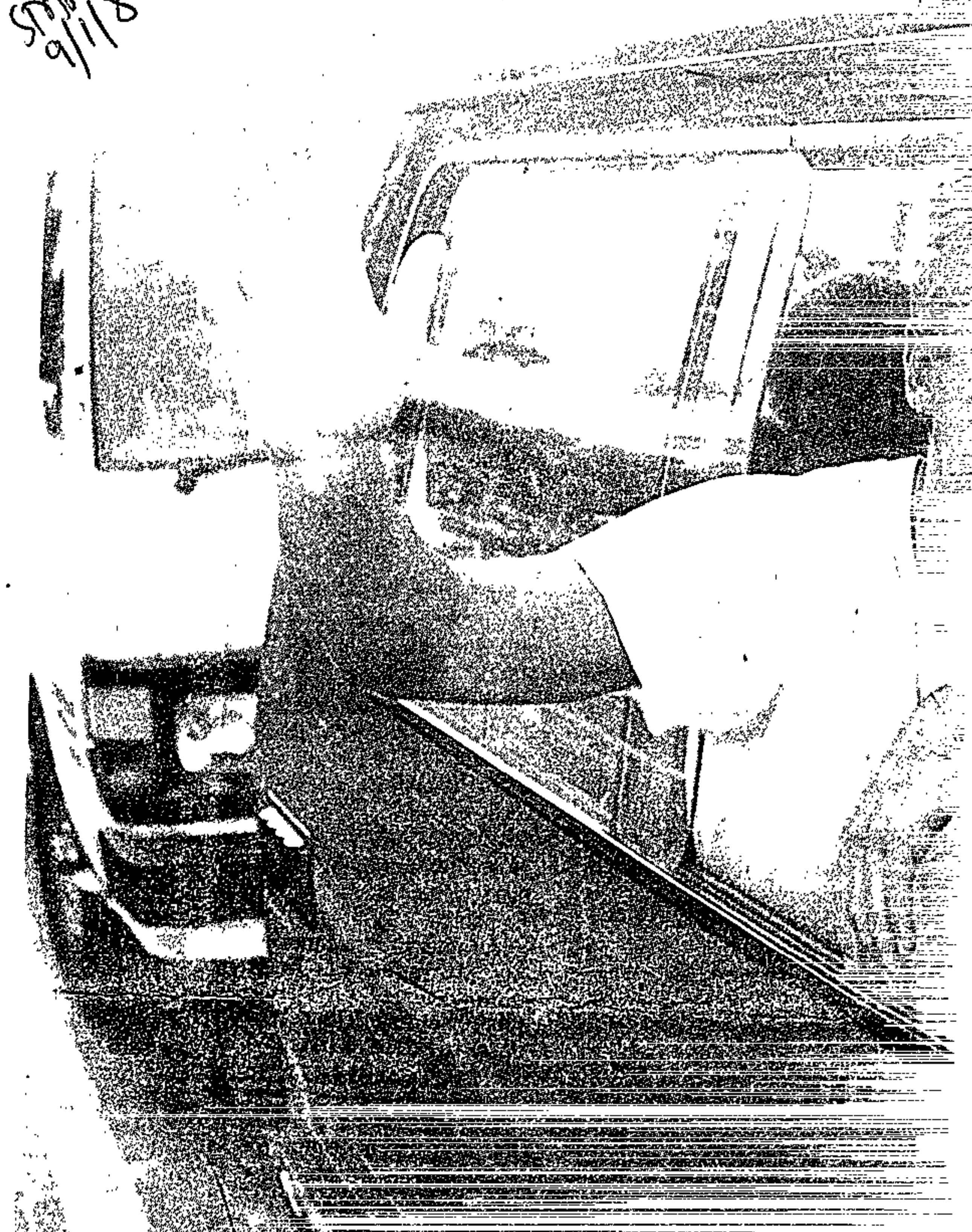
Mr Chapman said government was lethargic in coming forward to support Sabta's plans.

"There is no clarity on what the department is going to do. We've appealed to the Minister to make his case clear.

"We're not opposed to deregulation, but government must deregulate in a way that chaos does not take over, or harm the black entrepreneur. Sabta won't stand for the eroding of the black entrepreneur in the taxi industry."

Mr Chapman said there was no need for the Government to subsidise Sabta like they did Putco.

332
SFM
9/1/88



I'M NOT SCARED: White passenger Mr James Alexandre (24) of Yoo

Taxi! Whites now climbing

Whites in Johannesburg have started using black-owned taxis too because they find them cheap and clean, and the service efficient.

National Adviser for the Southern Africa Black Taxi Association Mr James Chapman viewed this move by white commuters as a major breakthrough for the transport industry. "This is excellent", he said.

"We always wanted to provide our services to the white community. It's about time that white people realise that our transport system is far better than what is now offered to them. This type of thing is what we always wanted in South Africa."

JOVIAL RANTAO

Mr Mike Ntlatleng, SABTA's public relations officer, said: "I have seen a few whites getting on to our taxis at the Blood Street taxi rank in Pretoria. Our black passengers have nothing against people of other races riding with them. In fact, they seem pleased about it and friendly towards them.

"One thing that has been confusing our drivers is that, with our old permits, black taxis were allowed to load only black passengers, but with new permits that racial tag has been removed. I would certainly

General Workers Union of S.A.
on Moulders Society of S.A.

9/01/88

534

NHSC public relations officer Mr. Bjorn van Oort said black taxis were a hazard on the road and that urgent action was necessary.

"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.

"By overloading, taxi drivers are increasing their braking distance and blinding oncoming cars at night because the front lights pick up.

"Many of them don't have the knowledge to drive a vehicle and this leads to frustration on the part of other drivers and results in more accidents."



He says he started using minibus taxis a year ago.

on board, too

advise more people of other races to make use of our service because it's simply the best," he enthused.

One white passenger, Mr. James Alexandre (24) of Yeoville, an assistant theatre manager, started using minibus taxis a year ago. "I use any taxi that is going my way," said Mr. Alexandre. "I was never scared and always find the black passengers easy to get along with. The taxis are clean and the drivers are polite, but sometimes short tempered."

According to Mr. Alexandre, black taxi drivers are highly skilled even if sometimes they get "a little bit fast".

War looms between taxis and council

City Press 10/1/88

332

By S'BU MNGADI

A COLD war is developing between the Umlazi Town Council and the local taxi owners over the lack of a bus service for the 500 000 township residents.

The UTC has threatened to seek an urgent Supreme Court interdict to stop the taxis from operating in the area after the Umlazi Taxi Owners' Association and its bus company, Umlazi-Ntokozweni-Kwamnyandu Bus Service, successfully interdicted the Durban Transportation Management Board from operating a bus service at Umlazi.

The service was to have started on December 13.

Umlazi commuters had been relying on trains and taxis since December 5, 1986, after the Putco bus

company closed down its Durban south depot following a dispute with its employees.

The Umlazi Taxi Owners' Association then introduced a fleet of 14 second-hand buses which the Umlazi community felt was not enough to cater for the needs of the township, comprising 97 schools - each school with an average of 500 pupils.

The taxi-owned bus company had pledged to increase its bus fleet as from January 16 this year.

In the application against DTMB, the Umlazi Taxi Owners' Association and Umlazi-Ntokozweni-Kwamnyandu Bus Service said they had financially committed themselves to cater for commuters. They had introduced taxis and more buses were to be introduced this month.

The DTMB'S temporary road carrier permit to operate a service in Umlazi was declared invalid.

The introduction of the DTMB bus service in the area had been arranged by the UTC.

Late last month UTC hit back at taxis by threatening to seek an urgent interdict against local taxi owners unless they withdrew their interdict against DTMB.

According to Umlazi mayor Reuben Mfeka, 500 residents mandated his council to stop the taxis at a meeting.

He said: "The people now feel that if buses are not permitted to run, then the taxis should also be stopped."

He added that they would be seeking a meeting with Umlazi taxi owners to request them to withdraw their court action against DTMB.

DTMB had bought 53 buses at a cost of R250 000 each, and had employed additional staff to man the service.

Meanwhile, the 14 taxi-owned buses were this week under a threat of being repossessed. They have already been withdrawn from the township.

Busaf sales director Shane O'Brien this week served the Umlazi bus company with papers to show cause why the buses which they had failed to pay for should not be repossessed.

Qoboza improves

THE editor of *City Press*, Percy Qoboza, has been transferred from Baragwanath Hospital's intensive care unit to the Lesedi clinic in Soweto.

City Press publisher Keith Lister said yesterday the editor's condition had stabilised and he was "beginning to show some improvement".

Doctors had said Qoboza would continue to require "constant observation for the time being as he recovers from his semi-comatose state".

Qoboza's wife has paid special tribute to the Baragwanath doctors who cared for her husband.

"My family and I are deeply grateful to them. Without their help I do not think he would be alive."

She has asked that her family's privacy should be respected "at this difficult time".



Percy Qoboza



Taxi feud could cripple driver

C/press

10/1/88

332

By STAN MHLONGO

EAST Rand taxi driver Paul Ngubeni, who was knocked down by a motorist in what is believed to be an ongoing feud among Tokoza taxi drivers, may be crippled for life if a knee operation proves unsuccessful.

Ngubeni, the Tokoza Taxi Organisation's public relations officer, will undergo the operation on his right leg at Natalspuit Hospital on January 11.

In an interview with *City Press* Ngubeni said from a hide-out in the East Rand this week his troubles began on November 21, when a motorist knocked him down on the pavement "claiming he had lost control".

The accident occurred a few metres from Ngubeni's home while he was engaged in a conversation with a friend.

"I got the shock of my life when the motorist strayed away from the

street and steered the car onto the pavement where it hit me - knocking me unconscious."

He said he came to his senses at Natalspuit Hospital with a fractured knee and collar bone.

Ngubeni said his friend Paulos Mashinini was quick enough to catch the motorist before he could get away.

Ngubeni said the hospital authorities at Natalspuit were very understanding and had allowed him to spend Christmas and New Year's day at home, but he was going back to the hospital for an operation that would determine whether he could still entertain hopes of walking on his right foot.

The Tokoza taxi feud started three months ago after a decision by a recently elected committee in Tokoza to give preference in issuing licenses to taxi-owners who handed over R6 000 to join the To-

koza Community Transport Services.

The new taxi body, according to Ngubeni, was unpopular with the residents since it demanded that taxi-owners should pay the R6 000 affiliation fee "while some of the taxi-owners are widows and the poor who cannot afford to pay such high fees", said Ngubeni.

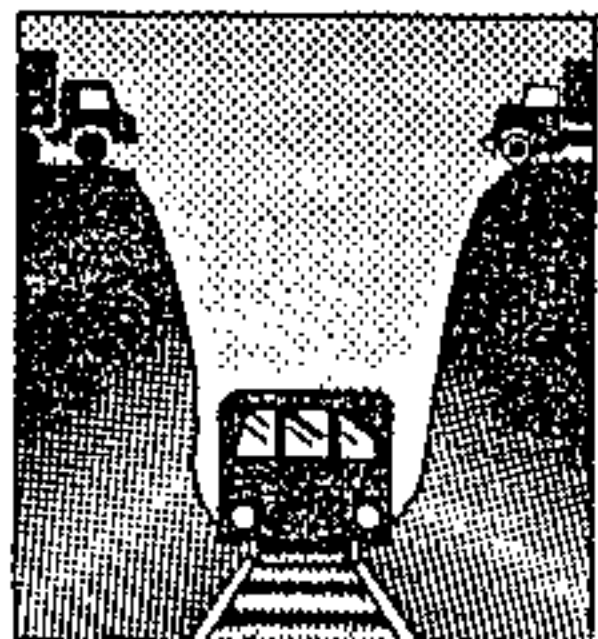
Ngubeni made it no secret that taxi piracy was rife in Tokoza, but said this was encouraged by the fact that none of the 118 applications for licenses made since 1983 had been approved.

"There are 85 illegal taxi operators to the 20 legally operating taxis in Tokoza," added Ngubeni.

He said a business trip to West Germany which he intended to take in December last year had to be postponed until April - by which time his fractured knee and collar bone might have healed.

Paul Ngubeni ... he could be crippled for life if a planned knee operation proves unsuccessful.

Never letting go



The road transport system — and of course its attendant beneficiaries — is teetering on a knife edge. The slightest push from government could well plummet it deeper into over-regulation — and that's after years of lip-service to exactly the opposite.

The pressure to maintain the *status quo* — or worse, regress — is, predictably, coming from SA Transport Services (Sats), reeling from losses, and various powerful vested interest lobbies. So much so that sources within the Department of Transport (DoT) say that continued dithering could result in either a delay or an indefinite postponement of any decision to deregulate.

The only sure thing is that 1988 will decide the industry's future.

Regulated road transportation is a R26bn industry carting 6% of the country's total goods by volume around the national network. It touches upon every aspect of daily economic life, and a high-cost road transportation infrastructure pushes up costs universally — it not only fuels inflation, but retards economic growth.

For years, South African road transportation has been the most over-regulated sector of the economy. The interests of Sats and its monopolistic control of rail services, coupled with its massive subsidised involvement in road transport, have seen to that.

These activities have been protected by government edict — essentially through the issue of permits — on the types of freight which can be moved by private-sector road transport operators and even the routes they may use. This over-regulation reached the point where even the authorities agreed that something had to be done. The result was the five-year National Transport Policy Study, followed by a White Paper setting out a programme of what government laughably defined as "deregulation."

Tentative steps were actually taken: last December 1 new "exempted areas" were introduced, where goods can be carried without permits. The next stage is the imposition of the so-called Road Freight Quality System to replace a myriad of complex regulations with a system of enforceable standards, and the new National Road Traffic Bill.

Famous steps in the right direction? Not at all, as a newly completed and authoritative study — sponsored by BP and Nissan and undertaken by industrial market researcher Ian Byers (author of a syndicated national truck study now in its 12th year) and

The deregulation of road transport is being more than impeded — there is a real risk that such progress as has been made will be reversed. And behind-the-scenes pressures, particularly from Sats, cloud the efficacy of the entire programme.

Max Braun (long-standing transport consultant and publisher) — shows. The study — *Road Transportation in SA: What is the Future?* — analyses months of work and more than 1 200 interviews.

It states the issue baldly: "The rule book relative to road transportation has not been thrown away but has merely been amended. Government has not deregulated road transportation. It has merely changed the rules."

In other words, deregulation in government's lexicon actually means re-regulation.

Braun and Byers make the point that under the proposed new "deregulated" scenario, both private operators (who use transport to move their own goods) and public operators (who carry for reward) will be affected. They note: "(Private operators) will progressively become subject to a greater degree of regulation relating to the Road Freight Quality System. This means that while their activities will be less restricted than before, the circumstances

under which they will operate are to become more stringent." And more expensive, of course.

All transport operators have to start registering from July 1 this year, and enforcement of the new regulations is scheduled to begin on July 1 1989. Which is why, Braun and Byers say, "most public carriers are, and have for some time, been developing a set of strategies designed to circumvent the (new) regulations. Vested interests in the industry see the change in regulations as threatening, in that it opens the door for a number of new competitors who, because of lower infrastructure costs and overheads, may well start carving the market with extremely competi-

tive rate quotations and a lack of appreciation of transport operating costs.

"The government's tendency to pander to vested interest lobbies suggests it is unlikely deregulation will be quick or easy."

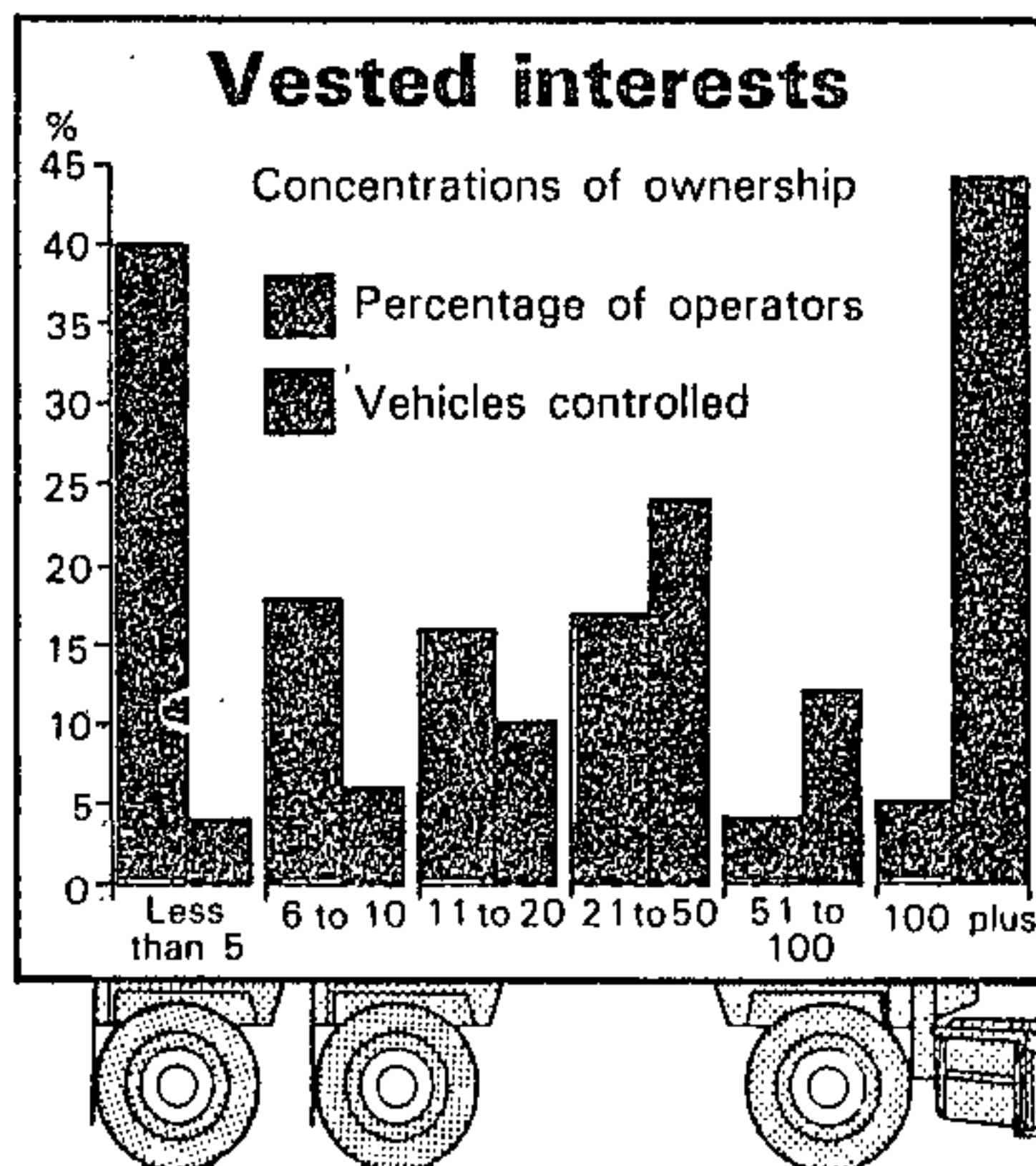
Those "vested interests" are certainly strong enough to make a difference; only 5% of operators control 44% of the heavy vehicles in the country. Known within the industry as "The Club," the big five — Cargo Carriers, TTI (Tanker Services), Unitrans, Hultrans and Mainline — wield enormous clout.

This is obvious from the comment by Roy Marcus, MD of Cargo, who said recently: "Cargo Carriers is of the firm belief that deregulation cannot come about without a well-structured quality system. A frightening realisation from the American experience has been the deterioration in standards and the grave concern which is now being expressed in the US about lack of safety. This makes Cargo more adamant than ever that the Road Freight Quality System is a non-negotiable item in the deregulation process."

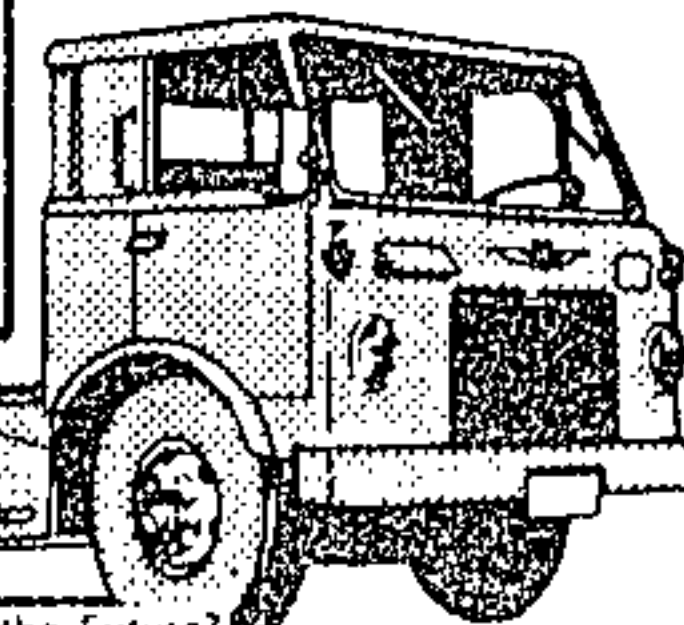
The Braun-Byers study says deregulation should add up to 10% more vehicles to the long haul public sector, and the short haul arena could expect "a significant increase in competition from small individual operators." Existing operators believe most of this competition will be "unfair," and are therefore — as Marcus has underscored — anxious for implementation and enforcement of the mooted Road Freight Quality System regu-



Cargo's Roy Marcus.



Source: Braun & Byers' study on Road Transportation in SA: What is the Future?



lations.

Everyone accepts that road safety is essential, but the inherent danger is that the system will be used as an excuse for the replacement of one set of regulations by another — equally overwritten — set.

The attitude of Sats is paramount.

According to Braun and Byers, there are "various lobbies" within Sats' management structure. The rail lobby is in favour of deregulating road transport; while the road lobby is concerned that Sats will lose market share in traditionally profitable areas.

Since the White Paper effectively gives Sats control over the timing of deregulation (because of the stipulation that it will have to be compensated for the loss of more than R1,5bn in subsidies), the eventual outcome of this internal struggle is vital to the future of transport.

Braun and Byers underline this in their discussion of the possible privatisation of Sats, which is interpreting the concept as a chance to sub-contract or put out to tender much of its work: "There is a strategic implication to the whole exercise that could result in the government adopting the same stance it has with deregulation — and that is to do whatever it does against a background of not actually relinquishing control.

"It is a pity the DoT is seen by many to effectively be the controlling mechanism of Sats operations rather than paying attention to the entire transport requirement of SA.

"This perception has been generated by the actions of the department over the years. If the current incumbents of the key transport portfolios can move away from this image, the way will be clear for looking at more innovative transport solutions for SA in the future."

The way should also be clear for an urgent

Where they are

Distribution of fleets

Northern Region / Gold Fields 40%
Bloemfontein / Central 35%
Platteland 25%

Eastern Cape and Central Platteland 4%
East London / Border 9%
Port Elizabeth 17%
South Western Cape,
Platteland and Western Cape 35%
Cape Town 30%
North Western Cape 5%

Natal Platteland 23%
Pietermaritzburg and
surrounds 23%
Durban including
Pinetown and the
industrial surrounding
areas 41%
North and South
coast 13%

Source: Braun & Byers' study on Road Transportation in SA - What is the Future?

Greater Johannesburg 41%
East and West Rand 36%
Pretoria and surrounds 13%
Transvaal Platteland 5%
Vaal Triangle 5%

line — departmental policy swings like a pendulum, now supporting and now doubting the wisdom of deregulation and privatisation.

Nowhere is this clearer than in the DoT's attitude to the setting up of two bodies essential to any deregulatory progress in the sector: the Transport Advisory Council (TAC) and the Transport Tribunal (TT).

Mechanisms have been in place for months which allow for their implementation. Both are designed to have majority private-sector representation, and both are integral to the White Paper programme — the TAC will assist in preparing policy, while the TT will aid in its enforcement.

Yet both bodies have been delayed, for no apparent reason other than tremors within the DoT. That attitude could destroy the progress expected by everyone in road transport in 1988.

Government actions have not been encouraging: even the introduction of the exempted areas was mishandled, with operators given insufficient time to register and testing stations insufficient time to prepare for the heavily increased demand on services. Public carriers are still waiting for the hundreds of millions in fuel levy rebates owed to them by the Department of Customs and Excise. So it goes on.

If SA is to have an efficient transport sector, government will have to choose its policy and follow through with rigour. Right now it is merely adding chaos to inefficiency.

Clearly, too, a prerequisite for an efficient transport system is for new management at Sats. It needs urgently to be reduced radically, as Eskom has done, to workable proportions as a prelude to meeting the real needs of customers — and ultimately privatisation.

CORPORATE PROFITS

The tough keep going

Corporate profits have now been firmly in a rising trend for more than 18 months. Despite the tepid performance of the economy during 1987, most industrial companies not only maintained the momentum but in many cases also quickened the pace during the second half.

Estimates of the average pace of growth in earnings per share run at 30%-35%, with dividends rising at a somewhat slower pace. But it is no exaggeration to say that dozens of companies — well over 50 of those listed in the accompanying table — have shown significantly faster growth rates, far outstripping inflation. The table summarises a selection of results published over the past six months. Those whose figures are not comparable with the previous year have been omitted, as have many of the new listings, pyramid companies, and all of the DCM. All

Slack economic conditions and the JSE crash of October have obscured the sound base of many listed companies, and their consistent earnings' growth patterns. This year looks to be as good as last.

but about seven of those listed increased their earnings, even though many are still rising off a low base.

Industrial companies are continuing to enjoy benefits from improved efficiencies, even though the benefits from lower interest rates or debt repayments have largely run their course. This means that business activity will have to be the main force behind profits during coming months. But, with the eco-

nomy presently on line for a better performance than that achieved in 1987, there is a lot of potential for the average 1988 profit growth rates to exceed many of the forecasts made six to 12 months ago.

As always, forecasts on the economy's performance for the current year vary widely and the gold price — which at present is particularly difficult to call — will dictate the vigour of growth. Still, gold currently stands above US\$480/oz (its low point for last year was \$390,25); the firmer rand against the dollar is helping to lessen the costs of imports; consumer spending is looking encouraging; and fixed investment is rising. All these should contribute to a perkier economy, with varying effects on the different companies quoted in the industrial sector.

Continued on P34

Speculative

Activities: Engaged in passenger transport industry.

Control: Holding company is Carleo Enterprises.

Chairman: D P S van Huyssteen; managing director: A Carleo.

Capital structure: 26,4m ords of 40c each. Market capitalisation: R72,6m.

Share market: Price: 275c. Yields: 6,4% on dividend. 12-month high, 435c; low, 86c. Trading volume last quarter, 419 000 shares.

Financial: Year to June 30.

	'84	'85	'86	'87
Debt:				
Short-term (Rm) ..	3,9	5,9	0,4	4,0
Long-term (Rm) ...	86,3	70,5	60,8	51,0
Debt:equity ratio	0,39	0,42	0,26*	0,21*
Shareholders' interest	0,61	0,60	0,64	0,66
Int & leasing cover ..	3,4	—	—	0,10
Debt cover	0,53	0,22	—	0,20

Performance:

	'84	'85	'86	'87
Return on cap (%) ..	8,9	—	—	—
Turnover (Rm)	227	269	299	285
Pre-int profit (Rm) ...	26,4	1,6	(8,0)	0,4
Pre-int margin (%) ..	11,6	—	—	—
Taxed profit (Rm)	7,8	(8,4)	(18,5)	(11,6)
Earnings (c)	29,6	(31,9)	(70,1)	(44,3)
Dividends (c)	6,5	3,0	—	17,5
Net worth (c)	687	689	737	795

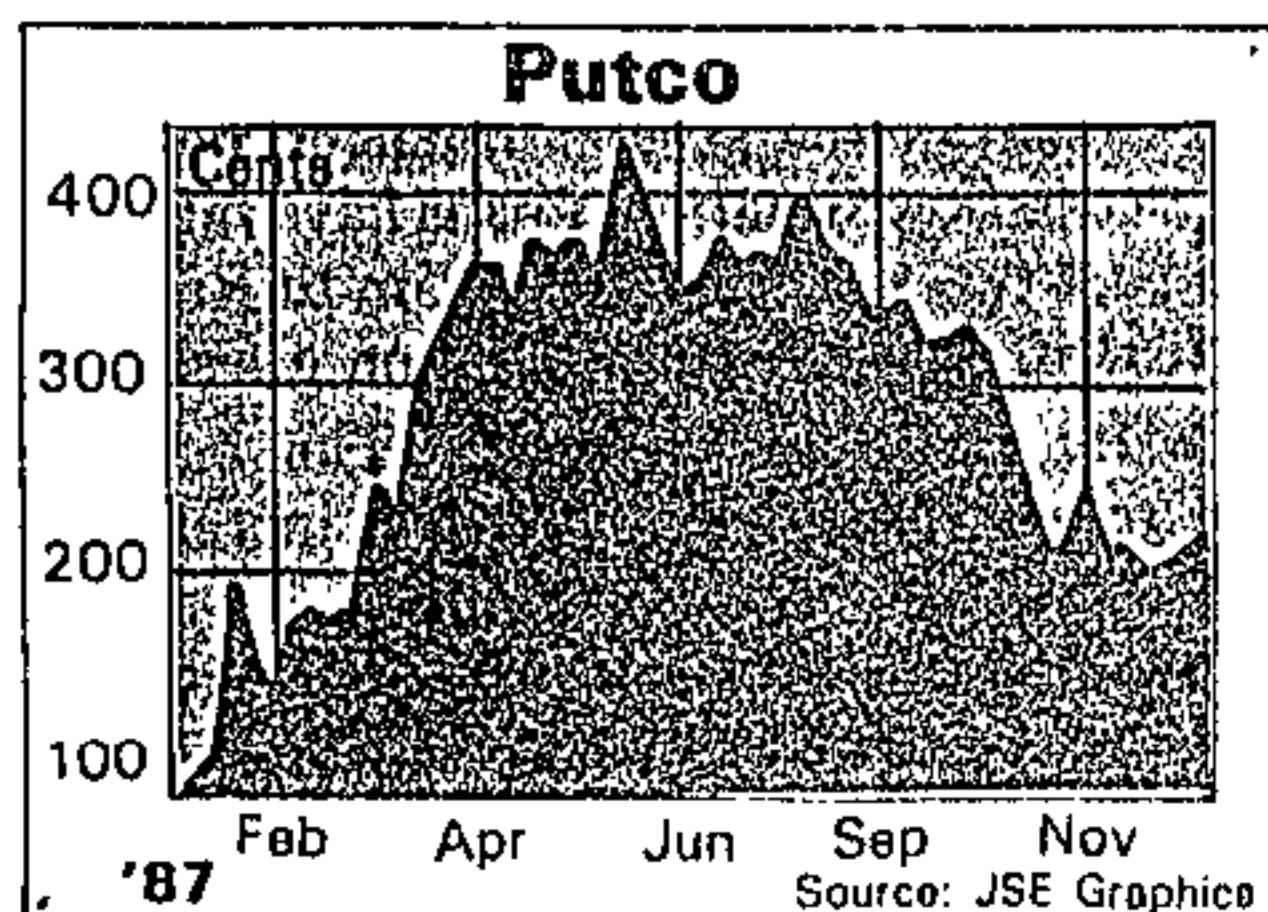
*Net of cash

Putco's annual report for the year to end-June 1987 has very little to say on what was the main focus of investor interest in the company last year, that is that it could be sold at near net asset value. Interest faded after the breakdown of negotiations with a company reputed to front for the South African Black Taxi Association, as was shown in the drop in trading volumes from a monthly average for the past year of 501 596 to 71 900 last month.

Some speculative element in the share remains. Chairman Danie van Huyssteen says negotiations are currently taking place with the Department of Transport to provide certain specified services on a contractual basis. He also mentions the offer made last year, and says that the intended listing of the property company has been suspended. Van Huyssteen believes that passenger subsidies are likely to increase.

On the plus side, interest and finance charges fell from R11,6m to R4,5m, as borrowings declined from R61,3m to R55m.

But it was not all sunshine. Competition



from combi taxis has hurt, and turnover from operation of buses fell from R295m to R281m. The group made a pre-tax loss of R4,2m, but nevertheless deducted a deferred tax charge of R7,5m (credit of R1m in the previous year), lifting the after-tax loss to R11,6m (R18,5m). The tax charge could have arisen out of difference between the company's treatment of depreciation of buses and that preferred by the Receiver.

Though an extraordinary item of R8,5m — the result of a claim against the National Transport Commission — reduced the attributable loss, it still amounted to R3,2m. The company has recorded a loss for three consecutive years, but it seems that the major shareholders, the Carleo family, are not prepared to wait for the sale of the company for some funds and the board declared a dividend out of reserves.

Policy is clearly stated in the corporate philosophy and goals, which says "dividends are paid on retained earnings only after full provision has been made for replacement depreciation of buses and for the acquisition of fixed assets necessary for continued growth." There must be little intention to replace buses though, when R3,5m is moved from bus replacement reserve to capital maintenance reserve (whatever that might be).

The latest dividend had to be financed from distributable reserves, which fell from R12,4m to R4,6m. As far as shareholders' funds are concerned, the R23m rise in non-distributable reserves to R198m, mainly from revaluation of buses, more than compensated for the distributable fall. Given that 531 of the fleet of 3 018 buses are not being used, and that market demand for these vehicles is uncertain, one can only wonder what the resale value of the buses would be, or even their real value to the company. The bus reserve was R117m out of distributable reserves of R198m.

Another interesting item is the climb in debtors, mainly due to a rise in government claims owing, presumably including some subsidies. One wonders whether in previous years the company would have managed to pay a dividend without help from the taxpayer. Government decides how much of an "economic" fare comes from passengers and how much from subsidies. Government claims owing leapt from R24m to R46m. The rate of subsidy is rumoured to amount to one third of turnover (R284m).

Certainly the loss and the drop in distributable reserves is not helpful when trying to sell the company. Perhaps the best assessment of the group's financial position is its cash flow situation. Loans have fallen in the past two years from R70,5m to R60,8m to R51m, and on my calculation gross cash flow for this year was R11m. This enabled the reduction of loans and the increase in cash of R1,8m.

For the potential investor, a great deal remains unclear. The share could be considered a speculative buy by some who are prepared to take a chance that the company

will be bought at a price above the current market price of 270c. Though net worth is close to R8, much of this lies in buses whose true value is difficult to assess. *Pat Kenney*

15/11/85
(332) 588

Putco to subsidise scholars

Putco bus company has made a temporary agreement with the Government to subsidise scholars for the rest of the year, the company said in a statement yesterday.

The statement referred to the "considerable publicity about Putco's stated intention to discontinue subsidising scholars" and then announced that a temporary agreement had been reached with the Government.

In terms of the agreement, scholars' only additional commitment would be the annual fare increase which was implemented with a general fare increase on December 21 last year.

Although the Government agreed to partially subsidise the fares of black scholars, "the subsidy very largely continues to be a heavy burden to Putco," the statement said. — Sapa.

Black

taxis

cf new
12/1/88.

332

~~232~~

Running Sats off the road

By REVELATION NTOLUA

TAXIS, a vital commuter service responsible for the daily transportation of black workers, now seems firmly entrenched in the hands of black entrepreneurs.

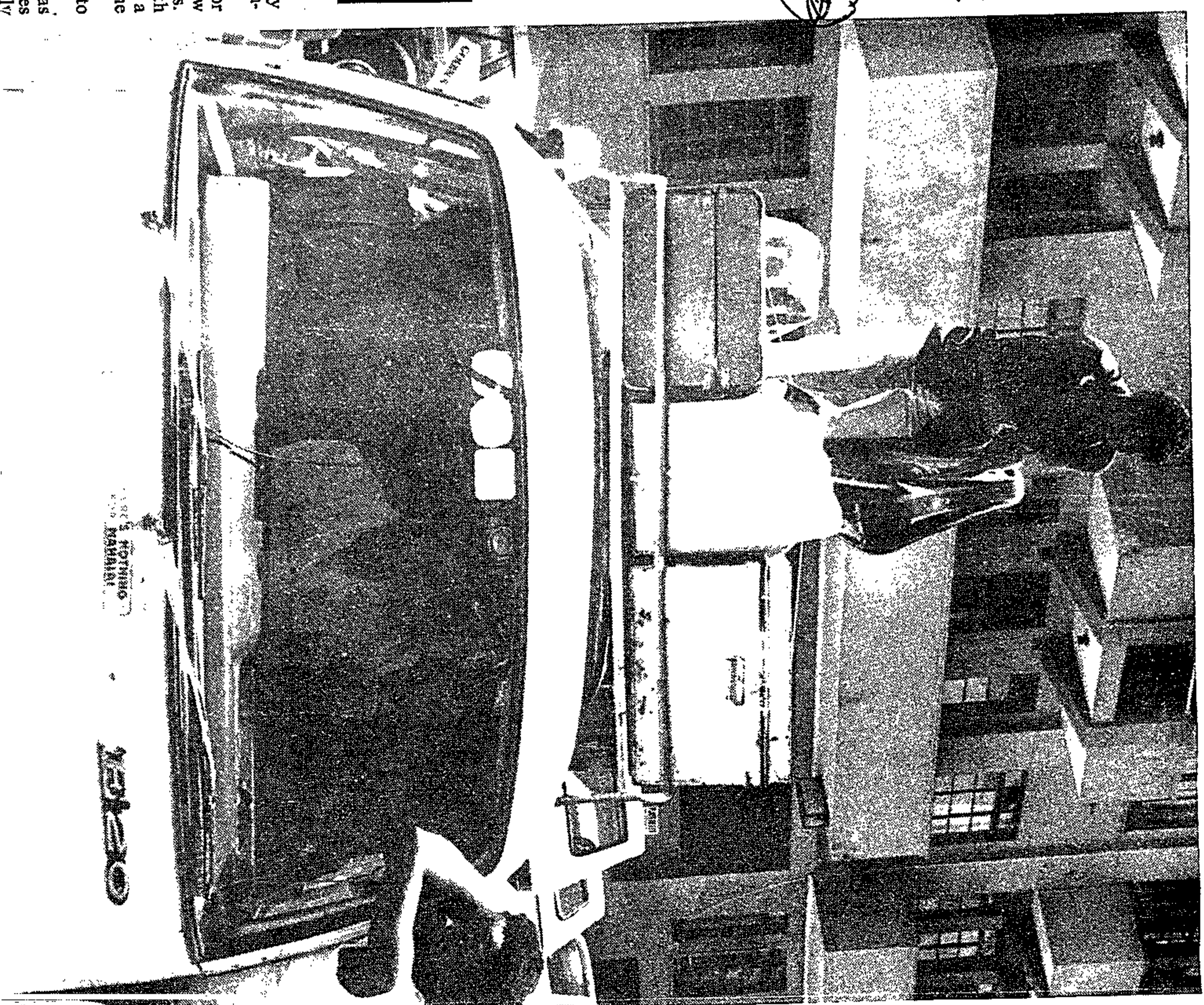
This is despite fears that it would be impossible for blacks to take over the giant Putco bus company in view of the present political climate of boycotts and stayaways.

Hardest hit by the new trend has been the South African Transport Services, which for years has had a lion's share of the transport market, mainly due to the government's protective policies.

The passenger service of Sats has virtually ground to a halt, a Sats official has admitted.

Also feeling the pinch is Putco, which for years has enjoyed the same protection through huge State subsidies

which made it extremely



transport market. Last year Sats lost nearly R1 000-million on mainline passenger trains, suburban trains and the Blue Train. Sats, which falls under the Ministry of Transport, now runs only 100 mainline trains a week countrywide.

Barry Lessing, manager of Sats' road and passenger services, was quoted as saying mainline trains were responsible for a loss of about R314-million, suburban trains for R600-million, and the Blue Train for about R3,5-million.

About two years ago Sats operated 1 100 trains every week but was forced to review the situation because of huge losses.

"I believe mainline transport as a product has come to the end of its life-cycle. There has been a drastic drop in passengers since 1985 and many of the mainline trains are now carrying fresh air," said Lessing.

Attributing the drop in passengers to the emergence of black taxis, Lessing said: "Black taxis and buses have taken a great deal of traffic away."

Although a similar situation had developed in the urban areas, said Lessing, there was no intention of shutting down the trains service there.

"We regard the suburban trains as a social service and we are compensated by the government. At the moment we are given a lump sum by the Treasury as compensation for all our services, but it is planned that the Regional Services Council will take over the responsibility of paying us," said Lessing.

While Sats is reeling under the current change of transport trends and inherent cash problems, Putco has fallen victim to the same set of circumstances.

During the last three years the bus fleet has declined from 3 348 buses daily in 1985 to 3 137 in 1986 and finally to 3 034

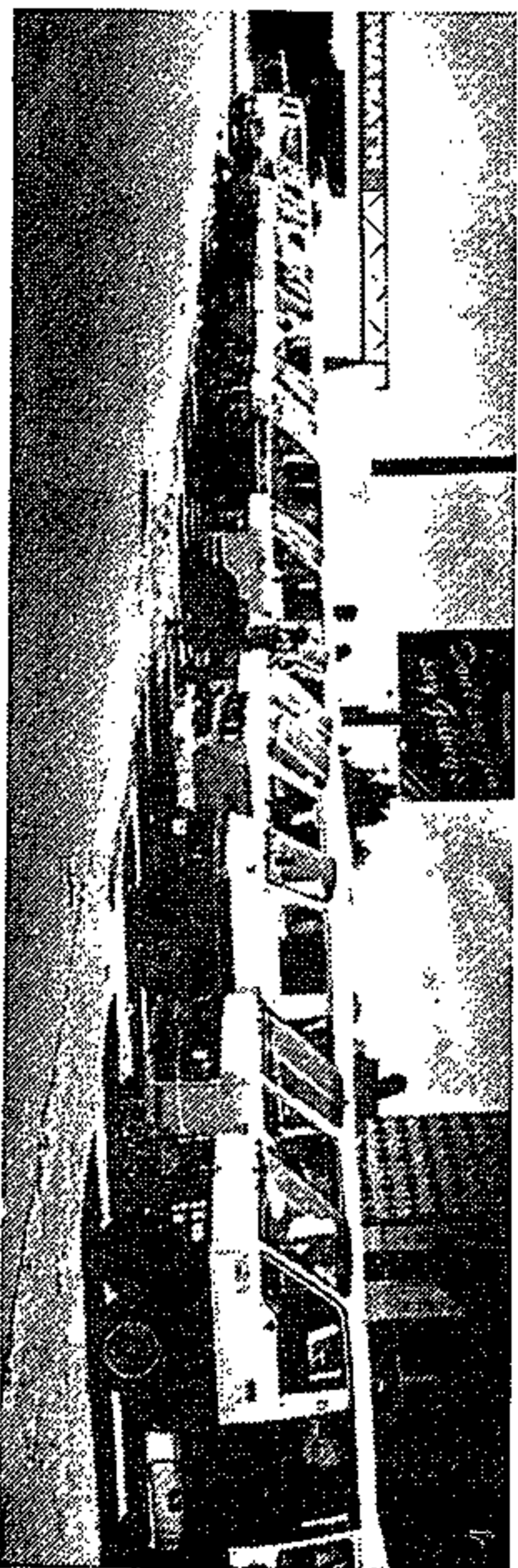
last year in June. The total number of Putco employees has also decreased from 10 917 in 1985 to 9 396 in 1986 and to only 7 928 in June last year. Bus operating costs per kilometer have more than doubled since the increase to 82c in 1982, to R1,95 last June.

In both Sats and Putco's situations, there does not seem to be any solution in sight despite the fact that both are heavily subsidised by the government as opposed to their black rivals who do not enjoy any financial assistance.

Meanwhile, the number of mini-buses owned by blacks is definitely growing in leaps and bounds.

It is estimated that there are at least 8 000 licenced taxis and perhaps an equal number of pirates. Pirate taxis, though, largely operate on long-distance routes. From main centres such

Taxis at the Bara taxi rank ... Putco's passenger share drastically reduced.



Black long-distance taxis have virtually ground Sats' mainline trains to a halt.

as Johannesburg, commuters can travel to almost any major city or town throughout South Africa and the neighbouring black states by using a mini-bus. The advantage is that less time is spent on the road that fares are lower.

For instance, mini-buses take about three-and-a-half hours to Pietersburg, whereas it takes about 10 hours to reach the same destination by passenger train.

Ironically though, taxis, particularly long-distance taxis, are usually viewed by black commuters as a risk because of the high number of accidents involving such taxis.

Almost the same goes for local taxis, whose drivers have earned themselves the dubious reputation of being among the country's worst drivers.

Another new develop-

ment in the industry is that more and more whites, particularly in areas like Cape Town, now prefer to use black taxis. White commuters feel that black taxis are just as good as those owned by whites and that they are much cheaper.

The South African Bus and Taxi Association has welcomed the news that a growing number of whites were now using black taxis.

Sabta's national executive advisor, James Chapman, said the move was a great breakthrough for the black taximan. He added that it had always been the view of his association to provide a colour-blind service.

Also, the introduction of luxury buses, which boast television, videos, music, toilets, music and serve refreshments, have also delivered a devastating blow to Sats and Putco.

17/01/88
532

DD 29/1/88
IMC says

taxis
232
must go

EAST LONDON — The Indian Management Committee (IMC) has decided to ask the police to help the traffic department to "put an end" to unlicensed taxis operating in Indian areas.

The chairman of the IMC, Mr E. R. Vengadajellum, said "pirate taxis" were using roads in the Indian areas "all the time", but the IMC was not gaining any benefit from them.

Mr Vengadajellum said the traffic department had arrested "a few of the taxi drivers", but were too short staffed to patrol the areas every day. — DDR

Black taxis cause concern as accident rate rockets

By Stan Kennedy
and Craig Kotze

Prosecutions against black taxi owners in South Africa — who number at least 90 000 — topped 24 800 during the past 10 months.

But Mr Phil Erasmus, chairman of the Public Carriers Association, says these were only a fraction of the number of offences committed.

Scores of people have been killed and hundreds injured in accidents involving minibuses.

In the Witwatersrand police division alone, authorities have launched clampdowns on all traffic offences, and found that minibus taxi drivers committed most of the offences reported, said a spokesman.

There had been a 140 percent increase in Johannesburg in the number of fatal minibus accidents over the 1986/87 period, according to figures released by the Johannesburg Traffic Department.

An increase of 35 percent in the number of passenger casualties had also been recorded in Johannesburg over the same period.

There were 18 715 accidents involving minibuses in the six months to June 1987 — or more than 3 000 a month, according to statistics published by the National Road Safety Council.

Writing in the February issue of the Public Carriers Association magazine, *Focus*, Mr Erasmus said overloading accounted for almost half the accidents.

"The police are in no doubt why the figure is so high. Taxi drivers, in their rush to get rid of one load of passengers and take on another, are breaking just about every traffic regulation in the book."

Official problems

A major row is brewing between the Southern African Bus Operators' Association (SABOA) and the Department of Transport (DoT). At issue is the DoT's reluctance to let SABOA see its version of interim contracts to

FINANCIAL MAIL FEBRUARY 5 1988

be signed by bus companies.

Interim contracts are scheduled to become operative on April 1 and are, the DoT claims, intended to simplify the subsidy system. They will remain in force until the transport industry is deregulated.

"We had understood that this would be a product of negotiation," says SABOA executive director Wessel Pienaar. "Six months ago, we advised the DoT of our contract requirements and understood that we would soon see a draft. Later, we were given a target date of January 31, but that was not met either."

Pienaar fears that the DoT has unilaterally drawn up a contract which it will expect SABOA members to sign. His concern is that if it is not acceptable, there won't be enough time to renegotiate it before April 1. He says this is typical of the high-handed manner in which the DoT has been treating the bus industry. He claims there is "thickness in the air"; because the people who regulate passenger transport in SA are insensitive to the needs of bus operators.

The debate over combi taxis is a case in point. Buses are route-bound and area-bound. "All that is needed to start a combi taxi operation is the deposit and if one area fails it's easy to move to another. But the DoT has little sympathy with that."

At the same time, Pienaar says the existing legislation outlining schedules and routes for bus operators is "good" and SABOA does not want it changed. And, while SABOA wants bus routes to be protected against competition from combi taxis, it has suggested that uneconomic routes should be handed over to combi taxis. Its major complaint is against the DoT's failure to properly administer existing legislation.

"Legal and illegal combi taxis have been allowed to erode the bus market. Nothing is being done to stop them," says Pienaar. He claims the lack of regulation is costing taxpayers millions in subsidies paid unnecessarily to keep bus services viable. In the current financial year, the DoT will pay bus companies R395m, plus a further R20m collected as levies from employers. In the next financial year, this will jump to an estimated R470m in subsidies plus R10m collected as levies.

Worse, he says these excessive subsidies are used "to create the illusion and to prove to government that buses are clumsy, inefficient and uneconomic. And because it is the conduit for those subsidies, the DoT expects bus operators to jump whenever it says so."

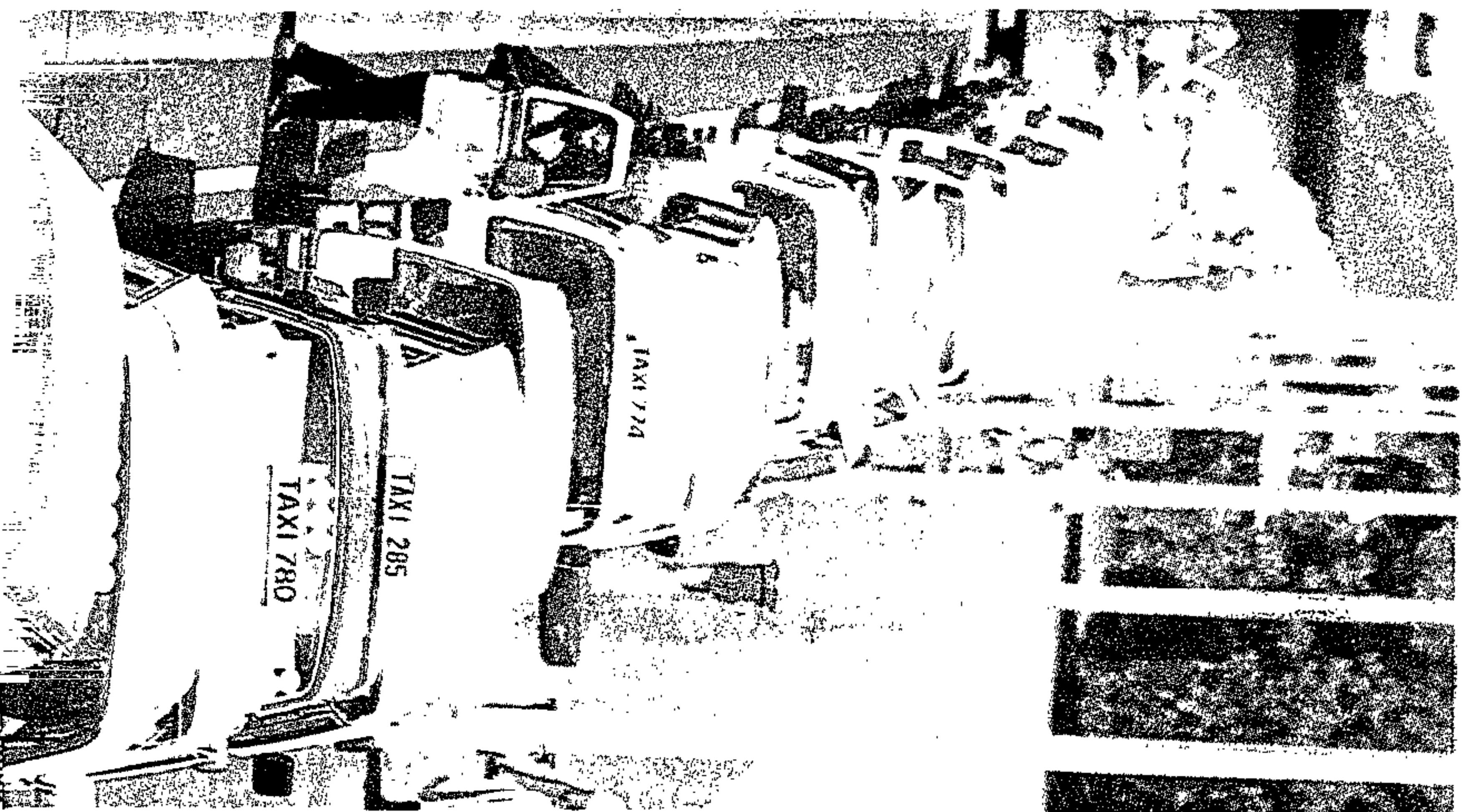
Director General of Transport Ron Meyer claims Pienaar is "still very new to the position and does not know the background." No bus operator has suffered because of the delay with the contracts. And they must accept the competition of combi-taxis. "Especially over long distances, they can be competitive if they provide a service that is cheaper and as comfortable," adds Meyer.

Meanwhile, the permit system is still in force. Interim contracts will only change the way subsidies will be paid — and operators

will not have to negotiate these on an *ad hoc* basis, as they do now.

The DoT he says rejected SABOA's draft contract "as it was trying to negotiate one that will oblige government to guarantee bus operators a fixed minimum return on every route." This was unacceptable, says Meyer. "But I can assure SABOA that we'll have one ready before the end of March. Our target date for the enforcement of the interim contracts is still April 1."

TAXI!



but now long will

Happy have his

332
6/2/88 Weekend Argus

Just watch those
pirates now . . .

by MARK STANSFIELD
Weekend Argus Reporter

LAYDEEZ AND GENTLEMEN...

May I take a quick second to welcome you aboard South Africa's fastest-growing private sector industry.

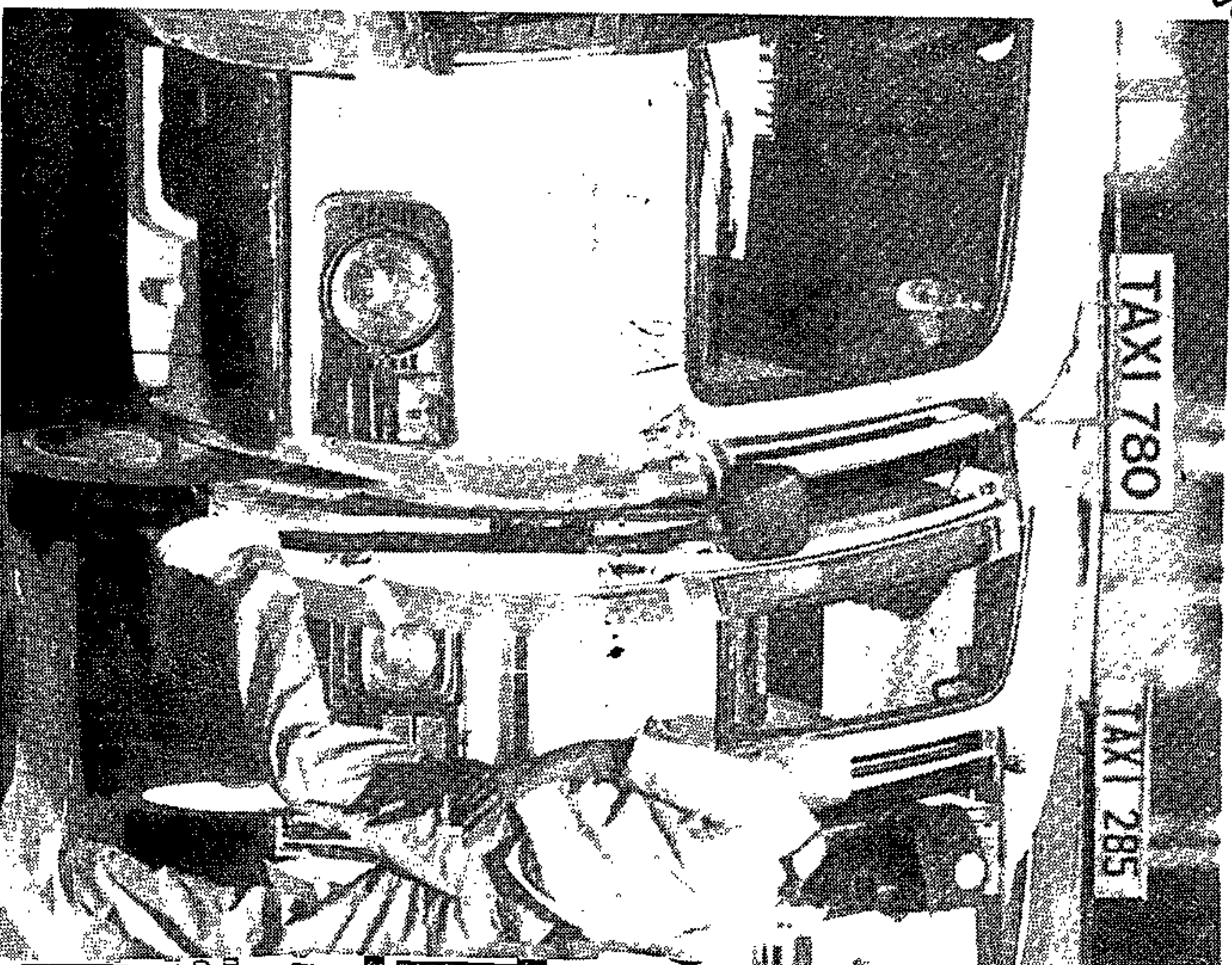
Hope you have a pleasant journey... the trip from Main Road Sea Point to Cape Town's central business district should take about 10 minutes — depending on traffic congestion and how easily Kamakaze Henry — your driver for today — manages to fling his Wonder-Wheeled Chariot around corners and how niftily he can calculate (at break-neck speed and without reducing velocity) the gap between two of the l-o-n-g line of other bumper-to-bumper road users also desperately attempting to reach town safely and in time. Is the gap big enough to s-q-u-e-e-z-e into?.. IT IS! Kamakaze Henry manages to slip into the right lane just in time to turn at the stoplight and... here we are folks! — conveniently stopping right next to the Grand Parade.

Jelly-legged, we tumble out. Quickly, because Henry is already negotiating the fares of his next trip with those pushing, pulling and swimming their way into the glass and metal inner sanctum of Wonder Wheels. Whoosh! He's off again... Sea Point... and back again. All day. The more trips he undertakes the more money he makes so Kamakaze Henry takes chances — but he gets you there quickly. Phew!

Cheaper, too

Make no mistake, Kamakaze Henry is the exception to the rule. He's illegally operating a taxi in the Cape Town municipal area. Not all combi-taxi drivers/owners and their vehicles constitute a danger on the roads — evidenced by the increasing number of city commuters who prefer this type of "public" transport. It's cheaper, in the first place.

The combi-taxi industry in South Africa has reached nightmare proportions. Signs of deregulation have led to a proliferation of "pirate" operators — about 45 000 of them now operate on South Africa's roads. Add the 40 000 South African Bus and Taxi Association's (Sabta) registered mini-bus taxi operators and we have a deadly time-bomb tickin' away on our roads.



Mini buses go everyw



They line up, like steel steeds — the taxis of Cape Town.

AND SOMETIMES THEY CLASH...

ONCE upon a time they rarely were seen in Sea Point. Now there are ranks of them competing for business.

And it isn't always pleasant rivalry — Sea Point residents recently witnessed their first clash between "legal" and "pirate" mini-bus taxi operators. When these boys decide to clash, they clash violently.

Sea Point City Councillor, Mr Chris Joubert said he welcomed the taxis into the Sea Point area because they were a vitally-needed service for the many domestic servants and other people working in the area who need convenient "public" transport home.

"A rank was set up for the legal operators at Sunset Beach but, because of all the illegal operators who

cruise the streets for business and take away custom, the legals refuse to use the rank," he said.

"Now we have a congregation of taxis at the Regents Road/Queens Road intersection. They block driveways and generally disrupt traffic.

"We've also had a pedestrian knocked down near there by a taxi.

"I think the influx of illegal taxi operators into the area is causing trouble and something will have to be done soon to stop them," he said.

Cape Town's lower Strand Street in the early morning and evening resembles a mini-bus convention with an estimated 500 vehicles — both legal and illegal — gathered, waiting for custom.

ary. Last year a staggering 25 775 mini-busses crashed, 297 people lost their lives and in Johannesburg alone 580 people were maimed or injured.

Unfortunately, nobody kept records of who was registered and who was "pirate" when these accidents happened so no-one can point fingers, but a spokesman for the National Road Safety Council (NRSC) recently admitted that most of the accidents investigated were caused by taxis breaking "just about every rule in the book".

What rules and what book?

Complete Government deregulation of the taxi industry will remove the tight reigns Government — and other interested parties — had on the requirements necessary to operate a taxi in South Africa.

Sabta — the only officially-sanctioned body within the taxi world — fears that over-night deregulation will only lead to further confusion in an industry already in a nightmarish tangle.

Stringent tests

At present commuters at least can rest assured that the legal taxi operator (one with a permit issued by the Road Transportation Board) has been tested — both medically and for his competence as a public driver — and that his taxi has passed the stringent Certificate of Fitness examination. Both driver and vehicle undergo these tests at least once a year — unlike "pirate" operators who have nothing more than an ordinary Road Worthy Certificate (valid until the vehicle is re-sold or scrapped) and an ordinary driver's licence. If deregulation goes ahead as planned, warns Sabta, we could soon have anybody with capital enough owning a mini-taxi and our road carnage could increase.

But this does not mean that Sabta is against deregulation of the taxi industry.

Mr James Chapman, national adviser for Sabta, said that the governments' haste ("overnight deregulation") could only lead to further confusion.

"We (Sabta) would like to do it slowly...to identify the pirate operators.

"We fully understand the dilemma the pirate operators are in at present but we are fully committed to bringing the pirate operator into the legal fold," he said.

"By throwing open the industry quickly the government can only do more harm and will probably drive the black entrepreneurs — who are desperately needed in South Africa — out of business.

"At the moment the black mini-bus operator uses his permit as collateral for credit.

"Take his permit away from him and you leave him with nothing to bargain with. Soon the industry will be swamped by white capitalists who have the capital to start a taxi business. This could only harm South Africa in the long run," he said.

"We have to get rid of the red tape but we also have to protect the black businessmen who are in the market."

Passenger insurance — and judging by the accident statistics this is a vital commodity for all commercial mini-bus users — would also be thrown into confusion.

Mr Chapman said all registered, permit-clutching operators' passengers were covered by a comprehensive insurance scheme and by Third Party insurance.

"Those who are operating illegally have no such claim and anybody injured while commuting in a pirate vehicle will have no claim against the owner," he said.

6/02/88

332

Booming taxi trade puts bus company in the red

by MTOBELI MXOTWA

MDANTSANE — While public transport systems here are reporting million rand losses, the local taxi business is booming.

Motor car dealers selling minibuses say they have "never had it so good".

Members of the local branch of the South African Bus and Taxi Association (Sabta) use minibuses and cars to ferry passengers on both feeder and long distance routes.

A Sabta executive, Mr Michael Kutta, said there had been a dramatic increase in the number of taxis owned by registered Sabta members during the past year.

He said business was "buoyant" and taxis were finding it difficult to cope with passenger demand.

Last year there were 500 Sabta taxis operating but the figure had more than doubled this year.

This figure did not include taxis operated by individuals who did not belong to Sabta.

Asked to comment on the financing of the taxis, Mr Kutta said that some of their members were "flouting" the Sabta constitution by acting as "fronts" for some "big guns" in East London.

Sabta was tracking down offenders, who would be dealt with in accordance with the its disciplinary code.

However, the majority of the members had bought their minibuses on their own.

The managing director of CTC Bus company, Mr John Armstrong, said yesterday his company was losing millions each year.

He said during the 1985/86 year they carried 54-million passengers and last year this figure had dropped by four million.

The financial losses were equivalent to the number of passengers lost, and the trend was continuing at the same rate this year.

At the moment, the CTC was running at a loss amounting to millions of rands.

The bus business had taken a

great knock from the minibus taxis.

This was not confined to Mdantsane only but included the entire Ciskei area.

The minibus taxi had become more attractive to the commuters since it did not operate according to schedules.

Commenting on ways to improve the situation, Mr Armstrong said CTC would have to improve its service so it could regain its attractive nature to commuters, and the company had an "action plan" to do this.

Drivers would have to be trained to be polite to commuters, and schedules adjusted to suit the travelling patterns of the commuters.

CTC was supplying a public service and it would be impossible to compete with minibus taxis by buying minibuses because even here the company would have to adhere to schedules.

The minibus system was once tried by another bus company but it had failed to improve the situation.

The CTC company was monitoring all its routes, and those which were unprofitable would be closed.

The regional manager of the South African Transport Services (Sats), Mr Louis du Toit, has said that the railway passenger service was also taking a knock in competition from minibus taxis.

Sats had been forced to re-adjust its local passenger train schedules two or three times a year because of the dwindling numbers of commuters using the trains.

He said the Port Elizabeth/East London passenger train had been discontinued, and there was now only one suburban train running between King William's Town and East London each day.

There was one mainline passenger train from East London to Pretoria operating.

Sats had incurred losses running into millions as a result of

passengers' apathy for train services lately. This had forced Sats to review its operations.

Asked if Sats was considering acquiring minibuses to compete with the minibus taxis, Mr Du Toit replied that that was impossible because Sats operated only up to the outskirts of townships.

He said not only the train service was involved but also the bus passenger service was affected by the downward demand for the Sats passenger services.

There was a bus service from East London to King William's Town but passengers used private buses for forward journeys to their destinations.

Minibus taxis had an advantage because they ferried people from near their homes to their work places and took them closer to their destinations, compared with Sats passenger services.

He said he would be "happy" if the taxis ferried passengers to the railway stations to board trains.

However, this could not be so since passengers preferred to board one transport system to a destination and back.

Car dealers in East London said they had found it hard to meet the demand for minibuses.

A sales manager at an Oxford Street car dealer, Mr Colin Hockin, said the dealership had been selling every minibus on the floor every month, adding that there had been an upsurge in the demand for minibuses "everywhere" in the region.

He said his company dealt with all financial institutions and was not aware of some people in town buying minibuses to be used by Sabta members in the townships.

Another salesman in Cambridge Street confirmed that though the minibuses had been bought in the names of Sabta members, the real owners were people other than the Sabta members.

His company sold more than 40 minibuses a month depending on supplies.

The average price for a minibus was R34 000, he said.

SABTA SPEAKS OUT AGAINST SANCTIONS

Sowetan 25/3/88

332

THE South African Government's action in banning black political organisations has caused the Southern Africa Bus and Taxi Association to take a more militant line, but further sanctions against this country would hurt the black community even more.

Testifying before the Congressional Committee in Washington which is investigating sanctions against South Africa, a delegation led by Sabta president Mr James Ngcoya said the association's view on general sanctions was that they had little political effect.

But, the delegation said, the economic effects were already being felt by the black community and further sanctions would hurt even more.

Suffer

Sabta told the committee: "The black people of South Africa have suffered injustices, oppression and poverty under apartheid. By their own efforts, Sabta members and others in the black community have pulled themselves up against all odds.

"We ask you to consider carefully the effects of sanctions. Do not make us suffer even more in your well-meaning but misdirected attempts to put pressure on the Pretoria government."

The delegation suggested that the present sanctions had been a factor in the Government's heavy handed action and in the rise of the right-wing. It put the view that a better way of ending apartheid was to strengthen black economic power so as to increase the political leverage of the black business community.

The delegation made it clear that it was not calling for the lifting of specifically targeted

sanctions against Government agencies.

On the bannings, Sabta said: "We state here today that we totally reject the Government action in banning these organisations and we call for that action to be rescinded immediately. These sentiments and the forum in which we have expressed them will not be popular in the government circles in South Africa and we can expect some retaliation on our return."

25/3/88
noted

Research and Advertising

Mayor enters taxi war

By KHUME KANGALALA

THE Dobsonville Taxi Owners' Association this week called a meeting with the Dobsonville Mayor, Steve Nkatlo, in a bid to end the ongoing Soweto taxi war.

The conflict was sparked by Soweto and Dobsonville taxis allegedly encroaching on each others' territories.

At the meeting it was emphasized that Soweto taxis would not be allowed to operate in Dobsonville.

It was also suggested that an alternative route, through the Main Reef, be found so that Dobsonville taxis would not pass through Soweto enroute to the Johannesburg city.

Meanwhile, plans were underway for Putco to extend its services to ease the transport problems.

suitable age groups, were donated at an end-of-the-year party at the company's Sandton offices.

Research executive Beatrice Kubeka, accompanied by a *City Press* team, recently traced destitute children at squatter camps

Kubeka, who is also involved in various charity programs, urged the community to "reach out for the less privileged families". She said the *Press* played a prominent role in helping to identify these families.

Press 7/2/88
2332

Business wizzkid urges locals to invest in bus firm

By MARTIN
NTSOELENGOE

MOHLAKENG business-
man Herbert Sonny Mar-
ibe has called the local
community to buy shares
in a new bus company to be
launched this week.

At a meeting at the re-
cently-opened R1,5-million
Ra-Ikagela Shopping Cen-
tre near Randfontein, he
placated local taxi owners
with a promise that the
company would concen-
trate on the tourist market
and would not conduct a
service between Randfon-
tein and the township.

The company - which
would be named either Itir-
eleng Inter-State Tours or
Mohlakeng Tours - would
only apply for long-dis-
tance licenses, he said.

Every member of the lo-
cal community was wel-
come to buy shares.

Maribe, a former Tur-
floop University student
employed by Coca Cola as
a representative, said it
was "about time blacks
came together and formed
their own companies".

"It's time to take the
initiative and show other
nations we are capable of
running our own busin-



Herbert Sonny Maribe at the opening of his R1,5-
million shopping complex.

esses," he said.

He said such action was
also a way of creating jobs
in unemployment-ridden
townships.

"Let us not only look at
other races to give us jobs,
let us strive and do all in
our power to create jobs for
our people."

Though Maribe is not
from a well-to-do family,
he has an articulate busi-
ness mind and says he is
committed to helping
blacks as much as possible
in the business world.

About 10 years ago he
came up with the idea of
forming a company which
is today known as the Ika-
gela Shopping Shopping
Centre.

Against a background of
scepticism, the never-say-
die business wizzkid went
ahead and late last year
launched the complex.

At the time, he said: "It
was tough going, but we
kept our dream alive
through planning and re-
search."

At present the shopping
centre comprises a bottle
store, a supermarket, a
bank, a filling station and a
restaurant.

The bank manager is
Lucky Piliso while the res-
taurant is run by K Tlha-
pane. The filling station is
run by George Babusi and
the supermarket by ER
Makhele.

R10-m share in education world

By HAPPY ZONDI

PLANS are underway to build a R10 million education
centre early this year at Shareworld fun resort, situated
about 5km away from Soweto.

This was announced by Jonty Sandler, managing direc-
tor of Shareworld. He said negotiations with the sponsors,
who could not be named at this stage, were still under
way.

A statement from the public relations officer, RF
Willis, said that the centre would include a 250-seat
auditorium, a reference library and lecture rooms.

Also planned is a 400 stall flea market. This will be
unique in that it will operate seven days a week.

For the coming Easter season, the marketing and
entertainment teams are busy with exciting international
events.

"We are going to show South Africans you don't have
to go across any border to see big international shows,"
the statement says.

About-turns in great toll road mudole

By Don Robertson

THE planned privatisation of SA's road system, which will take on increased importance in the Government's new economic direction, is coming under heavy flak.

It is estimated that at least R60-billion will be needed to upgrade and maintain the road network.

The Government's insistence that the construction and maintenance of roads be handed over to private enterprise by introducing tolls has been attacked by the Association of Chambers of Commerce (Assocom). The authorities insist that they will not set aside a dedicated road fund for the maintenance and construction of roads, but will privatise major routes.

Change of tune

Even if the current annual budget of R2,4-billion were doubled, it would take 10 years before the road system met requirements caused by abolition of the permit system, say industry sources.

The Automobile Association has changed its attitude to toll roads. After opposing them, it now accepts them in certain circumstances.

The South African Federation of Civil Engineering Contractors, a member of Assocom, has dissociated itself from Assocom's Transport Consultative Committee's (TCC) stand against toll roads.

In July last year, Assocom asked the chairman of the National Transport Commission (NTC) to reconsider tolling of the N3 between Alberton and Hilton Road in Natal.

In a follow-up letter to the Director-General of Transport in October, Assocom said it had studied the proposals for the tolling of the N3 and expressed its opposition to privatisation of roads.

The NTC's intention was to invite a group called Tollcon — it consists of construction companies — to build toll plazas on the N3 to finance maintenance and possible new lanes.

Assocom said the principle of including existing roads could not be supported as construction costs had been paid.

Assocom said the National Transport Policy Study had investigated road funding and concluded that the best method was to have a user pays principle in which motorists contrib-

uted to a fuel levy and paid higher licence fees.

The Department of Transport assisted studies into the the road funding needs in relation to fuel levies and licence fees and, said Assocom, it must be assumed it would have sufficient funds for projects.

Assocom said an undertaking was given that once the costs of road construction had been amortised, the toll would fall away.

However, it now appeared that the toll would be used for maintenance and was intended to last for possibly 50 years.

"It is the considered view of this association that maintenance for this important route (the N3) should be provided from the road fund."

Because of this, Assocom would support tolls only if they were levied on roads which would not otherwise be built, as long as there was an alternative route and that the levy be charged only until the cost of construction had been paid.

Assocom said the alternative route on the N3 had not been used by commerce and industry for the past 20 years and would not be able to cope with the heavy traffic on the N3.

The envisaged toll of more than R25 a vehicle from Alberton to Hil-

ton Road was prohibitive and would add to passenger and freight transport tariffs, aggravating inflation.

The increased danger on the roads through towns on the old route had to be considered.

Assocom said that as the increase in the fuel levy had been implemented and it must be assumed that sufficient funds were being raised, particularly for the upgrading of roads.

Assocom's TCC fears that if the N3 is privatised, a precedent may be set which could result in applications from the private sector for the tolling of other arterial roads.

Because the tolls do not appear to need ministerial approval, tariffs could be open to abuse, says the TCC. It says that privatisation of toll roads could result in large increases in tariffs because private operators require a profit on capital.

In its about-face, the AA says that in present circumstances, tolling of certain routes may be necessary to provide money for the construction of roads. But it admits that within the next 10 years the N3 will have five toll plazas and at present prices will cost motorists about R60 for a return trip.

of major road builders. Opposition to the move, led by Assocom and the Transport Consultative Committee (TCC), is growing, especially since Transport Director-General Ron Meyer has admitted, at this stage, that the arrangement between the DoT and the consortiums is only an agreement in principle.

He claims there are still a few points that need to be settled before the agreement becomes a binding contract. However, it is generally accepted in government circles that there can be no turning back at this stage. The consortiums involved have already set up the necessary infrastructure to run the operation.

The SA Agricultural Union (SAAU) has now joined in the protests. Chief economist Koos du Toit contends most agricultural produce carried by road is high-bulk, low-value. Toll payments could severely hit farmers' pockets.

Like Assocom and the TCC, who have fought the move since October, the SAAU argues that the roads were built with taxpayers' money, so should not be handed to private-sector monopolies; that the toll — an amount of R60 for a trip between Johannesburg and Durban has been suggested — will fuel inflation.

A major concern is that road users will not benefit from this form of privatisation. The 7c road-building element built into the fuel price will remain and, in view of the government's intention to do away with dedicated funds, will not necessarily be used for roads.

Assocom considers the toll contracts "a contravention of the undertaking given by the DoT that tolls will only be levied in respect of roads which would not otherwise be built. This road (the N3) already exists and, therefore, no toll should be levied. The addition of an extra lane and resurfacing

does not constitute a new road." Former Transport Affairs Minister Hendrik Schoeman also has reservations. He says: "This alters the whole concept of what I stood for. The old route to Durban can hardly be called a suitable alternative route. The Minister must also stipulate that he become part of the body that decides on the tariffs to ensure they don't become excessive."

But Meyer takes issue with the critics. He says tollroads will save users and taxpayers money. "They will get roads now that we (the government) would not have been able to build in five years with the money collected from the fuel levy."

TOLL ROADS

Opposition mounts

Is it too late to halt government's plans to put major sections of the national road network in the hands of private toll operators?

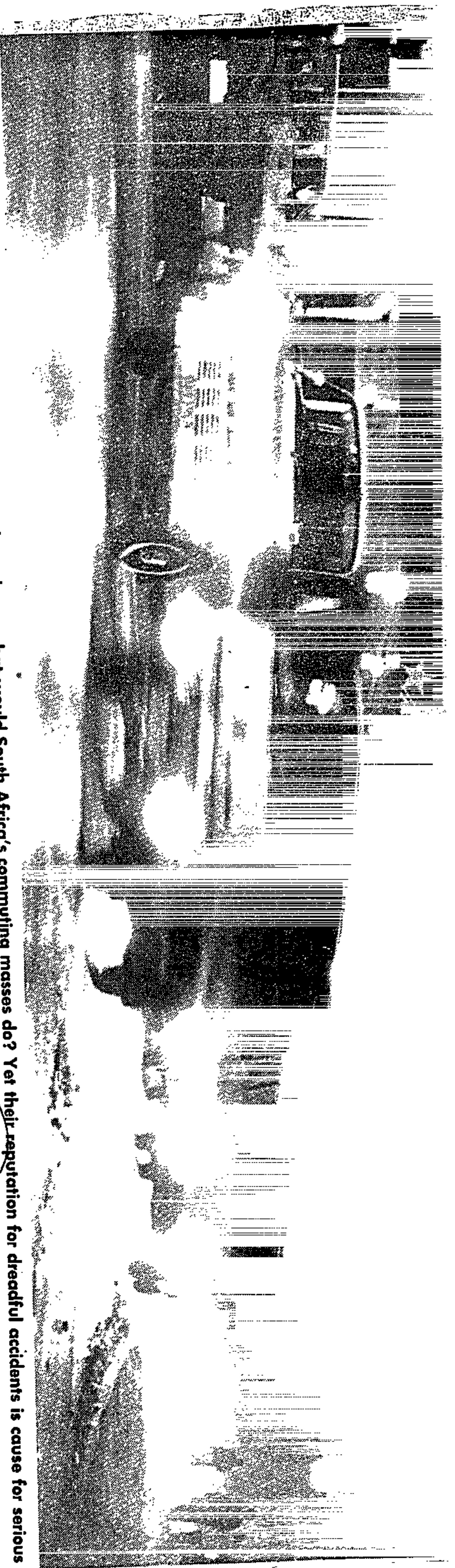
The two roads initially affected by the Department of Transport's (DoT) proposals are the Hendrik Schoeman Highway between Springs and Krugersdorp, which Toll Highway Development Company has been invited to operate, and the Alberton-Hilton section of the N3 given to Tollroad Concessionaires. Both are comprised of consortiums

72

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Black taxis . . . without them, what would South Africa's commuting masses do? Yet their reputation for dreadful accidents is cause for serious concern.

Star

12/2/88

232

No alternative to dicing with death every day

"I gamble with death every day," said commuter Mr Molefi Mlika.

"The other day I was travelling along the M2 East freeway in a taxi.

"We were racing along at 130 km/h, zigzagging in and out of the traffic when we found our path blocked by two cars travelling at a sedate 120 km/h.

"Instead of braking the driver accelerated into the gap between the yellow line and the steel barrier.

"As he did so the car next to him accelerated as well.

"We continued our horror ride for a full kilometre. My fellow passengers and I hurried abuse at the driver.

"We had to restrain one of the passengers from assaulting him with her umbrella as we did not wish to further endanger our lives.

"You may well ask why I still use taxis — I have no alternative."

Black taxi crash every 12 minutes

Every 12 minutes a black-owned taxi is involved in an accident, according to South Africa's road-death rate — already one of the highest in the world.

In the last 10 months of 1987 there were more than 24 800 prosecutions against taxi drivers.

Yet for millions of black commuters, the rapidly expanding taxi industry has become an essential part of their lives.

Buses are finding it increasingly difficult to ply their trade in the face of the greater convenience and comfort offered by the taxis.

But accompanying the new trend has been a dramatic increase in minibus accidents.

Hundreds of people died and thousands were injured while using taxis last year.

Urgent action is necessary to curb the mounting accident rate, according to the National Road Safety Council (NRSC) and the Johannesburg Traffic Department.

"Taxi drivers, in their rush to get rid of one load of passengers and take on the next, are breaking just about every regulation in the book," says Mr Bjorn van Oort of the NRSC.

Local taxi drivers denied angrily that they were solely responsible for the mounting accident rate.

"Most people do not realise that we operate under a great deal of pressure from the passengers on the one side and the owners on the other," said Mr Mthunzi Radebe of Bara-City, Johannesburg.

"Passengers tell us to speed up whenever they are late for work

or in a hurry to get home, but when we do, they accuse us of wanting to kill them," he added.

Commenting on allegations that drivers "pack passengers in like sardines", Mr Sibusiso Mhlungu said that passengers crammed themselves into taxis and that it was almost impossible to persuade them that the taxi was too full.

"Our ranks are not properly constructed — we are not provided with shelters like the bus ranks, and in wet weather passengers will do anything to get out of the rain so they force themselves into the nearest taxi."

Another driver bewailed the fact that his boss expected him to work 16 hours a day.

And if he did not bring back the required amount of money, he was

accused of "fooling around with women instead of working".

Passengers spoken to scoffed at the drivers' claims, branding them "reckless and irresponsible".

"Drivers have no respect for road signs," said Mr Teboho Borotho of Soweto.

"They care nothing about human lives. They drive like maniacs and pack us in like sardines," said Mr Demik Molosi of Atteridgeville.

A Kathlehong taxi owner, Mr Peter Thage, denied accusations that owners exerted undue pressure on their drivers.

"We do not make unrealistic demands of our drivers — we realise that they have a difficult and responsible job."

Big drive to make black taxis more safe

In nine years, the South African Black Taxi Association (Sabta) has grown from a small group of taxidivers to the largest privately-owned transport network in the country, pumping an estimated R66 billion into the economy annually.

Sabta represents more than 45 000 taxis.

Sabta taxis cover 440 billion kilometres each year — an average of 8 000 kilometres a month for every taxi.

They spent R64 billion on petrol and oil alone last year, and over R800 million on spare parts and accessories.

The taxi industry spent a further R171 million on insurance last year, or about R3 200 per taxi.

Sabta has moved to counter the high accident rate by erecting 24 centres countrywide to train member drivers.

Mr Mike Ntlatleng, communications manager of Sabta, said it was "concerned" about the high rate of taxi accidents and would take "serious steps" to minimise them.

He said that of the estimated 100 000 taxis operating in South Africa, more than half were illegal or "pirate" taxis and that it was difficult to say which sector was more to blame.

However, he appealed to the pirate taxi operators to join Sabta in a campaign to reduce the carnage on the roads.

Micor posts higher taxed profits

332 By Teigue Payne 349

Micor Holdings reports 21 per cent higher taxed profit in the half-year to December and says indications are that the more favourable conditions will be maintained for the rest of its financial year.

If that happens, says Micor, its freight, finance and travel operations should produce substantially better results than in the previous year.

Turnover was 10 percent higher at R192 million (R175 million in the same period in 1986). Although the increase was modest, the company says it not only derived from the economic upswing but from increased market shares, particularly in the transport and travel sectors.

Taxed profit was R1,3 million and earnings per share were 47,8c (35,8c).

The group says closure of the fabricating plant reduced trading losses. Further improvement of this division depends on its ability to increase turnover in the "continuing difficult competitive conditions".

12/2/88
S/ten

Bus terminus 'inadequate'

CAPE TOWN 12/2/88
332

Municipal Reporter

THE Mowbray bus terminus was overloaded with passengers and facilities there were inadequate, ward councillor Mr Ian Iversen said yesterday.

He said 25 000 people a day went through the terminus, which had just six toilets.

Buses nowadays were wider, longer and carried more people than the ones for which the terminus was designed in the 1950s, so there was a tremendous amount of traffic congestion.

Mowbray residents wanted to ease the pressure on their suburb by establishing an alternative bus change-over point in Athlone, but Mowbray businesses were not keen on this solution, he said.

Mr Iversen said he favoured the Athlone solution, but was working towards improving the terminus.

Litter awareness

"The council is negotiating with SA Transport Services to lease the parking area below the railway line being used by taxi drivers," he said.

He intended to mount a litter-awareness campaign among taxi drivers and their passengers.

"I also want a tap put in at the taxi rank, because commuters who want water, and even drivers who want to wash their vehicles, simply help themselves to water from nearby gardens," he said.

Consultants are investigating the viability of establishing an Athlone terminus to relieve Mowbray congestion, but are faced with the problems of the train service on the Cape Flats needing improvement, the need to adapt bus fares and the necessity for adequate access.

ROBERT DOLE

Natural selection

Like all the dozen or so presidential hopefuls, Senator Robert Dole, the Kansas Republican who defeated Vice-President George Bush in last week's Iowa primary, is accompanied virtually everywhere he goes by a pack of news reporters and TV camera teams.

Dole is suddenly a viable presidential alternative to the lacklustre race being run by Bush thus far in the cavalry charge that the two big US political parties are running from now until their respective nominating conventions this summer.

He had help in humiliating Bush last week. Not only did the Kansas senator win 37% of the Iowa Republican delegates, but TV evangelist Pat Robertson came in a surprise second with 25%. Bush limped in with just 19% of Iowa Republicans voting for him, after having carried the state in his own bid against Ronald Reagan in 1980.

He has a quick temper and an even quicker wit. In 1976, Dole's sharp tongue and rhetoric was blamed for costing his vice-presidential running mate, Gerald Ford, more votes than Ford won.

At 64, and an almost 30-year veteran of the US House and Senate, Dole is still close to his poor farmer roots in rural Kansas. A high school star athlete, Dole was a second-lieutenant in World War 2. War wounds during a patrol firefight with the Germans cost him a kidney and badly damaged his right arm and hand.

Today, he still inserts a pen or some other object into his closed, withered right hand to keep well-wishers from grasping it; he shakes hands with his left hand. Yet he still insists on buttoning his shirts and tying his shoelaces as a matter of discipline.

As a rural boy, who worked his way to a law degree and into public office, Dole is especially critical of the liberal social welfare programmes and farm crop subsidies which kept his family in penury without giving them enough to break free to self-sufficiency. He also refers to his own experiences as a combat soldier in his support of a strong American defence posture, while flailing Pentagon waste. He is what might be called a new breed of socially conscious conservative and he also brings a reputation for scrupulous honesty.

It is his discipline and sense of personal integrity which has propelled Dole, a senator from a minor state, to the position of Senate majority leader, when the Republicans were in power and, since 1986, Senate minority leader. Literally every major legislative triumph boded to Reagan's credit is in some measure due to the deal-making abilities of Dole — and everyone knows it.

It is that image of an outsider who knows how to make things work in Washington that

has the greatest appeal for voters and Dole is pushing it hard.

He is helped immeasurably by his second wife, Elizabeth, a former Reagan Cabinet secretary of transportation and long time Republican Party favourite in her own right. Were Dole not running, she could have been a strong contender for a vice-presidential offer from Bush.

But, next week, there is another round of primary campaigning in New Hampshire. New England is Bush territory and Dole is relatively unknown there, or was unknown until his — and Robertson's —

thrashing of the vice-president.

Two things can happen. The Dole bandwagon could continue to roll unless or until his quick-draw tongue trips him up, or Bush could turn his limping campaign train back onto the track.



Dole ... a new breed of socially conscious conservative

Offer for remaining shares

Duros buys major stake in Tollgate

CMT Times 22/2/88 *332*

By LAWRENCE TOTHILL
Investment Editor

DUROS has acquired a 29,9% interest in Tollgate Holdings, the parent company of City Tramways which operates the Peninsula's bus service among other things, and is making an offer to acquire all the shares of Tollgate in exchange for its own shares, in a deal carrying a price tag of about R67m.

A joint announcement says that Duros has acquired 7 257 618 ordinary shares in Tollgate (29,9% of the capital) at a cost of R19 958 449, which is equal to 275c per Tollgate share.

The deal is being done ex the interim dividend due to be declared in March.

Approval

The purchase consideration will be satisfied through the issue of 1 306 371 Duros ordinary shares and R10 160 666 in cash. The deal is subject to the approval of Duros shareholders.

In line with JSE rules a similar offer is being made for the rest of the ordinary shares in Tollgate: 18 Duros ordinary shares and R140 cash for every 100 Tollgates held.

The vendors of the 29,9% of Tollgate, which has been bought by Duros have independently placed the shares arising from the deal at 750c, but this placing arrangement will not be extended to the minorities.

The announcement says that based on the forecast results of Duros for the year to June 1988, and the results of Tollgate for its financial year to June, 1987, had the acquisition been effective for the entire Duros financial year to June 1988, and assuming no

Tollgate shareholders accept the offer, Duros's forecast earnings of 50c would have increased to 54,8c.

If all the Tollgate shareholders accept the offer, Duros's forecast earnings would have increased by 13c to 63c.

The pro forma net asset value of Duros shares, accounting for associated companies at market value on December 31, 1987 and Tollgate at cost, would have increased by 114c from 311c to 425c if no Tollgate shareholders accept the offer, and by 311c to 622c if all Tollgate shareholders accept the offer.

The management of Tollgate will not be affected by the deal, although the board will be reconstituted to include nominees of Duros.

Offer price

Before Tollgate shares were suspended they were traded at 225c and

Duros were traded, before their suspension, at 700c. The offer price of 275c is a fair premium on the pre-suspension price and allows for the forthcoming dividend.

Taking the cash element into account the offer is based on Duros shares being priced at 750c.

The name Duros is usually associated with the Cape-based furniture manufacturer, but it must be remembered that the Duros company was taken over in May last year by a group of young merchant bankers and turned into a completely different animal — an aggressive animal on the takeover trail.

At 275c the offer for Tollgate is made at well below its net asset value.

Privatization for all bus services

CAT Trans 25/2/88 332

ALL bus passenger services of South African Transport Services (SATS), including the Translux and Transcity services, are to be privatized, Mr Eli Louw, the Minister of Transport Affairs, announced yesterday.

Delivering the SATS budget at a joint sitting, the minister said he had given the instruction for these services to be developed as a separate business enterprise with a view to privatization.

Mr Louw said that 864 buses, involving capital investment of about R100 million, were used in the passenger service operation, which netted nearly R100 million a year in revenue.

The minister said that "according to public opinion", South African Airways was undoubtedly the most acceptable candidate for privatization.

He said the airline, as an undertaking, had established a successful record, but there were the aspects of "entanglement" with transport services, state involvement and competition in the domestic market which would have to be addressed before any action was taken.

Mr Louw said he was currently addressing the issue of establishing a measure of competition in the domestic air transport market.

He said it was not possible to attach a timetable for privatization at this stage.

Tramways' 'express' bus service under fire

By TYRONE SEALE
Mitchell's Plain Bureau

CITY TRAMWAYS has been asked to explain at a public meeting why problems exist on the new, direct bus service between Mitchell's Plain and major work centres at Mowbray, Woodstock and Cape Town.

Under the new system commuters travel from the Mitchell's Plain suburbs to the main bus terminus at the Town Centre to board buses which take them to their places of work along Vanguard expressway and Settlers Way.

City Tramways says the new service is more efficient because it cuts out the Hanover Park stopover and guarantees more seats for long-distances commuters, and that the free-ways save time.

However, commuters say there are long queues at the Town Centre, buses

taking them to the centre often run late and inspectors and bus drivers are ill-informed, adding to delays which make them late for work.

Arriving late carries penalties such as loss of attendance bonuses and wages and possible dismissal.

Dissatisfaction

These problems were highlighted recently in a Westridge Residents' Association survey in which 88 percent of the respondents said they were dissatisfied with the new service.

Of these, 56 percent said they had to rise earlier to get to work on time and 71 percent said buses on the new route took longer to reach their destinations as drivers frequently stopped to pick up passengers on what was supposed to be an express service.

Rocklands residents have called on City Tramways to explain at a meeting why problems existed and to discuss improvements.

Mrs Audrey Wilson, a Garment Workers' Union shop steward, said 20 percent of Mitchell's Plain commuters were garment workers.

"I have had several calls from workers at 14 factories during the past few weeks. They are getting to work late and are being given warnings because the bosses don't believe them and don't understand how the new service works," she said.

Mr James George said he had written to City Tramways on behalf of a group of commuters to protest against the service.

"We factory workers have already lost our bonus for the first week of this year. On Friday, January 15, 15 to 20 passengers missed the (Town Centre) bus and it was no fault of ours. The supposed 10-minute interval bus via Rocklands arrived at 5.55am instead of 5.40am.

● The Argus gave Mr Bob Krause, public relations manager for City Tramways, a copy of the Westridge Residents' Association's findings.

Mr Krause said initial problems with the new service were being sorted out and he would respond fully to residents' claims with a statement containing timetables, route maps and other explanations.

For more information, contact the number of The Argus.

BUS giant Putco made a loss for the six months ended December 1987, with a R2,2m deficit recorded before tax.

Tax deferred (R1,6m) pushed the six-month loss to R3,8m which, in view of the traumatic times experienced by the company, compares favourably with the R7m recorded for the same period in 1986.

Turnover for the period dropped to R133m compared with R146m in 1986, but operating costs were pruned to R135m as against R148m for the 1986 six months.

Operating loss before finance charges was R1,5m (R1,6m) and finance charges plummeted to R0,6m (R2,7m).

Losses a share were down to 14,6c (26,6c) but a special dividend of 17,5c was paid to shareholders with no interim

Putco trims its interim losses

332 MICK COLLINS 29/2/88

declared.

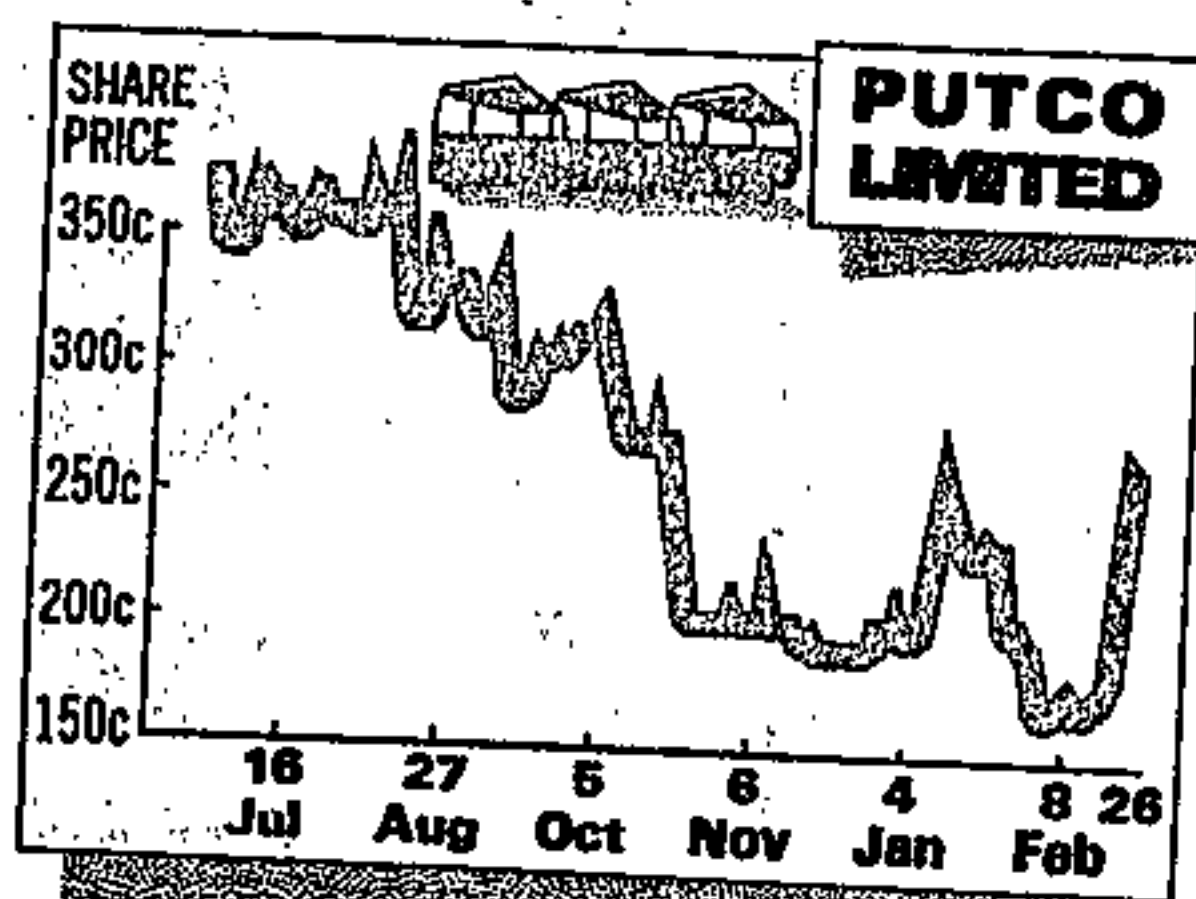
The directors pointed to the uncertainty surrounding privatisation and deregulation of the transport industry, but said this was likely to be clarified after the placement of service contracts on April 1.

"The effect of these transport services contracts, when implemented, will remove the uncertainty surrounding the continued servicing of unprofitable routes.

"Given the scenario of an improving economic recovery, reduced levels of unemployment and a calm political climate, your directors are optimistic that the group will be able to reverse the losses in recent years."

Putco has made steady losses over the past three years — 1985, R8,4m, 1986, R18,5m, 1987, R11m — despite a stringent cost-cutting programme with a target of R1m a month.

The advent of the mini-bus taxis has been to virtually destroy off-peak busi-



Graphic: FIONA KIRSCH Source: JSE

● To Page 2



Putco cuts loss to R3,8m in 6-month period

ness and seriously erode (33%) peak period business.

The majority shares (52%) in the business are held by the Carleo family, which gained control in 1971 after Leyland sold its 49% shareholding.

Compounding its problems is the age of its 3 000-strong fleet. At last count it was estimated that 30% of the buses under 12 years old were approaching redundancy and 30% would require re-

bodying and possibly engine/gearbox refurbishment. Added to this is the existence of 430 buses that are out of depreciation — over 12 years old. With a current capex projection of R34 000 (1986: R1,06m) the transport utility does not appear to have plans to replace these.

← ● From Page 1

332 29/2/88

Tollgate shake-up may bring lower off-peak fares

by TOM HOOD
Business Editor

CUT-PRICE bus fares outside rush hours and hiring of buses at cost at weekends are among options being considered to improve passenger transport services in the Western Cape.

The board of directors of Tollgate Holdings, the parent company of City Tramways, which operates bus services throughout the Peninsula, is due for a shake-up.

New directors are expected to be appointed after a dynamic team of young businessmen bought a controlling stake in Tollgate this week.

1 500 buses

They say they will appoint their own nominees to the board within the next two weeks.

And to come under the spotlight will be the better use of the fleet of 1 500 buses, which lie idle except at peak commuting times.

The team, headed by merchant banker Mr Ron Sherrell, includes Mr Christo Wiese, chairman of Pepgro and other companies, and Mr Johann Claasen, former chief of Volkskas Industrial Bank and a major shareholder of the Arwa clothing group.

The Cape directors are Mr Mervyn Key, a lawyer, and Mr David McCay, a merchant banker and former Western Province cricketer.

Deregulation

Their vehicle is Duros Holdings, a former Cape furniture company, which they also acquired.

The group paid about R20-million to acquire a 30-percent block of Tollgate's shares from the Pavlovsky family.

With deregulation of road transport becoming a reality, they see exciting opportunities ahead for Tollgate.

■ See Business Section.

Major shake-up for Tollgate

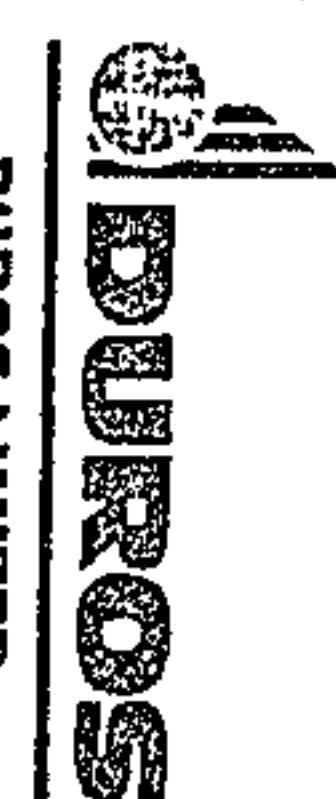
By TOM HOOD
Business Editor

CITY Tramways, which operates bus services throughout the Peninsula, is facing a major shake-up.

A dynamic team of young businessmen has bought a controlling stake in the parent company, Tollgate Holdings.

After studying the way the passenger transport business is run, they are moving swiftly to appoint their own nominees to the board of directors within the next two weeks.

Even before taking corporate consultants over, they see scope for improving business and eliminating losses through the huge fleet of 1 500 buses lying idle except at peak commuting times.



DUROS LIMITED

The team, headed by merchant banker Mr Ron Sherrell, includes Mr Christo Wiese, chairman of Pepgro and other companies, and Mr Johann Claassen, a chief of Volkskas Industrial Bank.

The Cape-based directors are Mr Mervyn Key, a lawyer, and Mr David McCay, a merchant banker and former Western Province cricketer.

"Meaningful stakes"

All directors have been friends for some time and got together to form an investment banking group.

The strategy is to acquire "meaningful stakes" in companies which are "able and capable of expanding rapidly".

Using the Duros shell, they have taken major stakes in Drivelec and Arwa.

They also acquired Dekro, turned it into a cash shell and propose to change its name to Gazankulu Gold Holdings (Gazgold).

The group paid R19.9-million to buy a 30 percent block of Tollgate's shares.

The shares, owned by the Pavlovsky family, had been on the market for some time.

Other Cape companies are believed to have been after the shares but backed off when they examined the problems of running the bus company.

"We would be better off to hire out buses even at cost or lower fares at weekends rather than leave them standing empty."

"At least it would improve our image with the public," said Mr Kay.

"We have been looking at Tollgate since November," said Mr Key today.

"We believe it has an efficient management team. We feel they have been constrained by their former controlling shareholders."

Deregulation

"We see it as a very sound company from the point of view of assets, cash and profit potential."

With deregulation of road transport becoming a major factor over the next five years, exciting opportunities presented themselves for Tollgate in the Western and Eastern Cape, he said.

Another business that could be rapidly expanded was the tourist operation, Springbok Atlas Safaris and Horizon Tours, which had "tremendous growth potential".

There was great scope to get export allowances for overseas tours.

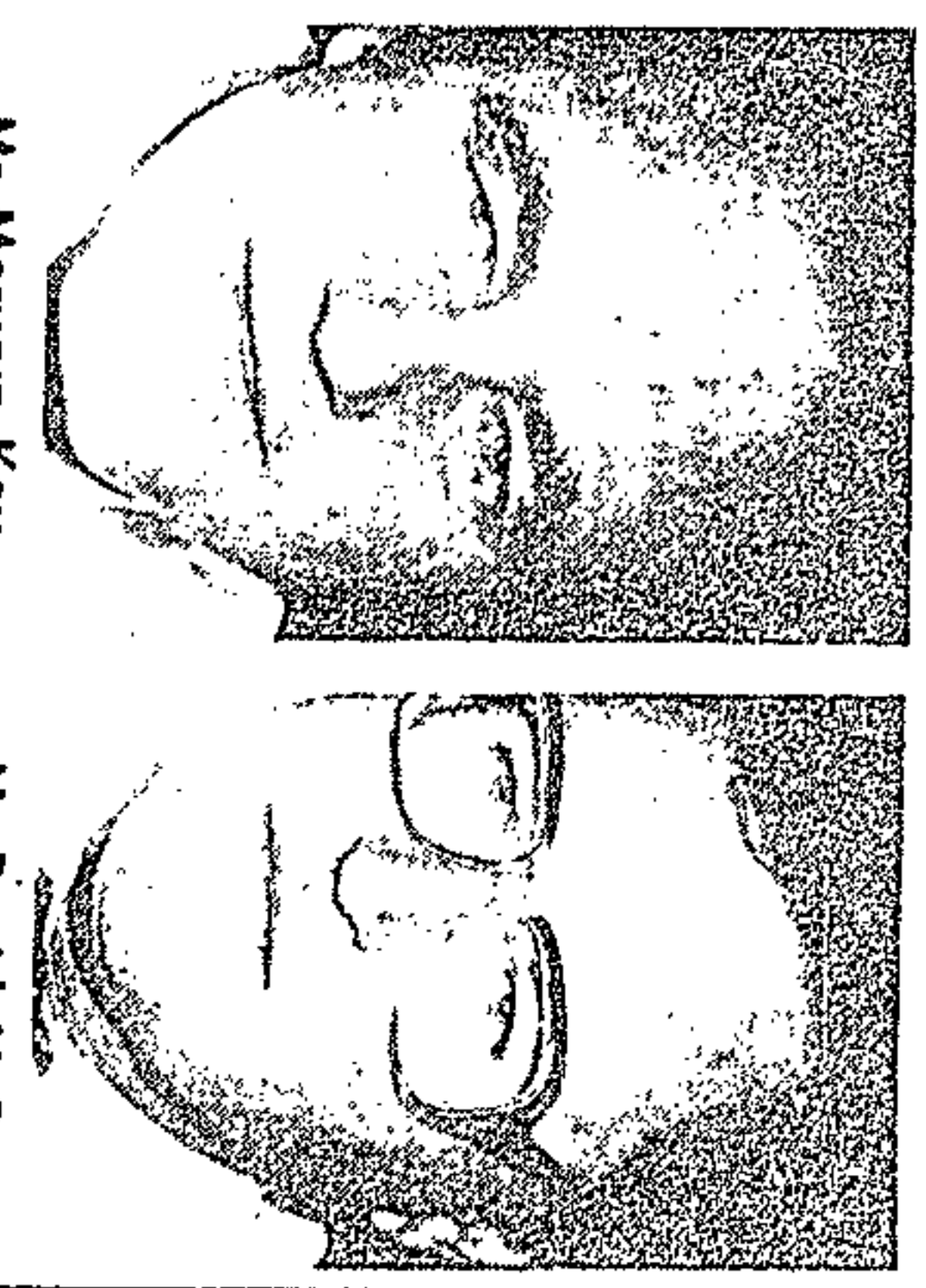
Tollgate was largely underborrowed — its borrowings of R10-million a year ago would be minimal by the end of June this year.

The bus fleet fleet provided a tremendous asset base, said Mr Key.

To replace an ordinary bus today would cost R234 000, with a luxury tourist bus costing between R500 000 and R750 000.

Replacement of the buses would cost at least R300-million.

"If we exported buses we could get R150-million — that is the kind of asset we have."



Mr Mervyn Key

Mr David McCay

Duros, a long-established Cape furniture manufacturer, ran into heavy losses and was eventually taken over by the present management.

In its heyday, it made a lounge suite for the British Royal Family when they visited Cape Town.

The new-look Duros is active in the merger and takeover business and 70 percent of its shares are owned by the controlling consortium.

Tollgate's engineering operation, Multimech, could also be expanded by taking on more outside business.

The Duros team, meanwhile, are making a bid for a full takeover by offering to buy all the other Tollgate shares by offering cash and Duros shares in exchange.

They are compelled by Johannesburg Stock Exchange regulations to offer all shareholders the same price they paid for the Pavlovsky shares — the equivalent of 275c a share.

The controlling stake is well ahead of the next largest shareholder, who is believed to own less than 3 percent of Tollgate's shares.

Airlines keen to compete

ABCS
79/2/88

332

Staff Reporter

PRIVATE airlines competing with SAA on major internal routes could have a negative effect on air fares and would have to be approached "responsibly" by the National Transport Commission and commuter airways, said the chairman of the Airlines Association of South Africa, Mr Trevor Conlyn.

The news that the Government was considering allowing competition on major internal routes as a first step towards privatising the State airline was "music to our ears", he said.

However, any moves in that direction would be difficult if caution was not exercised by

the National Transport Commission.

"If they are going to hand out some of the cake, then they have to say exactly how much," he said.

"Opening up air routes to commuter airways does not necessarily mean that SAA will relinquish its rights to those routes."

There was the danger that SAA could increase its flights on those routes to recoup passenger losses, which would be a death blow to a smaller airline.

The commuter airways would have to spend millions of rand on aircraft to fly longer routes, which would not be feasible without the guarantee that SAA would be limited on those routes.

Death aircraft's final moments: 'Double blast'

JOHANNESBURG. — The pilot of the chartered aircraft which exploded in flight and crashed near a factory in Wadeville gave the control tower at Jan Smuts Airport no sign that anything was amiss, according to an air traffic controller.

He said last night: "The aircraft was seven nautical miles away on final approach when it suddenly disappeared from the screen, without a word from the pilot."

"It was quite eerie. The controller in charge realised at once that all was not well. He told the rest of us that the plane had gone down."

The controller said there was panic in the tower.

"At first we thought the aircraft had been involved in a midair collision. We heard shortly afterwards that the aircraft had exploded in midair."

The controller added that the aircraft had left Phalaborwa at 4.20pm as scheduled and was due to land at Jan Smuts shortly after 5.30pm.

"It crashed minutes before it was due to land," he said.

Cockpit

All 17 on board the chartered aircraft were killed. The aircraft was a Bophuthatswana Air Bandeirante chartered by Comair for a routine flight.

When it exploded the cockpit was blasted from the fuselage and the two sections plunged to the ground at the entrance of the Wadeville Coca-Cola factory.

Mr Gerald Oosthuizen, who works at a factory nearby, said: "It dropped out of the air like a stone after a loud bang."

Mr Des Swanepoel of Boksburg said he was driving when he heard a terrific noise. "I looked up and saw the aircraft falling. I drove as fast as I could to the scene. As I got out of my car, there was another explosion."

Factory worker Mr Allan Fraser heard an explosion and looked up. He said: "I saw the plane spiralling and crash into the ground. It exploded about 300m up."

● Sapa reports that the dead are Captain Geoff Neill, chief pilot of Bop Air, First Officer Stan Wainer, Mr and Mrs Otto Mueller from Germany, Mr K Buchanan, Mr du Preez, Mr N Sitchett, Mr W McDonnick, Mr J Lambrecht, Mrs J Thomas, Mr E Schultz, Mr P Viljoen, Mr Wandracht, Mr E Faber of Zeerust, Mr D Spykerman of Johannesburg and Mr and Mrs F Pavandro of Austria.



WRECKAGE: One wing of the aircraft lies in the grounds of factory where it crashed.

Zimbabwe 'bomber': Parents held

Argus Africa News Service

HARARE. — The elderly parents of one of the five whites being held by the Zimbabwe police on sabotage charges have been taken into custody in Bulawayo.

Legal sources said Mr Rory Loftus Maguire, 65, and his wife Bessie were arrested at their home last night.

Their son Rory Maguire, 37, a Bulawayo businessman, is being held in

the top security prison in Harare pending trial on charges of sabotage.

The State alleges that Rory Maguire, four other whites and a former Rhodesian Special Branch officer acted as South African agents to attack ANC properties in Zimbabwe.

Mr and Mrs Maguire, senior, came to Zimbabwe from South Africa about 40 years ago. They hold Zimbabwean passports.

Plane explodes

332
CMT Twp 2/3/88

17 feared dead in mid-air crash on Reef

JOHANNESBURG.—A passenger plane exploded in mid-air and crashed into a Coca-Cola factory near here yesterday, killing all 17 people aboard.

"There were bodies lying all over the show. It was a horrible sight," said transport worker Mr Frank Aurell, one of the first on the scene in Germiston.

"It exploded in mid-air. It was already in two pieces as it came down."

The twin-engined aircraft hit the roofed gateway of a Wadeville Coca-Cola bottling plant and burst into flames, Mr Aurell said.

The gateway is about 20 metres from the main factory building.

Streets in the area were sealed off and fire brigade personnel from surrounding municipalities rushed to the scene, which is next to Jan Smuts Airport.

The wreckage was strewn over an 800m² area among factory buildings and a fire that broke out after the crash was extinguished promptly.

Two women, 13 male passengers and two pilots were killed in the accident.

The Brazilian-made Bandeirante turbo-prop was approaching Jan Smuts Airport on a flight from the far north-eastern Transvaal mining town of Phalaborwa, airline officials said.

The passengers were businessmen and tourists. Their nationalities were not im-

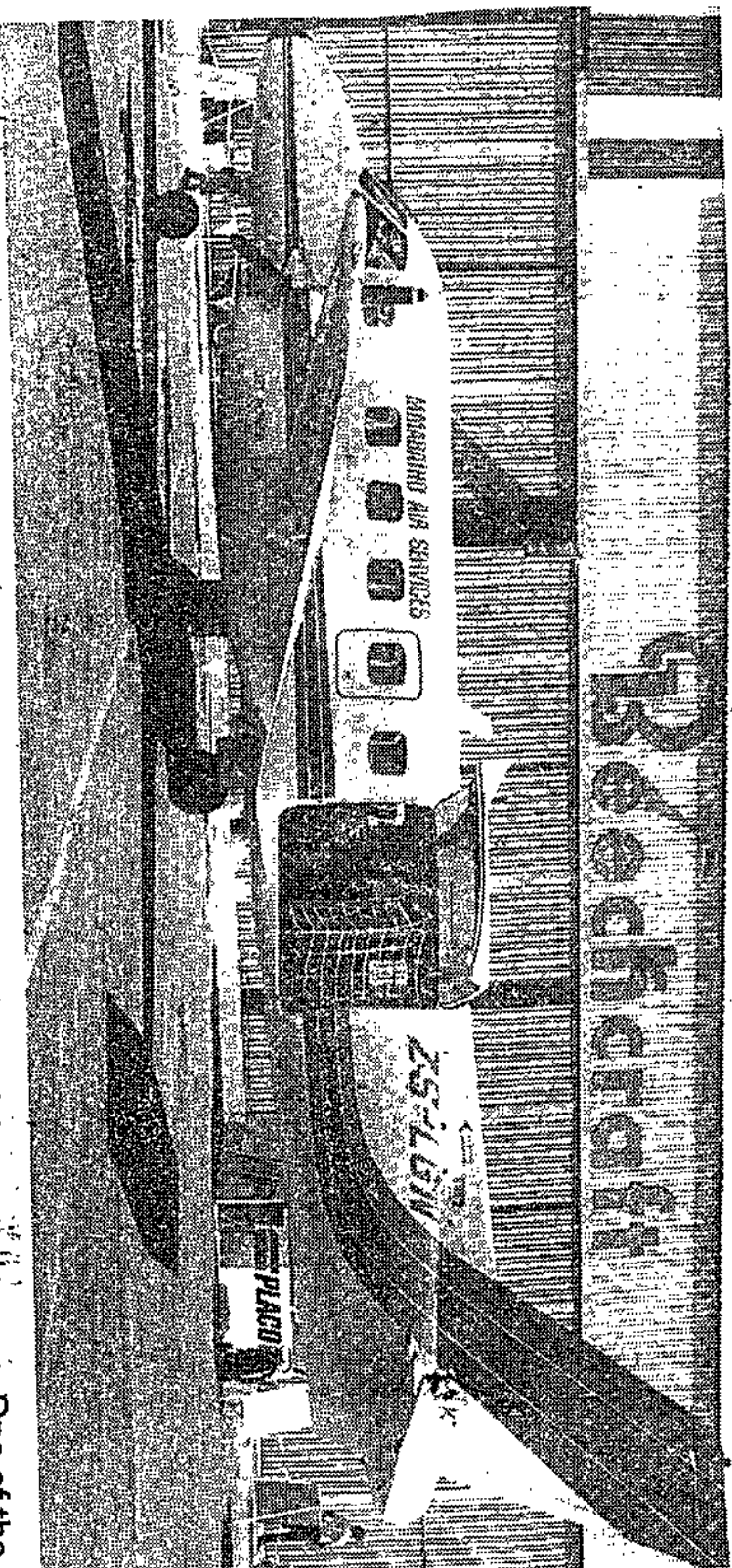
mediately disclosed.

"I heard a hell of an explosion. I saw a ball of fire and saw pieces of the airplane falling to the ground," said another eyewitness, Mr Hennie Swartz.

Other witnesses said the plane appeared to break into two before exploding. One spoke of hearing "a bang of an explosion". One witness told a reporter he heard loud

bangs and saw wreckage falling. He said he rushed to his vehicle to alert authorities via a two-way radio. By the time he arrived back at the crash site, police were at the scene and sealing off roads, he said.

Officials said the airliner was owned by Bop Air, the airline of Bophuthatswana but was operating a flight on behalf of the small South African domestic airline, Comair. — Sapa-Reuter and UPI



DOWNED AIRCRAFT.... A Brazilian-built Embraer EMB-110 Bandeirante turbo-prop. One of the only three in Southern Africa exploded in mid-air and crashed into a factory near Johannesburg yesterday.

Picture: LOUIS VOSLOO

Action against drunken driving

Sowetan 31/1/88 332

A BREWERY has launched an anti-drunken driving campaign aimed at black taxi operators to help reduce road accidents.

The campaign, which includes a R10 000 prize for a lucky taxi driver, will help make roads safer, one of the organisers said.

The SAB Safety Drive campaign is being sponsored by the South African Breweries, BP and Radio Metro.

The brewery's public affairs manager, Mr Gary May, said: "South Africa's taxi drivers transport millions of people every year and we believe that by involving them in a campaign to reduce deaths caused by drunken drivers they will be making a valuable contribution to making our roads safer."

SOWETAN Reporter

To participate in the campaign, taxi drivers would have to fill up at BP service stations displaying special SAB Safety Drive posters.

Mr May said that only one sticker and one entry for each taxi would be given out. These would only be available from selected garages while stocks lasted.

Campaign

The South African Black Taxi Association's marketing manager, Mr Mike Ntlatleng, said the association would start a campaign to reduce the number of accidents involving black taxis.

According to a report



Mr MIKE Ntlatleng ...
Sabta.

by the Public Carriers Association, scores of people have been killed and hundreds injured in accidents involving taxis.

There were 18 715 accidents involving mini-buses in the six months to June 1987 — or more than 3 000 a month, according to National Road Safety Council statistics.

Johannesburg's taxi services have come under fire from the Witwatersrand Chamber of Commerce and Industry (WCCI) and the Johannesburg Publicity Association (JPA) for the negative impact they have on the city's image.

The two organisations said they had received several complaints about the condition of some of the taxis.

There were also complaints about the lack of knowledge of the city on the part of some drivers.

The chamber said it had held discussions with the Local Road Transportation

Jo'burg taxis ^{Star 4/3/88} taken to task for shoddy service ³³²

Board, the City's Traffic and Security Department, the Licensing Department and the Metropolitan Planning Department, and had obtained their co-operation in efforts to upgrade the quality of taxi services, by stricter enforcement of

existing regulations.

The chamber has also issued an appeal to the public to report to the Traffic Department cases where the vehicles being hired were not in reasonably good condition or where drivers did not have a reasonable knowledge of the city.

The person to telephone is Mr Eric Hill at Johannesburg 832-2411.

● The chamber is studying all pending legislation relating to the deregulation of passenger transport.

The possibility of introducing minicabs soon is being investigated.

SUICIDE LINK

W/ARGUS
5/3/88

IN VAAL

332

AIR BLAST?

Weekend Argus Correspondent

JOHANNESBURG. — A bomb deliberately set off by a suicidal passenger is being investigated as one of the possible causes of the explosion which this week ripped apart a Bop Air aircraft in mid-air, killing all 17 people on board.

Police sources have said there are leads pointing to the theory that one of the passengers on the flight could have deliberately detonated a suitcase containing explosives two minutes before the aircraft was due to land at Jan Smuts Airport.

Explosives were placed under a seat in the passenger cabin of the Brazilian-made Bandeiranti turbo-prop airliner on a flight from the north-eastern Transvaal town of Phalaborwa to Johannesburg on Tuesday.

Police have discounted theories of sabotage or a missile being responsible for the explosion.

INSURANCE POLICY

One of the passengers, who has not been named, is understood to have taken out a R180 000 insurance policy recently.

The policy carried the normal two-year clause disqualifying pay-out if death resulted from suicide.

One theory is that the passenger tried to make the incident look like an aircraft accident to overcome the disqualifying clause.

The passenger was evidently having marital problems and lied to his wife about his whereabouts on Tuesday.

The same passenger had access to explosives.

Witnesses said the aircraft exploded in mid-air, breaking into two pieces before hitting the ground in the industrial area of Wadeville.

The authorities' immediate concern was that the aircraft had been sabotaged or shot down.

SUICIDE CLUES

But forensic experts quickly ruled out an attack from the ground.

Routine detective work into the circumstances and backgrounds of the passengers produced the clues which point to a suicide.

● Sapa reports that the Commissioner of Police, General H G de Witt, said today police were investigating possible criminal offences which may have led to the disaster.

He said it had been ascertained that there was an blast in the aircraft caused by commercial explosives. The possibility that a passenger took the explosives on board was being investigated.

"At this stage there is no reason whatsoever to consider sabotage a possibility," he said.

● South African Airways has imposed a 24-hour "cooling period" on cargo for its aircraft from any part of the world. The move is interpreted as a step to guard against another Helderberg disaster or against terror attacks.

The ban also indicates a new belief that sabotage or negligence could have played a role in the Boeing 747 tragedy off Mauritius.

Black taxis between Johannesburg/Messina: loss of revenue to SATS

486. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

What is the estimated loss of revenue to the South African Transport Services as a result of competition experienced from Black taxis running between Johannesburg and Messina for each of the latest specified five financial years for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS:

Although there has been a decrease in the number of passengers conveyed it is not possible to determine what percentage of this decrease can be ascribed to competition from Black taxis.

Passenger/goods rail traffic: maximum safe speed 487. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

(1) (a) What is the maximum safe speed applicable to South Africa's rail system in terms of (i) passenger and (ii) goods rail traffic and (b) what speed is permitted by the Transport Services in each case;

(2) what time-saving could be effected through the application of maximum safety speeds in respect of (a) passenger and (b) goods train journey between Johannesburg and Cape Town?

The MINISTER OF TRANSPORT AFFAIRS:

(1) (a) (i) 90 kilometres per hour except in the case of the Blue Train which is 100 kilometres per hour.

(ii) Vacuum braked trains and air braked trains on the coal line loaded to a maximum of 26 ton/axle — 60 kilometres per hour. Vacuum braked trains with selected rolling stock and air braked trains loaded to a maximum of 20 ton/axle — 75 kilometres per hour.

Air braked trains with a limited train length and selected rolling stock — 100 kilometres per hour.

(b) Maximum speeds as set out in part (1)

(a) (i) and (ii) of the reply except

HOUSE OF ASSEMBLY

where otherwise restricted for technical reasons, e.g. track curvature, down grades, yard/station layouts and for any other safety reasons.

(2) (a) and (b) None. All trains are operated at their optimal safety limit which is dependent on factors such as rolling stock, track structure, signalling, etc.

Erection of Mankweng hospital, Lebowa

491. Dr W J SNYMAN asked the Minister of Education and Development Aid:

Whether his Department is involved in the erection of the Mankweng hospital in Lebowa; if so, (a) in what respects, (b) what is the (i) tender price and (ii) final cost of erecting this hospital, (c) when (i) was the hospital completed and (ii) is the hospital expected to be in operation and (d) for how many beds has provision been made?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

Yes.

(a) The Department of Development Aid is involved in an advisory capacity.

(b) (i) R35 271 648.

(ii) R38 550 100.

(c) (i) The end of March 1988.

(ii) This date will be determined after consultation with Lebowa in whose judicial area the hospital is situated.

(d) 415.

Blacks removed from Black spots

502. Mr P G SOAL asked the Minister of Education and Development Aid:

(a) How many Blacks were moved from Black spots to Black states in 1987 and (b) (i) from which Black spots, (ii) to which Black states, and (iii) why were they moved in each case?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) None.

(b) (i), (ii) and (iii) Fall away.

Independent Black states: size in hectares

504. Mr P G SOAL asked the Minister of Education and Development Aid:

(1) What was the size in hectares of each of the four independent Black states as at the latest specified date for which figures are available;

(2) whether any land was added to any of these states in 1987; if so, how many hectares were added to each such state in that year?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) Transkei 4 287 000 hectares

Ciskei 794 000 hectares

Bophuthatswana 4 187 813 hectares

Venda 707 513 hectares

(as at 1 February 1988)

(2) Yes.

Transkei None

Ciskei 47 000 hectares

Bophuthatswana 17 hectares

Venda None

Training schemes offered for Whites

522. Mr C J DERBY-LEWIS asked the Minister of Manpower:

(1) Whether his Department offers training schemes for Whites; if so,

(2) whether Whites being trained under such schemes received payment whilst being trained; if not, why not; if so, what are the relevant particulars of (a) these schemes and (b) the payment so received?

The MINISTER OF MANPOWER:

(1) Yes. Two training schemes are at issue, namely the training of trainees and the training of unemployed persons. Both training schemes provide for the training of all population groups.

(2) Yes

(a) The training of trainees.

This entails the training of adult persons who meet the admission requirements for training as artisans or as entry level computer programmes. The training of unemployed persons. This entails the training of unemployed persons who are keen to improve their job proficiency.

(b) Trainees during their training receive an allowance which varies from R48

to R78 per week, depending on the trainee's number of dependants.

Unemployed persons younger than 18 years receive a daily allowance of R1,80 and persons older than 18 years receive a daily allowance of R2,40 whilst they are in training.

Note: Particulars on training appear in paragraphs 4.16 to 4.18 and 4.49 to 4.54 of Chapter 4 in the 1986 Annual Report.

Strikes: amount lost

534. Mr C J DERBY-LEWIS asked the Minister of Manpower:

What amount is it estimated was lost in terms of production as a result of strikes in each of the latest specified five financial years for which information is available?

The MINISTER OF MANPOWER:

As the submission of particulars on amounts estimated to be lost in production owing to strikes, is not required by the Labour Relations Act, 1956, the Department of Manpower does not keep statistics thereon and the requested particulars are therefore not available.

Overseas visits

575. Mr P G SOAL asked the Minister of Manpower:

(1) Whether he undertook any overseas visits in 1987; if so, (a) which countries were visited and (b) what was the purpose of each visit;

(2) whether he was accompanied by any representatives of the media on these visits; if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him and (d) why;

(3) whether any costs were incurred by this Department as a result; if so, what total amount in that year?

The MINISTER OF MANPOWER:

(1) Yes

(a) Spain

(b) Private

HOUSE OF ASSEMBLY

'Pirates' giving taxi industry a bad reputation

By Shirley Woodgate
Municipal Reporter

332

Pirate taxis were giving the entire industry a bad name in Johannesburg and should be put out of business by the city council's traffic and security department, Mr J J Swart, owner of J M S Taxis, said at the weekend.

He was reacting to complaints by the Witwatersrand Chamber of Commerce and Industry and the Johannesburg Publicity Association, about the condition of some of the vehicles and some of the drivers' lack of knowledge of the city.

He estimated that more than 170 pirate taxis operated openly in Johannesburg and its suburbs — compared with about 500 registered vehicles.

"The mainly black drivers float around in unidentified cars, using stolen two-way radios to tune into our legitimate radio frequencies. Legal taxis have to get a certificate of fitness for their vehicles every six months while the pirates who steal our business and gave us a bad name are not subject to the same regulations."

Mr Swart said that instead of victimising legitimate operators, the traffic officials should team up with them to wipe out the pirate taxis.

Mr CC Fronemen of Rose Taxis, which has 160 drivers, said the firm's drivers were subjected to character tests and abided by a strict set of rules.

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Court told bus driver killed in transport 'war'

Star 7/3/88 (232)

Own Correspondent

A Mafia-type murder trial involving two rival transport organisations is sending ripples of shock through transport circles in Zululand.

The trial, in the Supreme Court Circuit Division at Mtubatuba, involves the killing of a bus driver near Mtunzini in October.

GANG RIVALRY

Five men are charged with the murder of Mr Simon Mthembu, a driver for the Washesha bus company, which had been winning business from an Eshowe taxi company.

Amid Mafia-type gang rivalry, two hit-men were allegedly hired by the embittered taxi owners to strike back at the white bus owner who was threatening their livelihood.

In court this week, Mr Justice Law was told that Mr Phineas Mabaso and Mr Mvayisa Sithole boarded a bus travelling from Durban to Eshowe.

Near Mtunzini they had allegedly shot the driver before leaping out of

the vehicle. Waiting was a car driven by taxi owners Mr Bhekisithe Nzuza and Mr Mfiluswa Zuma.

The court heard that members of the bus company, owned by Durban businessman B Braadvedt, had been threatened and warned not to continue their services.

In a statement accepted by the court, alleged killer Mr Michael Mabuso said he had been paid R600 by the taxi company to kill the bus driver.

"They told us they would be out of work if the bus was allowed to run," he said.

TORTURE CLAIM

But in a dramatic trial—within—a-trial, the admissibility of two other statements was disputed after Eshowe residents Mr Mvayisa Sithole and Mr John Benghu alleged they had been tortured into signing written confessions.

Mr Benghu alleged he had been throttled and had had his testicles squeezed after being arrested. He had eventually agreed to make a statement.

assessed in the 1986-87 tax year and (b) what percentage of each group of taxpayers is Black?

The MINISTER OF FINANCE:

- (a) (i) and (ii) The statistics are not complete because ± 25 per cent of individual taxpayers have not yet been assessed.

respect of what date is this information furnished?

The MINISTER OF FINANCE:

- (a) 9 791
(b) R113 343 849
(c) Period 1 January 1987 — 31 December 1987.

Concessions granted: amount of tax lost

294. Mr H H SCHWARZ asked the Minister of Finance:

What is the total amount of tax lost or expected to be lost as a result of tax concessions granted to decentralized or deconcentrated industries in respect of the year ended 31 March 1987?

The MINISTER OF FINANCE:

Because many taxpayers (especially companies) have not yet put in their 1987 returns, it is not possible to give a final figure, but on the basis of assessments already raised, the income tax concessions granted to decentralized or deconcentrated industries in respect of the year ending 31 March 1987 will amount to approximately R28 million.

Burglaries

297. Mr H H SCHWARZ asked the Minister of Law and Order:

How many burglaries were reported to the South African Police during the period 1 July 1986 to 30 June 1987?

The MINISTER OF LAW AND ORDER:

194 286 burglaries.

Loss	12 690	0.00	0.00
0—	5 000	1.87	0.07
5 001—	208 828	4.59	1.53
10 001—	337 133	3.36	5.00
15 001—	233 474	1.02	7.70
20 001—	194 152	0.34	10.67
25 001—	152 601	0.13	12.24
30 001—	113 588	0.05	12.42
35 001—	75 443	0.02	10.67
40 001—	47 397	0.01	8.30
45 001—	29 149	0.01	6.13
50 001—	29 582	0.01	7.67
60 001—	12 237	0.00	4.07
70 001—	5 965	0.00	2.43
80 001—	3 629	0.00	1.76
90 001—	12 285	0.00	1.28
100 001—	4 662	0.00	3.54
150 001—	1 317	0.00	1.47
200 001—	481	0.00	0.72
250 001+	689	0.00	2.33
TOTAL	1 808 100	11.41	100.00

NOTE: The above statistics do not include taxpayers under the Final Deduction System.

GST: irregularities

293. Mr H H SCHWARZ asked the Minister of Finance:

- (a) How many cases of irregularities in respect of general sales tax have been discovered since 1 January 1987, (b) what is the amount of tax involved and (c) in

299. Mr H H SCHWARZ asked the Minister of Law and Order:

- (1) (a) How many motor vehicles were reported stolen during the period 1 January

to 31 December 1987 and (b) what is the value of the motor vehicles stolen during that period?

- (2) how many such vehicles were recovered in (a) an undamaged, (b) a damaged and (c) a cannibalized condition?

The MINISTER OF LAW AND ORDER:

- (1) (a) 59 936 motor vehicles.
(b) An estimated value of R899 040 000.
(2) (a) 33 177 motor vehicles with an estimated value of R497 655 000.
(b) 7 112 motor vehicles.
(c) 2 040 motor vehicles.

Air traffic controllers: shortage/vacancies

369. 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, (b) at which airports do these vacancies exist in each case and (c) in respect of what date is this information furnished?

The MINISTER OF TRANSPORT AFFAIRS:

Yes.

- (a) 11.
(b) 8 at Jan Smuts Airport; 1 at Louis Botha Airport; and 2 at D F Malan Airport.
(c) 24 February 1988.

Lorries impounded

372. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

Whether any lorries were impounded in 1987 by officials of the Department of Transport; if so, (a) how many in each month and (b) for what reason in each case?

The MINISTER OF TRANSPORT AFFAIRS:

Yes

(a) Month	Number	(b) Reason
January	0	Not applicable.
February	1	Unauthorized road transportation.

Month	0	Not applicable.
March	0	Not applicable.
April	0	Not applicable.
May	0	Not applicable.
June	0	Not applicable.
July	0	Not applicable.
August	0	Not applicable.
September	0	Not applicable.
October	0	Not applicable.
November	0	Not applicable.
December	0	Not applicable.

Bus companies: subsidies

375. 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) Johannesburg/Pretoria, (b) Cape Town/Penninsula, (c) Port Elizabeth/Liekenhage and (d) Durban/Pinetown areas in the 1987/88 financial year?

The MINISTER OF TRANSPORT AFFAIRS:

Particulars are not yet available in view of the fact that the 1987/88 financial year only terminates on 31 March 1988.

Black Transport Services Act: contributions from employers

378. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

What was the total amount collected in terms of the provisions of the Black Transport Services Act, No 53 of 1957, in contributions from employers in the 1986-87 financial year?

The MINISTER OF TRANSPORT AFFAIRS:

R41 131 194.85.

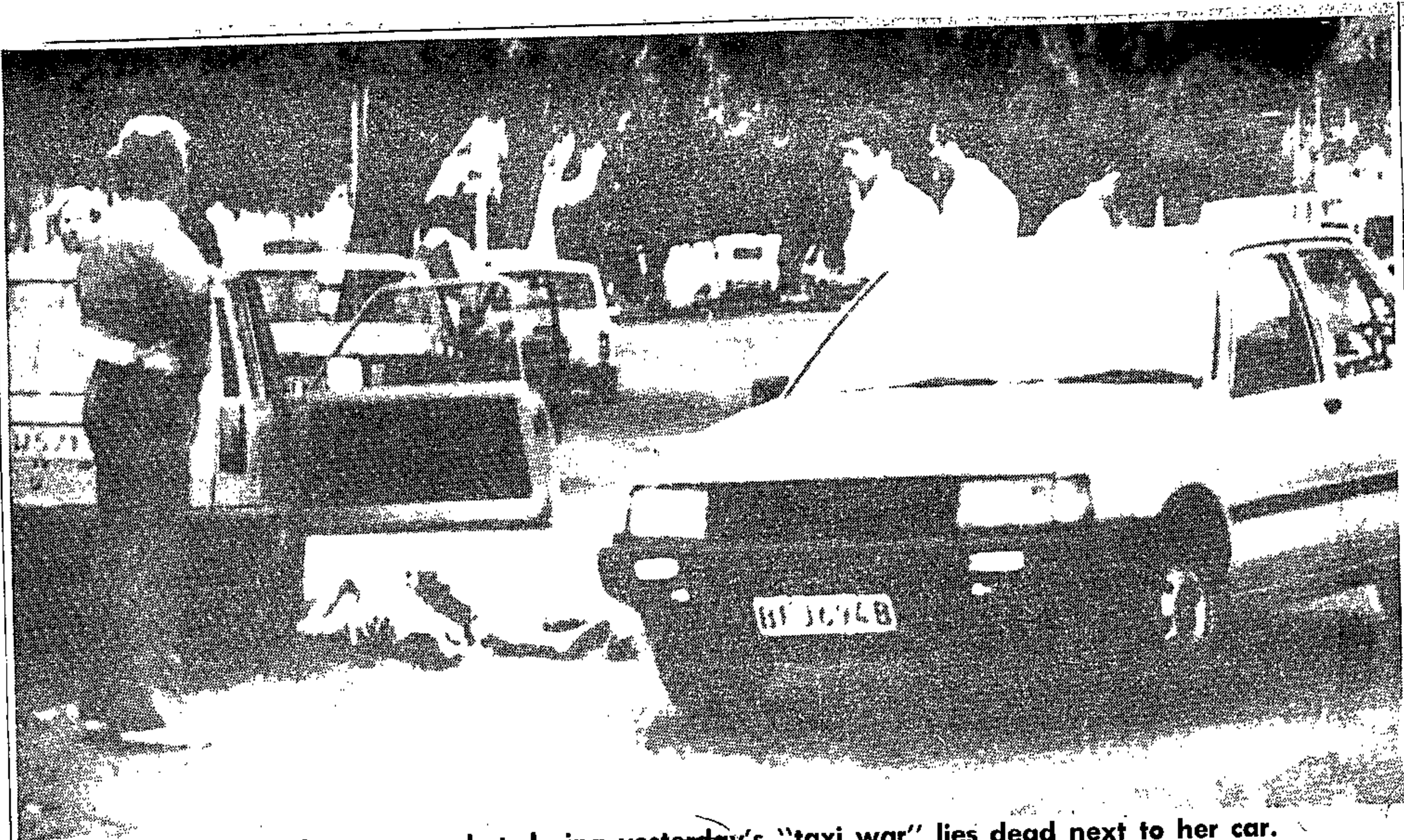
Tsitsikamma toll road: total amount collected

379. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

What is the total amount (a) collected by the concessionaires, and (b) paid to the State by them after retaining the amount due to them for their expenses and or commission, in respect of the Tsitsikamma toll road in 1987?

The MINISTER OF TRANSPORT AFFAIRS:

- (a) R1 653 471.36
(b) R1 456 967.55.



The Rosebank shop-owner shot during yesterday's "taxi war" lies dead next to her car.

Two dead, one wounded in bloody shootout at taxi rank

The Argus Correspondent

JOHANNESBURG. — Two people died and one was wounded in a bloody shootout between rival taxi drivers in Rosebank.

A Killarney shop owner, Mrs Ethne Sash, 55, died instantly when she was hit in the neck while getting into her car.

The second victim, who had been standing near the gunman's taxi, was chased and stabbed to death after a fight.

Driver arrested

He had a knife wound in the right leg and an open wound on the back of his head.

A third person was shot and slightly wounded in the arm.

Police arrested a middle-aged taxi driver.

The wounded man, apparent-

ly a bystander, narrowly escaped serious injury when a bullet tore two holes in his tracksuit top but only nicked his upper arm.

Police said the drama began after a crowd of about 100 people gathered at the rank. An argument erupted between two rival groups of taxis over parking and passenger "rights".

The driver of a Toyota taxi leapt from his vehicle and fired five shots towards Oxford Road.

One shot hit Mrs Sash, who had already opened her door to get into her car. She died instantly. A second bullet hit the corner of her Renault's front windscreen.

A police spokesman said the man then threw away the gun, a 0,38 special revolver, and tried to flee but was arrested

almost immediately.

At the same time, the second victim apparently fled down the road before he was stabbed to death.

Large crowd

A witness said: "I saw a large crowd gathered down the street, some with knobkerries. Then I heard five shots and saw people running down Tyrwhitt Avenue."

Reacting to the killings, Witwatersrand police spokesman Lieutenant Pierre Louw said police would approach traffic authorities on the issue.

They were also holding constant top-level talks with the South African Black Taxi Association.

"Clearly this is a general problem," he said.

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Floods cause Grindrod dip

332

DURBAN — The Natal floods and a variety of other factors combined to reduce the profitability of the shipping, clearing and forwarding group, Grindrod Unicorn Group (Grincor) in the year to December.

Attributable profits were down 37,5 per cent and earnings a share 47 per cent compared with the previous year.

Turnover was up 26 per cent at R274,6-million, but operating profit was down at R20,2-million (R21,4-million).

Attributable profits were R4,6-million (R7,4-million). Earnings a share were 18,4c (34,8c).

The group has declared a final dividend of 7c per share, making total distribution 12,5c (17,9c).

The directors said the combination of factors adversely affecting earnings were:

- Extraneous costs relating to the merger of the Grindrod and Mitchell Cotts shipping and transport operations.

- A loss of R2,8-million incurred in Airoa-dexpress acquired as part of the merger.

- Heavy initial costs incurred by the new South African coastal roll on-roll off service.

- Disruptions caused to trading by the Natal floods and the SATS strike.

- Reduction in rand earnings due to the strengthening of the rand against the US dollar.

The directors add, however, that they are satisfied that abnormal costs will not be repeated and have therefore decided to reduce the dividend cover as they expect the company to return to acceptable levels of profitability in 1988. — Sapa

Keeping a check on minibuses

332 THE South African Long-Distance Transport Association is to hold a general meeting at the Johannesburg Hotel on Tuesday to discuss road safety on their routes.

The secretary of the association, Mr Thulani Kubheka, said they were concerned about the high rate of accidents caused by minibuses country-wide.

Mr Kubheka said they would soon start a campaign to reduce the number of accidents involving minibuses.

A report by the chairman of the Public Carriers Association, Mr Phil Erasmus, recently revealed that scores of people have been killed and hundreds injured in accidents involving minibuses.

There were 18 715

accidents involving minibuses between January and June 1987 — more than 3 000 a month — according to statistics published by the National Road Safety Council.

Mr Kubheka said various matters will also be discussed at the meeting, including arrangements for Easter holidays. The meeting starts at 10am.

Sowetan 11/3/87

DID 11/3/88

EAST LONDON —The Association of Ships' Agents and Brokers of Southern Africa (Asabosa) is hoping to convince the shipping industry in South Africa to come under one umbrella organisation.

The president of Asabosa, Mr Paul Rose said: "this will give the industry more strength and unity and will help sort out problems".

"I am motivating a plan and, as it is a new idea, we need to give the industry time to think of the concept and hopefully act positively on it," he said.

Mr Rose was speaking at an official luncheon meeting of Asabosa members and guests in East London.

He is on a one day stop-over here as part of his South African tour.

He said one of the main objects of his visit was to bring the Asabosa council "closer to the branches".

"There has been a marked increase in Asabosa's involvement at top government levels.

"We are now being represented on the Transport Consultative Council (TCC), reporting directly to the department of transport and Assocom as well as the Transport Advisory Council (TAC) which reports directly to the Minister of transport and the Harbour Advisory Board (HAB)."



The president of Asabosa, Mr P. Rose, left, the East London Port Director, Mr H. Visser, the Port Captain, Captain J. D. von der Fecht; the branch manager of Grindrod Shipping and chairman of the East London branch of Asabosa, Mr C. Adlam, the branch manager of Ellerman & Bucknall and vice chairman of the East London branch of Asabosa, Mr C. Willis.

Mr Rose said that earlier in 1988 the assistant general manager of South African harbours and his entourage "came to Durban to take cognisance of our complaints and queries".

"All this makes me believe Asabosa is a body which they consider has to be reckoned with."

He added that the object of the Asabosa council was "not to police our tariff although undercutting still continues".

He said the 1989 tar-

iff had been increased as "this will hit hard at companies and non-Asabosa members who continuously erode our tariff, it is therefore extremely important to retain our tariff."

"Our tariff has been accepted by the competitions board and I firmly believe that we should fall in line with government thinking on pricing.

"Our liason with the South African Transport Services (Sats) is a refreshing approach as they now regarded us as clients."

"Sats has a professional business-like approach and this, I believe, will improve further once Sats becomes autonomous later this year."

The new chairman of the Europe/South Africa Conference (ESAC), Mr Tony Farr and the new deputy chairman, Mr Chick Breetzke, were incorrectly stated as having been appointed to the South African Europe Container Service (SAECS) in the Shipping Column of February 26.

When the Conference Lines ventured into full containerisa-

tion of the trade in the mid-1970's the need for a strong centralised control over the capital intensive container service arose.

A management office was set up in London to co-ordinate the overall container operation.

This separate company operates under the name of SAECS and the chief executive of this office is Mr Peter Butland.

There are no SAECS offices in South Africa.

The Europe/South Africa Conference is

ping lines with 21 members serving the trade between Europe and South Africa.

These member lines appoint a chairman and deputy chairman to be their main spokesmen on Conference matters in London and Cape Town.



East London harbour's new 28-ton Lansing Hermes low-mast forklift which will be used for coastal and deep sea ro-ro work.

The present chairman of the Conference in Europe is Mr Anthony Butterwick of P & O Container Lines and he, together with his deputy, is responsible for the various committee's running the affairs of the Conference on that side of the trade.

In a similar vein, the Conference Lines have appointed a chairman, Mr Farr, and a deputy chair-

man, Mr Breetzke, to operate in South Africa.

These two appointments are aligned towards ensuring the Europe/South Africa Conference serves the trade to the best advantage of shippers and receivers at either end of the trade.

The two are also responsible for the overall implementation of Conference policy, contact at senior government level and the negotiation of contracts for the major commodities moving

The managing director of Safmarine, Mr Mike Finlay, has announced the appointment of Mr Tony Farr as chief operating officer of Safmarine, effective from the end of March 1988.

A new 28-ton Lansing Hermes low-mast forklift has been handed over to the port director, Mr H. Visser.

The forklift will be used for coastal and deep sea ro-ro work.

Its low mast makes it ideal to work in the sheds on the East Bank and on board ro-ro vessels.

The forklift can be used to store bolsters in the sheds instead of their being stored on trailers.

The bolsters can also be stacked, increasing the number stored and making it cost effective for clients.

The mast is 3,2 metres high and is two stage with full free lift. The vehicle is powered by a six-cylinder turbo-charged diesel engine that develops 148 kw at 2 400 rpm.

The four speed gearbox has electronic gear selection and the drive axle is heavy duty with double reduction.

The national parts and service manager of Surequip, the suppliers of the machine, Mr Trevor Morris, said the current market value of the unit is R500 000.

Mr Morris said the machine has a seven-ton safety margin "over the top and can be used for many different applications".

"It has a number of accessories but will be used mainly as a forklift by South African Harbours".

Mr Visser said the new forklift "will greatly improve our service to clients".

The port manager, Mr S. Broodryk, said "the vehicle will increase our customer service level".

Private railway share issue will raise R1,8m

By Ian Smith

INVESTORS will be offered a stake in South Africa's first privatised railway tomorrow.

The Port Shepstone & Alfred County Railway Company (ACR) hopes to raise R1,8-million from a private placing of 500 000 shares and a public offer of 1,3-million.

The company will operate the 122-kilometre narrow gauge line between Port Shepstone on Natal's South Coast and the timber-growing centre of Harding. It will base the service on the tourist attraction Banana Express inaugurated by Sats in 1981, but will also provide a vital freight service to the hinterland from April 1.

Dividend

The company has its sights set on two more branch line operations — the Port Elizabeth-Avontuur Apple Express and the 145km Umzinto-Ixopo-Donnybrook stretch in Natal.

"All the services could operate with interchangeable equipment and few extra staff would be needed," says ACR joint managing director Allen Jorgensen.

ACR is not seeking a JSE listing, but foreign investors will take up a shareholding, says Mr Jorgensen.

Steam train enthusiasts have said they will apply for shares, but the promoters say they can begin operations on a minimum subscription of R850 000, most of which appears to have been pledged already.

But the project is not merely an altruistic attempt



Allen Jorgensen ... more than a nostalgia kick

to keep alive a part of SA's steam heritage.

"We are a vital link in the transport infrastructure of this part of the country," says Mr Jorgensen. Timber production in the district is expected to double from the current 200 000 tons a year in the next 15 years.

"We have been given tremendous support from the timber industry. Demand for our service will increase as Sats phases out its road operations in the Harding area."

He says an assessment of ACR indicates a freight tariff of about 80% of road haulage costs. This should improve as road transport costs rise.

The line will benefit from the popularity of steam tourist railways. UK tourist lines increased from five in 1960 to more than 100 last year. In the US the number of similar routes has increased from 20 to more than 150.

The Banana Express, providing an eight-hour round trip from Port Shepstone to

Izingolweni, carried 4 100 passenger in its best year in 1983.

But after ACR took over the service on December 4, the day after the privatisation agreement was signed with Sats, 10 000 passengers were carried in only 37 operating days.

The inaugural trip will carry international steam enthusiasts on a tour of SA rail routes.

Foreigners

All this leads the company to predict that an operating loss of nearly R70 000 in the 16 months to February 28 next year will be turned into a profit of R54 260 in the following year. The prospectus says pre-tax profits should reach R1,1-million in 1994, allowing a dividend of 12,8c a share from earnings of 25,7c.

"We see this as a medium- to long-term investment," says Mr Jorgensen, who settled in South Africa from the US in 1964. "It is a serious operation, not a nostalgia kick."

Market research has been soundly based and once ACR proves it can provide a reliable and cost-effective service, the vital freight traffic, which will be transhipped to the Sats line at Port Shepstone, will increase.

Best year

The advantage for Sats is that it will be shed of a loss-incurring route which it closed in October 1986 while receiving a royalty for use of the line. The royalty could reach R400 000 a year by 1994, says the ACR prospectus.

ACR will buy 25 steam locomotives and 379 wagons and vans formerly used on the line from Sats. A timber depot will be established at Harding and ACR's workshop will provide an engineering service for the district.

House

Southern
15/3/88

full, 332

says

Putco

PUTCO said yesterday that it would soon be unable to accept any more special hire bookings for the Easter weekend.

In a statement Putco said that so far 791 buses had been hired from its operating divisions in the PWV.

Question

"This year we have a special situation in that there are three public holidays in the space of six days over a weekend. The big question for commerce and industry this year is how Tuesday April 5 will be treated.

"We expect the major exodus to begin after 5 pm on Thursday, March 31, with most buses returning on Monday afternoon, April 4," Putco public relations manager, Mr R K Duff, said in the statement. — Sapa.

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Taxi feud on East Rand

SCORES of Vosloorus, Boksburg commuters were left stranded yesterday when about 14 local taxi drivers stopped work because of alleged assaults, harassment and intimidation by a rival group, *Sowetan* 15/3/88

Drivers said they were robbed and harassed by the rival group when they transported commuters from Vosloorus township to Johannesburg. Both groups are pirate taxis.

Matters came to a head when a

number of Vosloorus taxi drivers were allegedly assaulted and robbed at the weekend. They then decided to stop the Johannesburg pirate taxis from entering the township.

332

Succumb

"We will not succumb to pirate taxis from Johannesburg. They must operate in their own area. We will fight back and defend ourselves," one taxi driver told the *Sowetan*.

An executive member of the

Vosloorus Taxi Association, Mr. Thuli Simelane, said they had decided to intervene in the issue, "before we experience a nasty situation".

An urgent meeting is to be held at the local civic centre today between feuding groups in an attempt to resolve the matter.

Commuters said they were forced to look for alternative transport to go to work in Johannesburg because of the fighting between the taxi operators.

Taxi crackdown after complaints

332

SME 16/3/88

Municipal Reporter

Johannesburg's Traffic and Security Department is cracking down on taxis following recent complaints by the Witwatersrand Chamber of Commerce and Industry.

The chamber alleged that tourists gained a poor impression of the city because many of the taxis were in a shabby condition and drivers often took a roundabout way because they did not know the city well enough.

These allegations were rejected by two leading taxi companies in Johannesburg, and one argued that pirate taxis which were to blame should be chased off the roads.

The Traffic Department has asked passengers to support its drive by reporting anything wrong, either inside or outside, with the condition of the taxi in which they travel.

People are also asked to comment on the driver's knowledge of the city and whether they have been taken on a roundabout way to their destination.

"Every driver must know the city like the back of his hand and taxis in a battered or unsightly state have to come off the streets," said a department spokesman.

SAB'S A-TRUCK-TIVE OFFER

What's brewing in the transport business? Is a South African Breweries (SAB) scheme in the western Cape, encouraging drivers to set up their own businesses as cartage contractors — a sign of things to come?

Eleven SAB drivers already have independent contracts to carry SAB goods, with clauses built in giving them the option to buy their company vehicles after a year.

Area GM Sam Montsi predicts at least 50% of them will make a success of the venture and hopes to see drivers expand their fleets to three or four trucks.

Transport experts see it as part of a trend. Consultant Max Braun says it makes economic sense to contract out. One reason is that vehicles operated by companies like SAB are inefficient be-

cause they carry loads in one direction, then return empty. Independent operators may seek loads on the return leg, thus making better use of their vehicles.

A Public Carriers' Association spokesman says once a driver owns a vehicle, he has more interest in its economical use. "He'll want to ensure the best fuel economy and highest productivity. We prefer entrants into professional trucking to come this route rather than to start from scratch."

National Association of Private Transport Operators CE Andre Jacobs says selling off vehicles is the best way for owner-drivers to enter the business in SA. It is preferable to what happened in the US and Australia, where people mortgaged their homes to buy a truck.

fm 18/3/88

Thawing out

Predictably, the decision to dismantle the eight-month-old pay freeze while maintaining tight price controls has upset business.

Agriculture says the 17.6% pay award to the lowest paid, scaling down to a 2% increase for those earning upwards of Z\$39 000 annually, will add at least \$45m to its annual-pay packet. Mining puts its cost at \$27m, manufacturing at \$200m and government's wage bill will rise \$150m in a full year. Total cost is crudely estimated at \$600m (about 6% of GDP).

Details of the awards, effective from March 1, show the lowest paid — in agricul-

ture and domestic service — will get an increase to a monthly minimum of \$100. For the bulk of the work force — earning \$100-\$300 monthly — the increase will be 15%



Chidzero ... tactics criticised

while, at the top of the scale, salaries of more than \$45 000 will remain frozen.

The \$100 monthly pay packet for lowest paid remains way below the official poverty datum line of \$320 a month.

Though the price freeze remains, the Ministry of Trade and Commerce is to resume processing applications from firms desperately needing to raise prices.

The freeze certainly slowed inflation from close on 15% in May 1987 to less than 10% at

year-end. But Finance Minister Bernard Chidzero's tactics are criticised by those who believe he should have announced a single package of higher taxes and prices at the same time as the pay award.

News for the rest of the year will be generally bad for wage earners — higher fares and rates on railways, buses and the airline; higher prices for milk, bread, meat and maize meal; and higher indirect taxes in the July budget, not to mention a broad range of private-sector price increases that will start to filter through in the second half.

Chidzero admits that the economy will again be plagued by growing unemployment and inadequate investment. His reluctance to liberalise price controls underscores yet again that near-term political issues are considered more important than faster economic growth and increasing employment.

The episode is a reminder that it is easier to impose a freeze than end it. Zimbabwe has still to work out how to return to normal methods of price and wage determination. ■

22/3/88

Tollgate chairman axed in board reshuffle

By Tom Hood

CAPE TOWN — Sweeping changes have been made to the board of Tollgate Holdings, controlling company of City Tramways, which operates bus services in the Peninsula.

The chairman, Dr M D Marais, and all four non-executive directors, have been replaced.

The axe was wielded by the new controlling shareholders, Duros Group, which announced today the appointment of Mr Johan Claasen to succeed Dr Marais.

ELLIS PARK

Mr Claasen, a director of Duros, was previously appointed chairman of Ellis Park when Volskas Bank took over the Transvaal rugby stadium.

Also joining the board is Mr Adriaan Eksteen, former Director General of Transport.

Other new directors are all Duros men including Duros chairman Mr Ron Sherrell and Mr Mervyn Key and David McCay (Cape directors), Mr A M Louw and Mr G L Mackintosh.

Tollgate men who keep their seats on the board are all executive directors — Mr Johan Barnard, managing director, Mr Neil Blackshaw, group financial director, Mr John Boughty, chief executive of the Multimech subsidiary, Mr Nic Cronje, managing director of City Tramways and Mr Julian Carney, a Tollgate executive director.

Duros, the financial services and investment holding group, which bought a controlling 29 percent of the shares from the Pavlovsky family, announced last month that it would appoint its own nominees to the board.

Ousted from the board are Mr Eric Grubb, a former managing director, Dr Gerald Browne, a former Director General of Finance, Mr L Flax and Mr C A Stride.

Tollgate board restructured

By LAWRENCE TOTHILL

332

FOLLOWING the acquisition of a controlling shareholding in Tollgate Holdings by Duros, most of the non-executive directors of Tollgate are being replaced, but all the executive directors stay on to run the company as before.

The directors who remain on the board are MD Johan Barnard, financial director Neil Blackshaw, CE of the Multimech subsidiary John Boughey, MD City Tramways Nic Cronje, Julian Carney and Adriaan Eksteen.

The non-executives leaving the board are Dawie Marais, Eric Grubb, Gerald Browne, Leon Flax and Charles Stride.

The newcomers are Johann Claasen, Ron Sherrill, Mervyn Key, David McLaw, Murray Louw and G L MacIntosh.

Commenting on the changes, MD Barnard says it is natural that a new controlling shareholder appoints nominees, "but it is business as usual and all those who run the company continue to do so".

02989

"Another advantage of a messenger service is that we get a signature for everything. So nobody can say: 'You didn't let us know'."

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Docex is catching on in SA

MESSENGERS carrying letters and packages bustle into a central Johannesburg building. In front of them are rows upon rows of numbered steel lockers.

A man in a motorcycle helmet heads straight for a second-row locker and "mails" a letter. A girl stoops to unlock another of the boxes. She removes three letters and places inside it a sheaf of letters and a small parcel. It's a typical scene at the Document Exchange, a unique service heavily patronised by lawyers and other professional people.

The notion of central points where important and urgently needed documents can be speedily, reliably and cost-effectively exchanged was conceived in Australia in 1970, the brainchild of a Sydney solicitor. Today there are more than 7 000 subscribers in Australia.

The idea soon spread to Britain, where there are now 1 000 exchanges with 10 000 members. The South African Document Exchange (Docex), a private company that became operational less than five years ago with four exchanges and 72 members, has mushroomed to almost 60 exchanges used by 1 200 members.

How does Docex function without falling foul of the Post Office regulations? The secret is that it works closely with the Post Office. Explains MD John Broadley: "It's a unique service in which the Post Office, in effect, acts as a contractor to a small enterprise."

The Post Office is not directly involved in intra-city document exchanges between Docex members. Documents are merely placed by local members in the appropriate numbered boxes of other members in that centre and are routinely collected. This eliminates the need for hand deliveries throughout the city. Each box is 40x30x30cm and subscribers' names are entered in a national Docex directory that is updated three times a year.

But Post Office staff do pick up and deliver members' out-of-town mail in the major centres. The Johannesburg

exchange, for example, has several "mail boxes" approximately the size of four-drawer filing cabinets marked "Cape Town", "Durban", "Pretoria", "East Rand" ... All letters and small packages for these regions are sealed in standard canvas mailbags carrying the Docex logo and destination labels. Says Broadley: "Each bag is weighed — the maximum is 30kg and the Post Office charges us by weight."

Firms and individuals joining the "club" pay an initial entry fee and an annual subscription.

Membership is growing at about 25 a month, and new exchanges are being added at a steady rate. "A lot of professional people have subscribed. About 80% are lawyers. Then there are insurance companies, insurance brokers, building societies, stock brokers..."

In most major centres more than half the attorneys listed in Horro's Legal Diary use Docex, he says. The service ensures complete confidentiality and security. Although there's no postage to pay, there is a limit of 2kg of mail a day that will be handled within the subscription fee. Beyond that, mail is weighed and charged for monthly — "at a rate that's not cheaper than the ordinary mail but a lot cheaper than a courier."

Docex guarantees an overnight service between the main centres because its mailbags are containerised and go aboard SAA flights with the Priority Mail. On road routes it is delivered by the Post Office.

Johannesburg, with more than 360 members, has the busiest exchange. It's open 8.30 to 4.30, Mondays to Fridays, excluding public holidays.

Most of the bigger exchanges are owned by Docex, which has its own staff of 65. Those in Port Elizabeth, East London and Maritzburg are franchise operations. Another franchised exchange will open in Bloemfontein shortly.

Computer links vital

SUN Couriers is investing heavily in improving its computer links with some 4 000 clients, says MD Roelf Grové. The upgrading of communication is vital in a highly competitive but fast-growing business, he believes. Eventual winners will be those courier firms that have achieved five important goals:

- ☐ A truly national network;
- ☐ An ability to reach as many towns as possible by 10 next morning;
- ☐ A sophisticated level of communication with clients;
- ☐ A workforce that is efficient and highly motivated;
- ☐ A management able to contain costs while giving the best service.

"If we can get something to Durban on time by truck instead of flying it," says Grové, "it must go by truck."

More on parts

Johannesburg-based Sun Couriers, one of the Big Three on the local scene, has a payroll of 340. It now covers 240 towns overnight without having to call in a third party. Like others in the express trade, it is tending to concentrate less on documents, and more on urgent parts and spares. While this causes overlapping with straight freight companies, an essential difference remains, says Grové. "They're terminal to terminal, we're door to door."

Grové believes the aura of urgency in modern business, brought about by the electronic communications revolution, is a great help to the express trade. "Businessmen who can get a page faxed in under a minute are not prepared to wait more than a day for an important computer part."

Sun's business is still 90% domestic but its international division had "phenomenal" growth of 300% last year. "We link into IML of Britain, in which KLM has a 30% share. IML has the third biggest network in the world."

**In-flight
people fill
vital gap**

AT Jan Smuts Airport, you will find a courier company's courier company.

This unusual setup allows people to take on board as their own hand luggage many express documents and packages that are being moved by courier companies between SA and major overseas destinations.

The company, In-Flight Couriers, is an affiliate of a British company that recruits couriers after careful screening. The couriers then fly to Johannesburg accompanied by bags from various express companies. "When they arrive here in the morning," says James Murray, who heads the local operation, "we break up the consignment and pass on the relevant documents and parcels to local agents."

It also works the other way. In the evenings, packages consigned to destinations abroad through local express companies are consolidated at the airport before being handed to another Wholesale Courier representative to take on board.

In-Flight, which from next month will be called Wholesale Courier Network, provides on-board couriers for eight companies.

Its rationalisation service saves these companies a packet, says Murray. For many years, each had its own on-board courier. The top names in the trade still do, but there have been times we've been able to help some of them out.

Later this year, says Murray, the company hopes to extend its network to the Far East.



What about PX minicontainers, things wouldn't be okay at the OK?

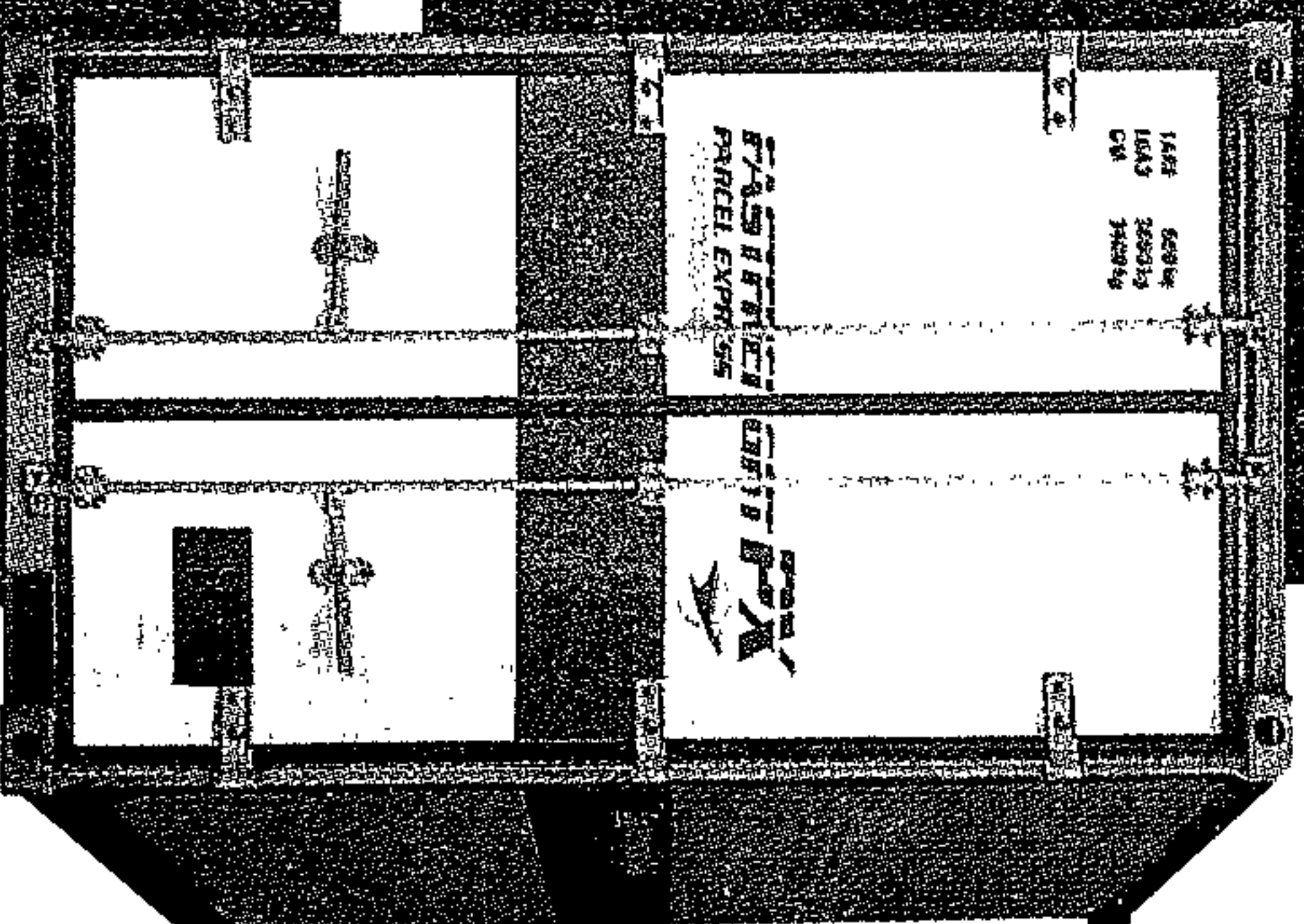
**- J. F. Novello, General Manager
Distribution, OK Bazars.**

"One of the factors influencing stock turns is the frequency with which stock can be replenished. Our four Distribution Centres in Johannesburg, Pretoria, Durban and Cape Town use the Railways for the supply of merchandise to 89 of our stores. The ideal method of conveying merchandise to those stores that fall outside the permitted road delivery radius, is, as far as we are concerned, by container."

"The problem we always had was increasing the supply frequency to the smaller stores because of the time it took to make up viable container loads. The smallest container then measured 3 metres. As a result, we often had to consign loose cartons, either by fastfreight or by passenger train, not only at additional rail and labour costs, but also with all the attendant risks involved. The introduction of the PX minicontainer has virtually solved all our problems. It enables us to increase our supply frequencies at no additional costs and no risk of stock losses."



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Johannesburg 74-3659, Pretoria 294-3120.

tighten up

COURIER bags are now being checked by customs before leaving the country, says SA Courier Association chairman Ken Murray.

Incoming bags have always been subject to customs inspection. Now, customs have put outgoing express bags on the same footing.

Murray says it took a long time to get the authorities to appreciate this. Because clients were paying a premium for speed, the express trade should have been able to get their bags and paperwork handled quicker.

The recent tightening of inspection on outgoing bags is understandable, he says, "even though it means big firms like DHL and TNT Skypak will have a cut-off of around 3pm for non-documents to get the bags together."



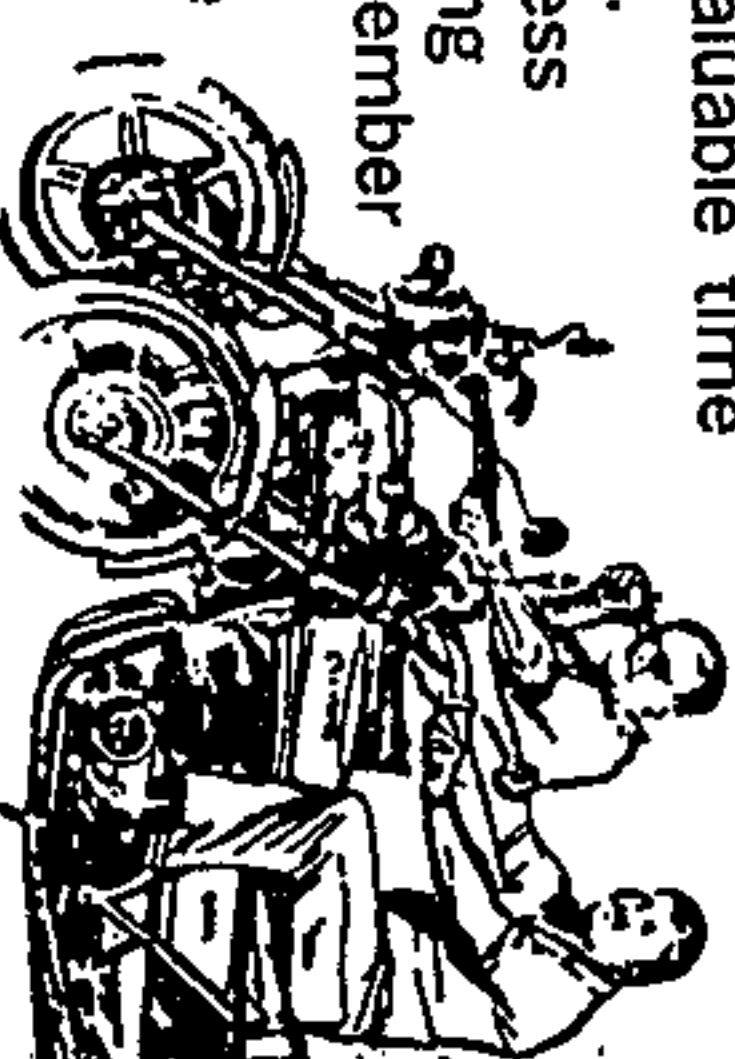
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(232)

'SPIDER WEB' ENSURES EFFICIENCY

A HUB-AND-SPOKES distribution system is the best way of getting express deliveries to clients, according to XPS, one of the Big Three in the domestic market.

It has two main hubs — one in Johannesburg for next-day delivery services and another in Bloemfontein for a slower, road-only service. The spokes radiating from these hubs are highways and air lanes linking them with the country's other major urban centres.

XPS runs a fleet of line-haul truck tractors with 12-ton trailers. Express air freight goes by SAA. In Johannesburg and Bloemfontein, "hub sorts" take place and parcels go out on spokes to the appropriate metropolitan centre.

If the destination is a smaller town, parcels are transferred to trucks of one to four tons for the final leg of the journey.

The company's own staff and vehicles take care of packages from start to finish — except where SAA has to be used.

In the past year, XPS, which concentrates exclusively on Southern Africa, has extended the number of towns it serves to 208, says MD Peter Baker. Its newest service, using Bloemfontein as the hub, is for heavier parcels or parcels that are not so urgent and can therefore travel at a cheaper rate.

Three grades of service are now offered.

XP-1 is for extremely urgent material that must get there by 10 the next morning. If the destination is too far for an overnight drive, the package will go by air.

XP-2 is for material that must be there by 1pm the next day.

XP-3, the newest option, is exclusively a road service. Goods can go either on a short regional trip or on a long line haul. "But", says Baker, "they will be dropped off not the next day but on day two by 1pm. Obviously the rate is a lot cheaper."

He gives an example: "A parcel going from Johannes-

burg to Paarl by XP-1 will be R12/kg; by XP-2 R6 and XP-3 R3. We will move anything that's urgent; if a customer wants something that weighs 500kg to go XP-1, that's fine."

Baker says XP-1 parcels average about 3kg and are mainly envelopes, documents and printouts, whereas XP-2 and XP-3 packages average 9kg and 18kg respectively. They consist mainly of parts for agricultural implements, motor vehicles and computer spares.

He concedes that XP-3 takes the company into the realm of conventional freight, but adds: "There's no such thing as a pure courier trade anymore."



**Courier and
express services**

A Business Day Survey

Freight-ful anger

Transport operators are anything but happy about Barend du Plessis' Budget provisions for the passenger and freight industries.

On the passenger side, Du Plessis announced increased subsidies for black commuters that will raise the overall subsidy bill by 46,9% to R470m.

Dr Wessel Pienaar, executive director of the Southern African Bus Operators' Association (Sabo), an organisation which incorporates both private and municipal bus companies, says Du Plessis has chosen the "lesser of two evils."

"At this time in our development, government had a choice: either take over the whole passenger transport infrastructure from the private sector, including current spare capacity caused by the long recession and by the inroads made into our business by black taxis, or increase subsidies.

"The decision to increase subsidies is welcome because we believe it is, in the long-term, the most economic solution from the taxpayers' point of view.

"Sabo expected the increase. We are pleased with the amount because it indicates government's willingness to make a sacrifice to keep vital private bus operators on the road. We take this as an understanding from government that bus operators cannot be eliminated from our roads," Pienaar says.

Black taxi operators disagree. Says one: "We operate without subsidies, without costing the taxpayer a cent. Why should buses be subsidised?"

James Chapman, of the Southern African Black Taxi Association, says: "We are totally against the one-sided way government subsidises transport, which is that white-owned bus companies get subsidies while black entrepreneurs competing in the same

FINANCIAL MAIL MARCH 25 1988

market do not."

Freight operators are as upset as the taxi men about the budgetary provision affecting heavy vehicle (HV) licence fees.

Du Plessis maintained: "The damage caused to roads by HV traffic is still increasing, and is still untaxed." He said a HV levy would be implemented to raise R200m in the 1988/1989 financial year.

Although industry spokesmen point out

that this is in line with both the National Transport Policy Study and the government White Paper on transport policy, there is concern at government's broad approach.

Says André Jacobs, executive director of the National Association of Private Transport Operators: "We take strong exception to the remark that road damage is untaxed. We pay a consolidated fuel levy, and operators entitled to rebates still cannot get their

money back from Customs and Excise. We pay company taxes, we pay fees, we pay the highest road tolls, we pay for everything. SA Transport Services might not be taxed, but we certainly are.

"There was also an undertaking from government that there would be a *quid pro quo* on the HV levy in the form of deregulation, which has not taken place, and that the levy would be phased in over a period of time, which is obviously not to be the case. We feel betrayed."

Individual hauliers agree. Says one: "This will simply increase our costs, which will be passed on down the line."

S African taxi operators lay it on the line to American Congressmen

By CAS St LEGER

FROM a backyard operation in the townships to the American Congress in Washington.

That's that's how far along the road to power the Southern Africa Black Taxi Association (Sabta) has travelled in a handful of years.

And Sabta president Thupane James Ngcoya and his Free State provincial leader, Boas Monamane, who testified this week against sanctions before a US Congressional Committee, have R1 000-million in economic muscle to prove their point.

Mr Ngcoya was invited to Washington by the committee after meeting Congressmen in the US on a fact-finding, support-seeking business mission with other Sabta officials last year.

He delivered a message to the committee urging aid for the development of black business as the most effective means of ending apartheid. Sanctions, he said, contributed to the Government's heavy-handed actions and to the rise of the right wing.

"If the Conservative Party comes into power — and sanctions will certainly help them to do so — the black people will have even less hope than now, he said."

"We believe the road (to reform) lies through the creation of jobs and wealth.

From that strength will come a political influence no government can resist."

The two-man delegation has been listened to with "understanding of all the problems that have arisen from previous Congress decisions", said Mr James Chapman, Sabta's national adviser.

JAMES NGCOYA There will be a re-Aid black business port-back after the delegates return next Wednesday.

Sabta was born in Pretoria five years ago, with assets of a desk and chair, a broken filing cabinet, a telephone and a far-sighted and aggressive marketing policy, despite very limited financial resources.

Its main opposition was the powerful bus monopoly, Putco.

Until the Government white paper recommended deregulation of the taxi industry it had been protected by the 1981 Welgemoed Commission's recommendation that black taxis be stopped.

Mr Ngcoya, 49, had humble beginnings. He saved the money he earned as a heavy duty truck driver in Johannesburg and — 10 years ago — bought a second-hand car as his first taxi.

A sizeable chunk of Sabta's success was the brave marriage between white expertise and black acumen at a time when the black taxi business had a push-start "skorokoro" image.

"That decision came in for a great deal of criticism. In hindsight, it was a good decision, part of our success," said Mr Chapman.

Today Sabta's 45 000 registered members use 800-million litres of fuel, 3.6-million litres of oil, one million oil filters and 780 000 tyres annually.

Commuters

Competition for their business is fierce, with Toyota last year supplying 48 percent of taxi mini-bus sales, worth a total of R168-million out of the R568-million mini-bus market against Nissan's 40 percent.

There were 18 347 mini-buses sold in 1987 and at least 5 800 of these went as taxis.

Putco moves 106 000 peak-hour black commuters, fading to 32 000 off-peak; the taxis carry 55 000 in rush hour but 72 000 in the quieter periods of the working day.

"Last year, no one in the United States had heard of Sabta," said Mr Chapman.

Millions more socks sanctions

Black taxis under fire

THE high number of deaths and serious injuries involving black taxis is causing concern, delegates at the launching of the Evaton branch of the National Road Safety Council were told at the weekend.

The mayor of Evaton, Mr Sam Rabotapi, said strong measures would have to be taken to curb the increase in accidents in black townships.

The Evaton police station commander, Warrant-Officer L A Skosana, said a check on traffic offences revealed that kombi taxis were involved in most of the accidents.

An official of the NRSC, Mr J Msiza, said more than 12 school-going children, whose ages range between five and 11, were killed and about 36 people were injured in accidents involving black taxis in Evaton township in the past few months.

Exhibition

The launch, which took place at Lerato Creche, Evaton, was organised by the NSRC, the Evaton Town Council, the Evaton Traffic Department, parents and child welfare organisations.

At a special exhibition during the ceremony toddlers were taught road safety signs.

Mr Msiza said they appealed to taxi drivers, school teachers and the community to help fight the high accident rate.

"It is shocking that our children should die in such high numbers. They are assets to the community and we must secure their safety," he said.

W/O Skosana said it had been established that many accidents involved minibus taxi drivers who were under the influence of liquor.

There were 18 715 accidents involving minibuses in the six months to June 1987 — or more than 3 000 a month, according to statistics published by the NRSC.

Prosecutions against black taxi owners in South Africa — who number at least 90 000 — topped the 24 800 mark during the past 10 months, although sources say these were only a fraction of the number of offences committed.

Plans to expand services

Tollgate buys UPTI in R62,9m deal

CART TIMES
29/3/88
332

By AUDREY D'ANGELO
Financial Editor

CAPE TOWN-based Tollgate Holdings has acquired control of United Passenger Transport Investments (UPTI) — which operates commuter and long-distance bus and coach services over widespread areas — in a R62,9m deal.

The price is approximately the asset value of UPTI, which has seven bus companies (1 400 buses) operating mainly in the Transvaal, Natal and Bophutatswana. It has 4 500 employees, all of whom will keep their jobs.

The deal, effective from April 1, is still subject to regulatory approval and includes provision to safeguard the conditions of employment of UPTI staff.

Principal operator

Tollgate — now in the Duros stable — is buying UPTI from United Transport International (UTI) a subsidiary of international services company BET, which has a 60% stake and from Sankorp which has the remaining 40%.

The purchase consideration will be settled by a cash payment of R50 558 808 and the balance of R12 375 000 by the issue by Tollgate of 14% unsecured convertible redeemable debentures of 275c each.

Tollgate Holdings has been the principal bus operator in the Cape since 1876.

Tollgate MD Johann Barnard said last night that the enlarged company would still have its headquarters in Cape Town.

He said "rationalization" of the Greyhound Inter-city operation owned by Tollgate and its Springbok Atlas Safaris with coach services owned by UPTI did not mean a reduction in jobs.

"On the contrary — we expect these services to be expanded. We shall now

be in a better position to cater for the tourist industry by offering a choice between leisurely scenic tours and quick inter-city travel."

A statement issued by Tollgate said that its operations and those of UPTI were not in competition because they functioned in different market segments and localities.

"This acquisition significantly broadens Tollgate's involvement in the passenger transport industry."

Tollgate said the acquisition decreased the net asset value of Tollgate ordinary shares from 317c to 283c because "Tollgate revalued its bus fleet in 1983."

"Were UPTI's fleet to be revalued on the same basis, the reduction in asset value would not occur."

"However the acquisition increases Tollgate's earnings per ordinary share from 31,9c to 40,8c, representing an increase of approximately 27%."

A planned restructuring programme of the enlarged group was expected to have a favourable effect on future earnings.

Acquisition

The acquisition included new unused buses, coaches and chassis at a replacement value of R15m.

The statement said Tollgate nominees would be appointed to the boards of UPTI and its subsidiary operating companies in due course.

Paul Rudder, a BET director and chairman of UTI, said local ownership would be "the best way forward for passenger transport following the changes in the industry."

"The price recognizes the commercial worth of the business" and releases funds for further expansion of UTI's world-wide freight operations, as part of our policy of focusing on BET's core support services," he said.

JOHANNESBURG — In a R62,9m deal, Tollgate Holdings has acquired total control of United Passenger Transport Investments (UPTI) from United Transport Holdings and Sanlam Investment Corporation.

The takeover which takes effect from April 1 significantly broadens Tollgate's existing involvement in the passenger transport industry.

Tollgate is to pay R50,5m in cash for UPTI and will settle the balance of R12,3m by the issue of 14% unsecured convertible redeemable debentures of 275c each.

UPTI is 60% owned by United Transport International (UTI) through UTH and 40% by Sankorp.

UTI is a subsidiary of BET, an international services company, and contributed less than one per cent of BET's earnings.

BET director and UTI

D/D 28/3/88
**Tollgate pays
R62,9m for
bus group**

chairman, Mr Paul Rudder says local ownership is "the best way forward for passenger transport following the changes in the industry."

"The price recognises the commercial worth of the business and releases funds for further expansion of UTI's world-wide freight operations as part of our

332
policy of focussing on BET's core support services."

UPTI through its seven bus companies operates 1 400 buses and employs 4 500 people in providing bus services principally in the Transvaal, Natal and Bophutatswana and also operates the Greyhound luxury inter-city coach service.

The transaction does not affect the interests which UTI and Sankorp hold in JSE-listed Unitrans and is subject to official approval being obtained.

WORKERS ARE LEFT STRANDED

THOUSANDS of commuters were left stranded in Atteridgeville yesterday when local taxis stopped operating in protest against the arrest of their colleagues at road blocks in the township.

People who travel by taxi into Pretoria stood in queues in the streets while taxis were parked near the local police station. Drivers said they would not work until their leaders had made

By ALINAH DUBE

representations to senior police officers about the release of their colleagues.

According to sources, the taxi men were taken by surprise by officials of the Transportation Board and the SAP who manned road blocks at all entrances to the townships.

The taximen told the *Sowetan* that the exercise was part of "a campaign to get us out of business to make way for non black taxi operators." They said there had recently been misunderstanding between them and certain individuals who were from outside Atteridgeville but who

were running businesses in the area. (332)

"This is just a deliberate way in which we are being victimised because of having clearly stated that taxis owned by whites and Indians will have to stop operating in the township. The town council has also supported this move by saying only local residents should be involved in the running of local business," one said.

Mr Matthews Mahlangu, the mayor, said he would look into the problems affecting local taxi people. He said it was improper for people other than Atteridgeville residents to operate in the township.

Lieutenant Hennie

Crowther, Press liaison officer for the Northern Transvaal police, was said not to be in when the *Sowetan* contacted his office. *Sowetan* 30/3/88
A spokesman for the Police Directorate would

also not say how many people were charged yesterday. He said he relied on information received from Lt Crowther's office and with him not being in, was unable to help.

Bus operators object to road toll facilities

By Sven Forssman 9/4/88

The Southern African Bus Operators Association (Saboa) strongly objects to toll facilities being introduced on the country's present road system.

"We believe the collection of toll money is inefficient and expensive," executive director Dr Wesel Pienaar said.

"Toll charging is discriminatory towards road users who are settled in the vicinity of toll facilities as compared with road users settled in other areas who enjoy sufficient accessibility but who do not have to pay a toll for their road usage.

"If sufficient other forms of road-user charges and indirect taxes exist, then toll charging means there is an over or double recovery of road-user cost."

Dr Pienaar said Saboa was against the idea that if an existing facility is upgraded, and or widened, it should become a toll facility.

223 die, 602 seriously hurt on roads during holidays

The road death toll for the seven-day Easter/Founders' Day holiday period is 223, with 602 people seriously injured. The cost to the State is an estimated R45 million for medical and other expenses and loss of productivity.

According to the National Road Safety Council (NRSC), 199 people were killed during the "normal" long weekend, ending at midnight on Monday, compared with 191 in 1987.

This year's figure was well below the 240 notched up over the 1983 "Black Easter" weekend, and according to an NRSC spokesman, should be seen against a traffic volume increase of between 11 and 33 percent.

The 223 total was the provisional figure to cover the period March 31 to midnight April 6, but was expected to

rise slightly with late reports or the death of seriously injured victims, the spokesman said today.

Final analyses would only be available in two to three months.

A total 73 people were killed in the Transvaal, 71 in the Cape, 43 in Natal and 36 in the Free State. Eighty of the victims were pedestrians and 91 were passengers.

According to statistics, most accidents were head-on collisions, followed by collisions with pedestrians and "rolled vehicles".

The spokesman said traffic on major routes — which, with yesterday's last-minute rush home had some towns recording a traffic flow of more than 1 400 vehicles an hour — had returned to normal.



Picture: DOUG PITHEY, The Argus
TAXI WAR: Disgruntled Kensington taxi-owners Mr Igshaan Majied, back left, Mr Farouk Davids and, front, from left, Mr Igshaan Davids, Mr Leon Sollons and Mr Louis Timmer. They are unhappy about being refused licences to operate.

Taxi owners claim applications blocked

By REHANA ROSSOUW
 Staff Reporter

13/4/88
 8648 332

TAXI owners in Kensington have blamed City Tramways for blocking their applications for licences and have paid thousands of rands in fines for operating taxis illegally.

Mr Frank Davids of 12th Street said he bought two minibuses last year with the intention of starting a taxi service.

"Since then I've had to sell one to help to pay the fines.

"I live opposite the bus stop. That's how I got the idea to start a taxi service.

"People keep coming to my house to use my toilet. They complain that they sometimes have to wait more than an hour for a bus."

In June Mr Davids applied to the Local Transportation Board for a licence but it was turned down because City Tramways objected.

He applied again in July and September and in December he was invited to a board hearing to make representations. He was turned down each time.

Since May, Mr Davids has been operating his minibus illegally as a taxi.

"I have paid R1 200 in fines," he said.

He ferries passengers to Cape Town Station. The fare is 80c compared with the R1 charged by City Tramways.

"Our pickup point is far from the bus stop. I don't know why

City Tramways is against us. We do not steal passengers from them," Mr Davids said.

Mr Igshaan Majied operates on the same route with two minibuses.

He has paid R900 in fines since the middle of last year.

He first applied for a licence in 1982 and has reapplied four times. All his applications have been turned down.

"I even took petitions from residents in the area, supporting the demand for a taxi service. But I got the same reply. City Tramways does not want us here," Mr Majied said.

"We are going to fight back. We are having discussions at the moment to start a taxi association in the area."

Mr Majied also transports workers for businesses.

"Three businessmen asked me to transport their employees in the evenings. There are no buses here at night," he said.

A spokesman for City Tramways said the company routinely monitored applications for permits to operate taxis in the 1 300sq km where it provided scheduled bus services.

"The Transportation Act is very clear. It provides for an applicant for a permit to prove that there is a need for the service he intends to provide," the spokesman said.

"Any existing operator, including a taxi operator, is entitled to object on the grounds that an adequate service is already being provided."

Sabta blames govt for taxi-war deaths

Cape Times 14/4/88
332

Own Correspondent

JOHANNESBURG. — The SA Black Taxi Association (Sabta) is blaming the government for the recent spate of deaths caused by bitter feuding between rival taxi groups.

And in the face of spiralling violence, Sabta has organized ten meetings throughout the country today, to call on members to act with restraint and discipline and to observe law and order.

Stabbed to death

The taxi-war has claimed six lives in the same amount of days, the latest victims being Killarney shopkeeper Mrs Ethne Sash, 55, who was shot dead as she was getting into her car in Rosebank at 5pm on Tuesday. An unidentified man was stabbed to death in the vicinity at about the same time.

The fighting has claimed four other lives — a Pretoria taxi driver was found knifed to death at a Pretoria taxi rank, a senior member of the Thokoza Taxi Association was found shot dead in front of his home and three taxi organization members were killed in the QwaQwa/Harrismith area.

Sabta's marketing division MD Mr James Chapman yesterday said if no action was taken with regard to gov-

ernment's "undisciplined" approach to deregulating the transport industry, then the future would look bleak.

"How can you issue thousands of permits to an industry without creating the necessary infrastructure?

"We are very concerned about the deaths, however the outbreaks of violence have come as no surprise."

He said over the past few years Sabta had been advocating caution on the subject of deregulation.

"We are not opposed to deregulation, but deregulation must be done in a way that does not cause chaos and disorder."

PFP Johannesburg City Councillor for Melrose, Mr Paul Asherson said moves were already underway to close the illegal rank in Tyrwhitt Avenue — scene of Tuesday afternoon's double killing.

Stronger discipline

Mr Asherson said a meeting involving Transport Committee chairman Mr Danie van Zyl and various traffic and engineering authorities would be held soon to discuss an alternative taxi rank in Rosebank.

Witwatersrand police spokesman Lt Pierre Louw said stronger disciplinary steps would be taken in future.

SM 13/488

Shopowner shot dead as taxi feud claims fourth life

330

Staff Reporters

Bitter fighting between rival taxi groups has claimed four lives on the Reef — including a woman shopowner who was shot dead in a busy Rosebank street last night.

Mrs Ethne Sheila Sash (55) of Killarney, who was on her way home from work, died after being shot in the neck when she was caught up in a feud between rival taxi drivers at an illegal taxi rank.

Another as yet unidentified man was killed and another wounded in the fight.

Today it was learnt that at the weekend the secretary of the Tokoza Taxi Association, Mr Sonny-boy Motsweneng (46), was gunned down in front of his house by an unknown gunman on Saturday night.

An urgent bid is being made to close the illegal rank in Tyrwhitt Avenue, scene of last night's double killing, by Mr Paul Asherson, PFP Johannesburg City councillor for Melrose.

Police arrested a middle-aged taxi driver in connection with the 5 pm shooting.

The police had been expecting trouble at the rank and were searching taxis lower down Tyrwhitt Avenue when the shooting occurred, said a police spokesman.

The second victim, who had been standing near the gunman's taxi, was chased down Tyrwhitt Avenue into a Tot-

tenham Road property and stabbed to death after a fight.

The wounded man, apparently a bystander, narrowly missed serious injury when a bullet blasted two holes in his tracksuit top but only nicked his upper arm.

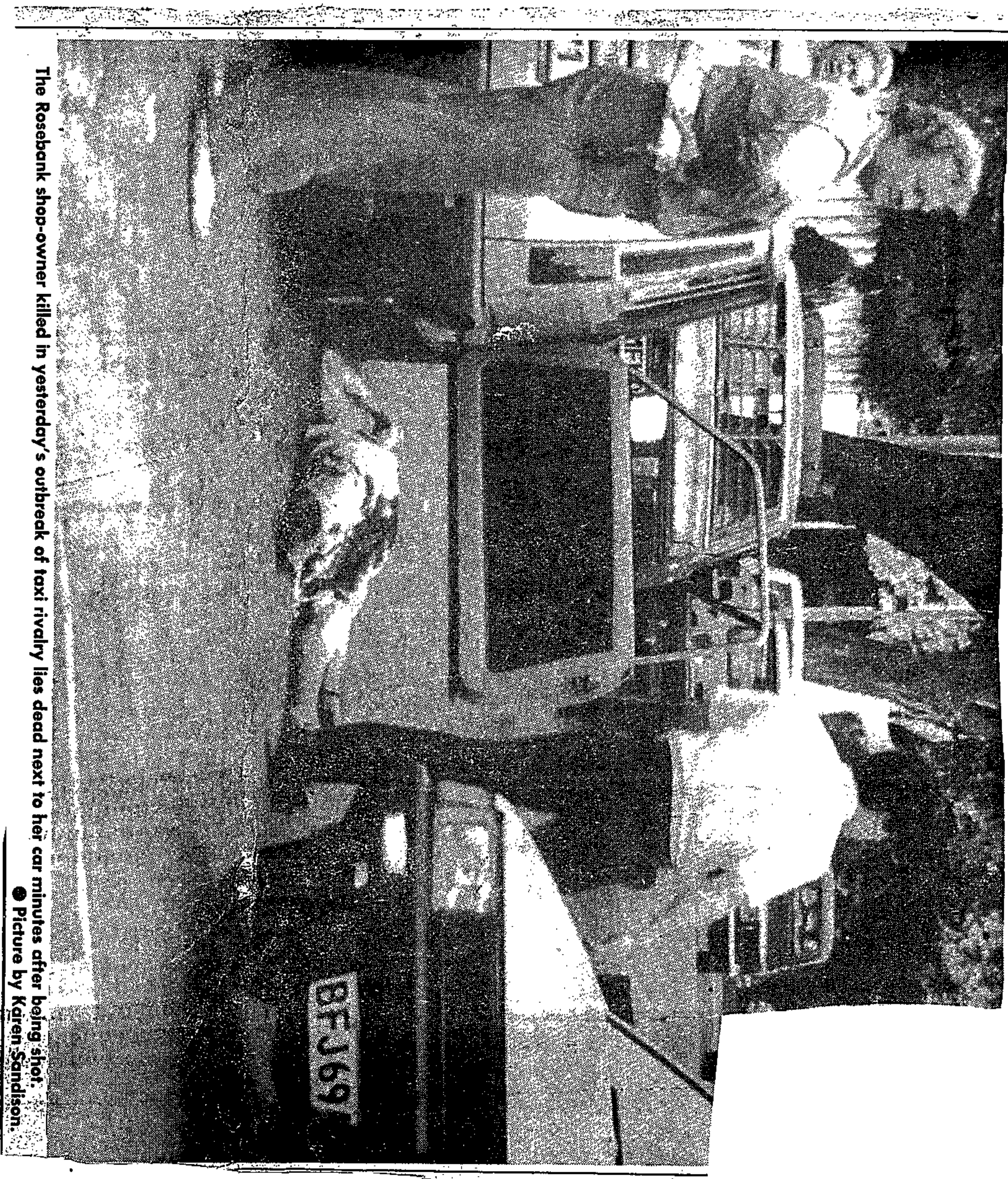
The identity of the dead man was not yet known while that of the wounded man was not released.

The police spokesman said the drama began after a crowd of about 100 people gathered at the rank. An argument erupted between two rival groups of taxis over parking and passenger "rights" at the rank.

The driver of a Toyota taxi — marked "Alexandra-Midrand-Sandton Taxi Association" — was said to have parked in front of the shopowner's car, leapt out of his vehicle and fired five shots towards Oxford Road.

On the East Rand, Mr Motsweneng was the second taxi-owner in Tokoza this year to be killed in the taxi feud which is now raging among the three taxi associations in the township. The first taxi-owner to die was Mr Aaron "Fats" Mthemba.

Reverend ES Molatudi of the Dutch Reformed Church, who was with Mr Motsweneng when he was killed, said the gunman "appeared from nowhere and fired a shot at Mr Motsweneng as he was locking his car in front of his gate".



The Rosebank shop-owner killed in yesterday's outbreak of taxi rivalry lies dead next to her car minutes after being shot.
● Picture by Karen Sandison.

Rival taxi drivers fight, stop traffic

332

QUEENSTOWN — Taxi drivers from two rival companies stopped traffic in the town centre yesterday afternoon when they began assaulting each other.

The argument began over claims that passengers were being enticed by rival companies.

An eye-witness said two minibuses drew up

in the centre of the road and the drivers started haranguing each other.

Soon other minibuses arrived. Their drivers joined the argument which soon developed into a fight.

The passengers then joined the fracas — in the street.

About 10 minibuses were involved in the brawl, which police eventually dispersed.

A police spokesman said several people had been slightly injured but no arrests had been made.

He said police had stopped another fight at the taxi rank later in the afternoon.

● In Johannesburg an argument between taxi drivers in the elite northern suburb of Melrose led to the death of a 55-year-old Killarney woman, the wounding of a pedestrian and possibly the stabbing to death of another man.

A police liaison officer for the Witwatersrand, Lieut Pierre Louw, said the shooting occurred at the height of an argument between two taxi drivers near a rank.

Mrs Ethne Sheila Sash was getting into her car when she was shot in the neck with a bullet from a .38 special revolver, Lieut Louw said.

The taxi drivers were apparently arguing over who had the right to pick up passengers from the rank.

A male pedestrian was also slightly wounded in the arm.

Shortly after the incident, the body of a man who had been stabbed in the right arm and had a gaping wound at the back of his head was found nearby.

Police arrested a middle-aged man and are investigating the possibility of the deaths being linked. DDR-DDC

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Bills will speed up deregulation

Road permit system is on way out

B/day
13/4/88
332

THE dismantling of the road transportation permit system will become possible in terms of two transport Bills tabled in Parliament yesterday by Transport Affairs Minister Eli Louw.

The Bills are being viewed as the first step in a legislative process aimed at achieving government's promised deregulation of the road-transport industry.

If passed into law during this parliamentary session as expected, the legislation will allow a start to be made this year with dismantling the existing road transportation permit system through the gradual repeal of the Road Transportation Act of 1977.

It is proposed that this will be done from time-to-time through notices published in the Government Gazette.

The draft legislation tabled yesterday is the Transport Deregulation Bill and

CHRIS CAIRNCROSS
and ROGER SMITH

the South African Roads Board Bill, to be followed later in the session by the Passenger Transport Bill.

The Transport Deregulation Bill declares the permit system, where it relates to the conveyance of goods and persons, shall cease to be in force with effect from a date determined by the Minister in the Government Gazette.

After repeal of the relevant provisions of the Road Transportation Act, the transportation of goods is to be regulated in terms of the proposed Road Traffic Act, and the transport of persons in terms of this Act and the proposed Passenger Transport Act.

The South African Roads Board Bill provides for the establishment of a stat-

● To Page 2 ➡

Bills will speed up transport deregulation

utory board charged with exercising the powers, functions and duties of the National Roads Act and Urban Transport Act now held by the National Transport Commission.

In terms of this Bill, it is proposed that the board's powers be extended to include the control and management of granting of concessions for the financing and building of private toll roads.

The Bill also provides that any expenditure incurred by this board shall be defrayed from the National Road Fund.

The two Bills tabled yesterday and the proposed third Bill are the product of recommendations made by the National



● From Page 1

332

Transport Policy Study (NTPS), to which government responded with a white paper setting out a new national transport policy published during January last year.

Reacting to the Bills, Donald Masson, the chairman of the Transport Consultative Committee (representing the private sector on transport matters), said they had supported the NTPS recommendations and the white paper, but deregulation must not allow chaos to develop.

Sabta: urgent talks

14/4/88
DID 14/4/88
332
JOHANNESBURG —
The South African Black Taxi Association (Sabta) is blaming the government for the recent spate of deaths caused by bitter feuding between rival taxi groups.

In the face of spiralling violence, Sabta has organised 10 meetings throughout the country for today, to call on members to act with restraint and observe law and order.

The taxi-war has claimed six lives in six days, the latest victims being a Killarney shopkeeper, Mrs Ethne Sash, shot dead in Rosebank on Tuesday, and an unidentified man stabbed to death in the vicinity.

Sabta's marketing division managing director, Mr James Chapman, said yesterday if no action was taken with regard to the government's "undisciplined" approach in deregulating the transport industry, the future looked bleak.

A Witwatersrand police spokesman, Lieutenant Pierre Louw, said stronger disciplinary steps would be taken to halt the violence. — DDC

Councillor wants taxi rank closed

By Shirley Woodgate,
Municipal Reporter

The councillor for Melrose has called for the immediate closure of the illegal taxi rank in Rosebank after a Killarney woman was killed yesterday during a shoot-out between rival taxi owners in Tyrwhitt Avenue near Oxford Road.

Reacting to the death of shop-owner Mrs Ethne Sheila Sash, Mr Paul Asherson (PFP) said he had been pressing to have the illegal rank removed for years.

"This is the second incident in a year and the situation is totally unacceptable, particularly as the taxi rank is situated opposite Kingsmead College.

"Rosebank is designated a shopping area and Melrose is supposed to be a quiet residential suburb, but my ward has been forced to carry the Rosebank burden for the last five years.

"I am on record calling for

the closure of the Tyrwhitt Avenue intersection with Oxford Road and the banning of all parking in that area. The council must now act without delay," he said.

Mr Eric Hill, spokesman for Johannesburg's Traffic and Security Department, said the situation was being investigated.

At this stage it appeared that the trouble had been triggered by rivalry between pirate taxi drivers and legitimate drivers operating with permits.

He confirmed he had held a discussion with three taxi drivers at lunch time yesterday to discuss the problem of pirate operators who were preventing legal drivers from loading passengers.

"I told them the department would look into their problem. There are no taxi ranks assigned in the area where the problem occurred last night," he said.

Q'town taximen
discuss dispute

QUEENSTOWN — The deputy town clerk, Mr A. de Klerk, met with representatives of black taxi associations here yesterday to discuss a fight between rival taximen in the town centre earlier this week.

The taxi associations of eZibeleni, Ilinge, Lady Frere and Cofimvaba, as well as a private taxi owner, were represented at the three hour meeting.

It was agreed that the reason for the dispute was the touting for passengers among taximen, and it was decided that each taxi operator must use the ranks in Victoria Road and loading areas in Owen Street.

Taxis from a specific town would transport the passengers of that town to and from Queenstown.

This will include special trips, as in the case of a person requesting a taxi operator for transportation to a specific point.

Mr De Klerk said the meeting took place in a friendly atmosphere and he was pleased that the problem could be solved through discussion. —
DDR

HOUSE OF DELEGATES

†Indicates translated version.

For written reply:

General Affairs:

Bus operators: subsidies

14. Mr K CHETTY asked the Minister of Transport Affairs:

- (1) Whether any Indian bus operators were granted subsidies in the 1987/88 financial year; if so (a) how many, (b) what are their names, (c) what was the (i) amount and (ii) nature of the subsidy granted to each of them and (d) in which province was each of these subsidies granted;
- (2) whether any bus operators from the other race groups were granted subsidies in the said financial year; if so, (a) how many in respect of each such race group and (b) what was the total amount of the subsidy per race group;
- (3) what are the criteria used by his Department in the allocation of such subsidies?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) and (2) As bus companies are non-racial entities it is not possible to distinguish between subsidies paid to Indian bus operators and to bus operators from other race groups.
- (3) The following criteria are taken into account 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.

Own Affairs:

Universities: subsidies

5. Mr M RAJAB asked the Minister of Education and Culture:

- (1) What amount was paid in subsidies to each university falling under the control of his Department in each of the latest specified five years for which figures are available;
- (2) whether any cuts were made in these subsidies in each of these years; if so, (a) what cuts and (b) when in each case;
- (3) whether these cuts were made in consultation with each of the universities concerned; if not, why not?

The MINISTER OF EDUCATION AND CULTURE:

- (1) The following subsidies were paid to the University of Durban-Westville:

1987/88	R35 772 000
1986/87	R35 418 000
1985/86	R23 744 000
1984/85	R28 175 165
1983/84	Not available — paid by the former Department of Internal Affairs

- (2) Yes

- (a) 2%

- (b) 1986/87 financial year

- (3) No. The over-the-board 2% cut in expenditures announced by the Minister of Finance in his budget speech on 17 March 1986 followed a Cabinet decision that the sums included for appropriation in the estimates for 1986/87 be reduced by 2%. No consultation or negotiation was therefore possible.

HOUSE OF DELEGATES

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Lawsuits against Minister

115. Mr S S VAN DER MERWE asked the Minister of Law and Order:

- (1) (a) How many lawsuits were brought against him in his capacity as Minister of Law and Order in 1987 by members of the public and (b) what (i) were the circumstances of the lawsuits and (ii) was the outcome in each case;
- (2) whether he paid out any money (a) as a result of successful lawsuits brought against him and (b) in out-of-court settlements; if so, what total amount?

The MINISTER OF LAW AND ORDER:

- (1) (a) 171 lawsuits, i.e. after summonses were issued and finalized.

- (b) (i) Damage to vehicles as result of collisions 102

Damage to property as result of vehicle collisions 3

Damage to property as result of police action 1

Unlawful arrest and detention 26

Injuries as result of vehicle collisions 7

Assaults 12

Shooting incidents (injuries) 9

Shooting incidents (damage to property) 1

Bitten by police dog 4

Loss of maintenance 2

Unlawful searching 1

Confiscation of property 2

Disposal of property 1

- (ii) These lawsuits were settled as follows:
145 cases were settled out of court;

2 cases were decided in favour of the claimants, with cost; 3 cases were abandoned; 21 cases were withdrawn.

- (2) (a) Yes — R380,00
(b) Yes — R351 032,47 of which R240 877,50 was paid owing to damage which resulted from vehicle collisions.

The balance represents claims which were instituted due to other causes as referred to in paragraph 1(b)(i) above.

Note: Instances settled out of court are mostly those in respect of vehicle collisions where it is obvious that the members of the Force concerned, are the guilty parties. Such settlements before court proceedings are instituted, are cost effective.

In other instances notices of contemplated actions were received, but due to the fact that summonses were not issued, these instances are not included in paragraph 1(a).

In other instances summonses were already issued but are not yet finalized. Because the work involved in compiling this information would be voluminous and time-consuming, it is not practically feasible to furnish this information.

The increase in the amount of lawsuits can among other things be ascribed to the fact that legal representatives of claimants prefer to issue summonses in order to expedite claims.

Civic halls/sports fields/community facilities occupied by members/units of SAP

121. Mr S S VAN DER MERWE asked the Minister of Law and Order:

Whether any members or units of the South African Police occupied any (a) civic halls, (b) sports fields and (c) other specified community facilities in Black townships in 1987 for use by the Police or security forces; if so, (i) how many and (ii) in which towns or cities were these facilities located?

HOUSE OF ASSEMBLY

New Rosebank rank opened after tragedy

332
STAT
19/4/88



Inspection time at the new taxi rank in Rosebank. From the left are Colonel Wally Snowball, District CID Officer for Johannesburg North, Mr Christopher Newton Thompson, PFP Johannesburg City Councillor for Rosebank, Mr Peter Soal, PFP MP for Johannesburg North, Mr Paul Asherson, PFP Johannesburg City Councillor for Melrose, and Captain Rassie Erasmus, station commander at Parkview.

● Picture by Stephen Davimes.

The unofficial taxi rank in Tyrwhitt Avenue, Melrose, where Mrs Ethne Sheila Sash was shot dead last week, has been closed.

From yesterday, taxis have used a properly marked area about 100 m further north along Oxford Road.

The switch came after discussions between two PFP city councillors for the area — Mr Paul Asherson for Melrose and Mr Christopher Newton Thompson for Rosebank — Mr Danie van Zyl, chairman of the transport committee, and Mr John Pearce, head of the Traffic and Security Department following the killing of Mrs Sash.

Innocent victim

She was the innocent victim of a fight between the Alexandra Taxi Association and the Alexandra Midrand-Sandton Taxi Association over what routes their drivers could use on the 60c trip to Alexandra.

Traffic policemen were re-directing taxis away from Tyrwhitt Avenue to their new rank yesterday.

In the old rank they pulled up under "no parking" signs whereas the new rank was marked by yellow lines in the parking area in Oxford Road.

"It's a fair compromise," Mr Peter Soal, PFP MP for Johannesburg North, said yesterday.

Mr Asherson visited the area with Mr Van Zyl and Mr Pearce on Friday, when the decision was taken to move the vehicles.

Mr Asherson said the new site was better as it was closer to Oxford Road, there were toilets nearby and no houses in the immediate area. People had complained previously that taxi passengers used Tyrwhitt Avenue as a toilet.

Taxis moved closer

Mr Newton Thompson said shopkeepers in The Firs were worried that moving the taxis even closer to their premises could scare away customers. Of all the sites in Rosebank, this off Oxford Road was the least objectionable, he said.

Mr Soal said there had to be a taxi rank in the area, but it had to operate in an orderly manner.

Mr Soal said he was to meet the Minister of Law and Order, Mr Adriaan Vlok, to discuss opening a police station in Rosebank and having more policemen on the beat in the area. He wanted a more visible police presence so that people would feel more secure.

Taxi drivers canvassed were happy with their extra space, they said, but were concerned that their customers would not be able to find them.

Whereas there was room for two taxis in Tyrwhitt Avenue, there was room for six at the new rank.

Tollgate sells subsidiary in R38m deal

CAT 7/1/88
19/4/88

332

Financial Editor

CAPE TOWN-based Tollgate Holdings, which recently acquired United Passenger Transport Investments Holdings (UPTI) in a R62m deal, has sold off one of its new subsidiaries, Rustenburg Bus Services (Pty), for R38,5m in cash.

Announcing the sale to Bophutatswana Transport Holdings, Tollgate directors pointed out last night that this meant the cost of acquiring UPTI had been "substantially reduced".

Their statement says: "Following the acquisition of Tollgate Holdings (Tollgate) by Duros Group (Duros), its assets have doubled from 1 400 buses to 2 800 buses and its properties from a book value of some R30m to R75m after the purchase of UPTI.

"It has now been announced by Duros that Tollgate has, with effect from April 18, disposed of one of UPTI's subsidiaries, namely Rustenburg Bus Services, and certain related assets for a cash consideration of some R38,5m.

"The entire disposal comprises 300 buses and property with a book value of R3m, leaving the enlarged Tollgate with approximately 2 500 buses and property with a book value of some R72m."

Pointing out that the sale has "a major impact on Tollgate's balance sheet", the directors say they do not expect to dispose of any more of UPTI's subsidiaries or divisions.

They say the net cost of buying UPTI will be funded from internal sources, existing credit facilities and a R12,3m convertible debenture.

"The enlarged Tollgate debt will be less than R40m, which is equivalent to 44,9% of the recalculated shareholders' equity of approximately R89m."

17/6/88 19/4/88
Minibuses
in 3 000
crashes a
month ³³⁷
Gastrow

By DALE LAUTENBACH
Parliamentary Staff

AN average of more than 3 000 accidents a month between January and June last year involved minibuses, according to National Democratic Movement MP Mr Peter Gastrow.

Pleading in the Assembly for the co-operation of taxi-owners and associations in combating accidents, Mr Gastrow said the Competitions Board and the White Paper on transport were in favour of the deregulation of the black taxi industry.

"But," he said, "the alarming accident rate involving many minibuses and black taxis has created resistance to deregulation"

OPINIONS

Unless taxi associations and taxi-owners paid urgent attention to this the resistance would grow, he warned.

Statistics showed that between January and June last year 18 715 accidents involving minibuses had occurred.

There were various opinions on what was to blame for these figures, among them illegal ownership, overcrowding of vehicles and inadequate testing facilities, he said.

"It is difficult to pinpoint the reasons but clearly the taxi-owners and associations need to get their house in order to assist in reducing the high accident rate."

INADEQUATE

He also called on local authorities to provide taxi ranks for the mushrooming industry.

Facilities in Cape Town and Johannesburg were inadequate, said Mr Gastrow.

In reply, Transport Minister Mr Eli Louw said he did not know where Mr Gastrow got his figures.

He said the collision rate per 100-million kilometres travelled was 869 for cars, and 761 for minibuses.

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332

Ratepayers ask for urgent government action on taxis

by CHRIS FREIMOND

CAPE TOWN — The Amalinda Ratepayers Association had called for urgent government action to sort out problems in the mini-bus taxi industry, particularly those using main roads in the suburb.

This was said by the National Party MP for East London North, Mr Calle Badenhorst, in the debate on the Transport Affairs budget vote, last night.

He said the associa-

tion had written to him asking for assistance.

Particular reference was made in the letter to the driving of mini-bus taxis along Amalinda's main road.

The government should see if there were not perhaps mechanisms that could be implemented to control the black taxi industry.

Mr Badenhorst referred specifically to the South African Bureau of Standards and said a whole range of specifi-

cations for the use of mini-bus taxis could be examined.

In East London in particular, with two independent black states as neighbours, the control of taxis and the prosecution of offenders in was an absolutely impossible task for the traffic authorities.

Another major problem with mini-bus taxis was overloading, and the use of tyres not recommended by the manufacturers.

Written by DAVID PINCUS

MAN set on holding its share

MAN Truck and Bus (SA), which is doing well at the heavy vehicle end of the truck market, is now making a determined effort to consolidate its recently captured lion's share of the heavy bus market.

It captured 51,16% of that market in November and 53,6% in December to become the leading manufacturer of large buses in SA last year.

It is now a newcomer to this sector. Until recently it catered only for the rural bus market. Many of the buses SA Transport Services uses for its long-distance runs are MAN buses.

Its plans to increase its share of the bus market were bolstered recently when it broke through into the market of specialised, sophisticated city buses by winning a contract to supply the Pretoria City Council with 20 double-decker bus chassis.

They will be the first double-decker MAN buses to be used in SA.

In addition, the Durban Transport Management Board is at busy taking delivery of 48 single-decker, rear-engined MAN buses and has just placed an order with MAN (SA) for another 23.

MAN (SA) executive chairman Wolf Meurer says the company is shaping up to attack another sector of the bus market with our introduction this year of our exciting midibus concept. It should be of tremendous interest to bus operators.

However, Meurer emphasises that, unlike other commercial vehicle producers in SA which also produce light vehicles, MAN must be seen as a specialist manufacturer and assembler of only heavy truck and bus chassis.

"Our smallest truck is 14t GVM. The bulk of our

business is done in 6 x 14 trucks of 30t GVM and chassis for large buses.

"We have worked hard to acquire a significant share of the 6 x 4 market.

"In November 1987 our share was 15% and 40% in December."

He says that operators are demanding the highest possible productivity from their vehicles. In effect, they are demanding lots of power to haul big loads.

He believes that MAN's range, the 30.300, 30.365, 30.380 and 30.440 models "are offered with the highest power ratings available in SA to comply with customer demands."

World in the marketplace has it that MAN has scored one of its biggest triumphs yet with the recent award of a very large tender for trucks, said to be 55, from SA Transport Services (Sats).

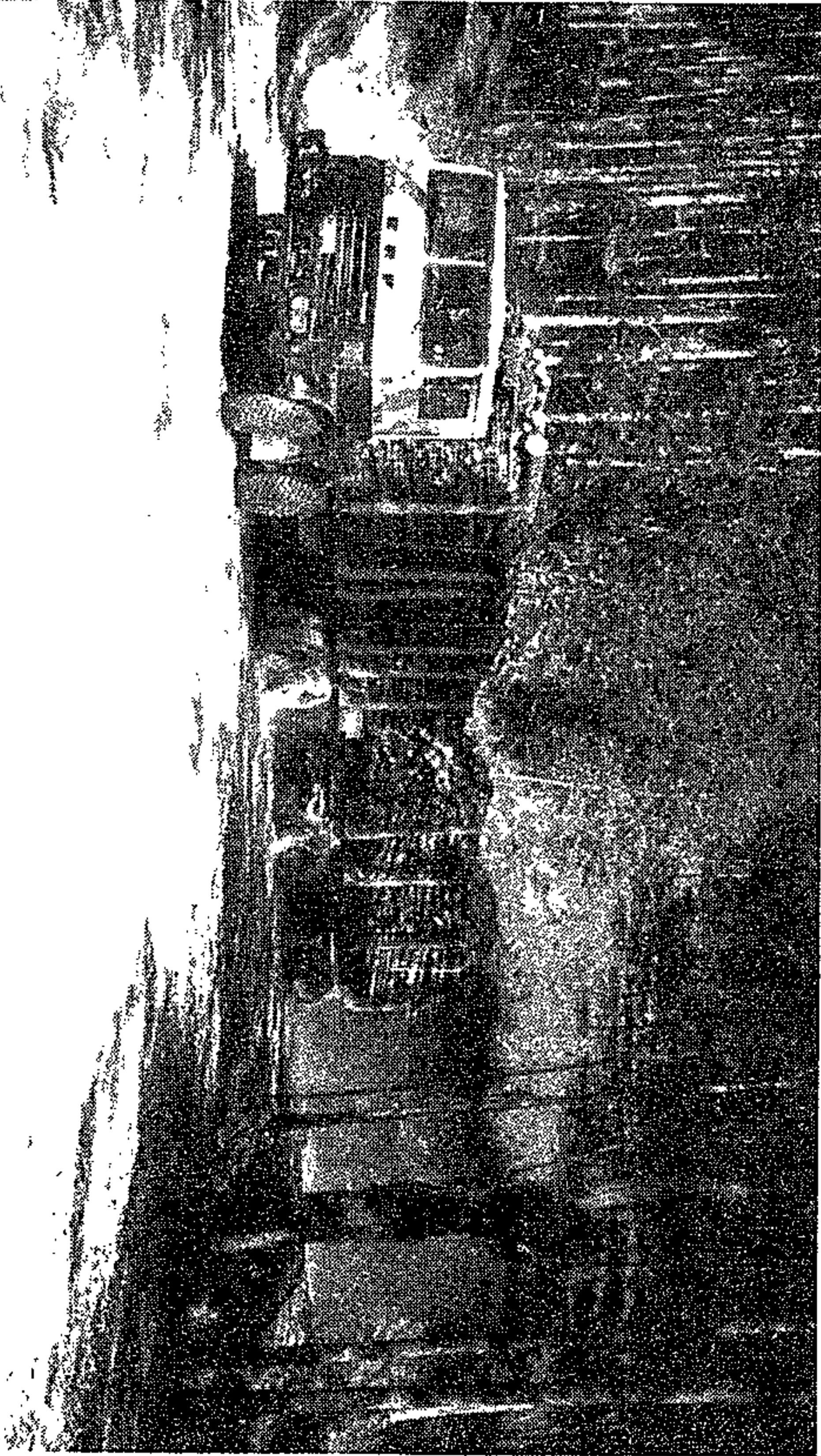
Neither Sats nor MAN was prepared to confirm this, but Business Day's source is unimpeachable.

MAN (SA) is a wholly owned subsidiary of MAN Nutzfahrzeuge GmbH which, in turn, is a wholly owned subsidiary of MAN AG. It employs 53 000 people worldwide and has a group turnover of R18bn.

MAN Nutzfahrzeuge is MAN AG's largest subsidiary. It employed 20 000 people in 1987, had a turnover of R4,2bn and produced 23 300 vehicles, 1 800 of which were buses.

The SA operation employs 600 people. Its turnover is more than R600m a year and, at present, it produces between 700 and 800 buses and trucks a year at its manufacturing facility in Pinetown, Natal.

One of MAN's new F90 truck range.



□ An ERF rigid truck and trailer on a logging operation with Sappl in the Eastern Transvaal

Role of long-distance buses

DUE TO the proliferation of black taxis and the invasions they have made into the market that buses used to serve, the future of the bus market in SA no longer lies in commuter buses.

It lies with powerfully engined, air-conditioned, long-distance luxury buses.

ERF SA's John Barnett says SA bus manufacturers realised some time ago that the market had changed and are now catering for the inter-city type of bus. This drops

TRUCK INNS

TO LIGHTEN

LOAD FOR

SA DRIVERS

TRUCK INNS, one of the more sensible developments on the US transport scene, are being introduced into SA by Lynxex Transport Exchange.

Two have already been established, one in Johannesburg, the other in Cape Town, and, says MD Tony Teixeira, another six will be created in strategic positions in SA by the end of the year.

Land has also been acquired to service the Le-sotho Highlands Project, where Lynxex has also been awarded the transport coordination contract for the project.

Truck inns provide a home from home for truck drivers. They can rest, have a meal, do some shopping and make telephone calls.

Truck repair facilities have also been provided — and contractors can be assured that while their drivers are resting their vehicles and cargoes are safe.

They provide accommodation, restaurants and recreation for drivers, as well as a restaurant or cafe, a general dealer, a dry cleaner as well as telephone and banking facilities.

Vitally important as far as freight is concerned, there will be adequate space to park large trucks safely.

They have workshops, tyre bays, spares, parcel consolidation facilities and even a container park.

Lynxex also offers a vehicle recovery service.

SAMCOP'S

SHOWING

CONFOUNDS

THE CRITICS

THE vastly improved performance of the SA Motor Corporation (Samcor) confronted its critics last year.

TWO of the most hotly debated issues in commercial transport today are: deregulation and the privatisation of SA Transport Services (Sats) which is in the hands of the new issue of tollroads.

They affect all who use SA's road transport goods, whether someone else's for gain or their own to get them to where they are needed.

Happily there has been a swing away from emotion towards realism in the debate. This was not so several years ago when deregulation was little more than a pipe-dream and nearly everyone involved in transport in the private sector wanted complete deregulation.

It was argued that market forces, reacting to supply and demand, would create a superbly efficient transport machine.

Obviously this was provided and Sats was no longer able to hide behind its State protection and tariff book.

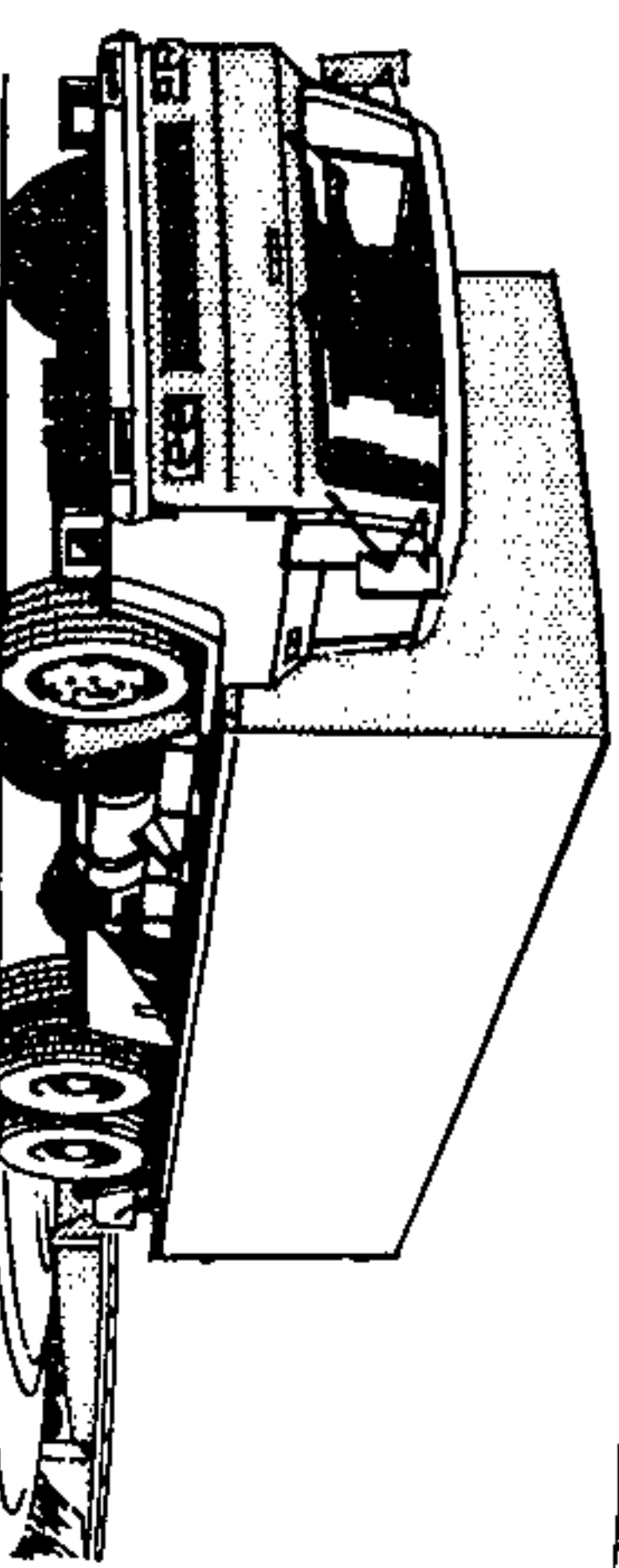
Sats learnt a lesson or two from the private sector, used its methods and started regaining lost ground. That led to many complaining about unfair competition, but that's another issue.

There are still those who believe very strongly in complete deregulation and the full privatisation of Sats. And there are those who have shifted their stance.

They had a good look at how deregulation worked elsewhere, and still want it, but with a measure of control. We deal with those issues more fully elsewhere in this survey.

The concept of tolling in SA is the brainchild of Hendrik Schoeman, the former Minister of Transport Affairs. It is accepted practice in many countries, but relatively new in SA.

The need to ask private sector companies to toll the



Road haulage

A Business Day Survey

Two hot issues affect road-users

most important roads is obvious. Government has bungled yet another programme.

For years it ignored private sector warnings that the country's roads were being allowed to slide into a state of disrepair that would cost billions to repair.

It pleaded poverty and imposed an increased levy on fuel to pay for the upgrading of SA's roads and grading of SA's roads and raked in millions. But when the need became really urgent, there wasn't enough money left in the kitty to pay for the upgrading of the network.

Engine output puts the brakes on

ONE of the constraints preventing manufacturers of medium and heavy trucks from increasing production quickly enough to make a dent in their backlog of orders is that they cannot get enough engines.

This is because Atlantis Diesel Engines (ADE), the country's strategic engine manufacturer, cannot increase its output quickly enough to cope with the sudden increase in volumes.

ADE maintains it relies on manufacturers' forecasts. And it is no secret that they have not yet disclosed the secret of accurate forecasting. Consider the way they were caught with their pants down when the recession struck and how the current revival in the economy came as a complete surprise to them.

Many of those millions had disappeared because it could not stop itself from dipping its fingers into that fund and using the money for other (from its point of view, politically) more important purposes. This is not surprising for a government that had to be reintroduced to the basic concepts of financial discipline and restraint.

And now, as President P W Botha has announced, there aren't going to be any more dedicated funds. The levy on the price of fuel remains, but it's just another

tax, like the one on beer and cigarettes.

The country's roads will have to stand in line with health service, agriculture, education and defence, to name a few, and wait for the crumbs to fall from the Treasury's table.

But the need to upgrade the road infrastructure is now more urgent than it was a few years ago and the government has, as it has done often before, gone to the private sector for help.

It has given large stretches of important existing roads to two companies to toll.

The two companies, described elsewhere in this survey, can keep the money they collect at their tollplazas for the 25 years they have the right to toll them, but they must upgrade them and build new sections. To do that they will have to raise and repay about R2bn.

In addition they will have to seek a listing on the stock exchange in 10 years and government has the right to acquire a 25% share in each for what will amount to bargain basement prices.

answer could be "yes".

This assumption is made because marketing and public affairs director Wally Raubenbach says the new range will be made available to truck manufacturers on July 1 in sufficient numbers to enable them to start volume production.

Vehicles fitted with these new V8 and V10 engines should be available on the retail market four to six weeks later.

The engines, which will be used to power vehicles in the upper end of the heavy commercial vehicle market, are the turbocharged 442T, the turbocharged intercooled 442TI, the turbocharged 443TGI and the turbocharged intercooled 443TI.

They will deliver more power than their predecessors, have improved torque characteristics and

use less fuel.

"The ADE 442T, for example, uses 6% less fuel than the existing ADE 442T engine, when operating under the same conditions," says Raubenbach.

"The new ADE 442T has a power output of 260kW at 2 100 rpm, compared with 243kW at 2 300 rpm of the existing ADE 442T."

"Similarly, power output of the intercooled version has been increased from 276 kW at 2 300 rpm to 320 kW at 2 100 rpm."

"The torque of the new engines remains constant over a speed range of 400 rpm, which means a reduction in the number of gear changes."

Although power has been increased significantly, it hasn't been increased so much that it will tax existing power trains.



PCA chairman urges caution

□ ERASMUS

DEREGULATION of transport is a much more serious matter than most people realise, says Phil Erasmus, chairman of the Public Carriers' Association (PCA).

It doesn't mean that the number of hauliers allowed to operate will remain the same as at present; that they will have less red tape to cope with, and that more traffic police will be employed to ensure any newcomers play the game.

It can have a sting in its tail, says Erasmus, who advocates that it be implemented cautiously to avoid a free-for-all developing, which will result in a general lowering of standards, with possible catastrophic results. "There were some nasty consequences in the US after deregulation. A great many inexperienced and unscrupulous operators came on to the scene in search of a fast buck which led to a deplorable deterioration of standards of road safety and the safety of cargoes.

"And we can see for ourselves what is happening in SA where black taxi operators are working under virtual deregulation", says Erasmus.

"According to National Road Safety Council statistics there were 18 715 accidents involving mini-buses in the six months to June last year — more than 3 000/month.

"The police are in no doubt about the underlying cause. In their haste to get rid of one load of passengers and load the next one, mini-bus drivers are breaking just about every rule in the book."

In a 10-month period ending in the first half of last year there were 24 800 prosecutions against black taxi operators for a variety of moving offences, "which was only a fraction of the offences actually committed.

"More than half were for overloading," says Erasmus. "In this context, overloading is not a mere technicality but a very serious matter. It makes the vehicle heavier and more unwieldy, but does not reduce the driver's eagerness to reach his destination in the shortest possible time.

"In the wrong hands an overloaded mini-bus is a death-trap".

There are, he says, about 40 000 registered black taxis.

but Jacobs wants action

ANDRÉ JACOBS of the National Association of Private Transport Operators (Napto) wants deregulation and he wants it quickly.

He is hopeful that 1988 could well be the watershed year for transport deregulation, but accepts that it depends on Parliament's ability to pass the necessary legislation this year: the National Road Traffic Act, the Transport Deregulation Act, the Transport Court Act, the National Roads Board and National Roads Acts, and amendments to the SA Transport Services Act.

He hopes, too, that the Transport Advisory Council (TAC) will be formed soon. He is particularly anxious for this body to be formed because it will be dominated by the private sector and may have the potential to speed up the process of deregulation.

The only control exercised over them is that their owners have to obtain certificates of fitness (CoF) every six months.

He expects their numbers will more than double in the next few years. That worries him, but not as much as the steadily growing population of unregistered black taxi operators, estimated currently at 45 000-50 000, "over whom there is no control."

He blames government for the present situation which has resulted in "overloaded vehicles, unroadworthy vehicles, appalling driving and generally poor road behaviour creating great danger for other members of the travelling public and causing a lot of accidents and deaths. "The police are understaffed and will not be able to cope effectively with the situation until the proposed National Taxi Council (NTC) comes into being and lays down guidelines".

This may happen in this Parliamentary session. But there are not guarantees that it will.

This situation is totally unsatisfactory, says Erasmus. It is costing millions in lives and vehicles.

"All this could have been avoided if proper consideration had been given in advance to the consequences of throwing off all restraints, however desirable it may have seemed at the time to improve the trading prospects for black taxi owners.

"There certainly was a vast market crying out for their services and it was desirable to free black taxi operators from unreasonable restraints.

"But by not ensuring that essential minimum standards were met government has created a most difficult problem.

"The problem would have been a great deal worse had the government decided on a general deregulation across the board, applicable to all transport operators and all cargoes."

City Tramways Nic Cronje shares Erasmus's views. He argues that deregulation of bus services in Britain hasn't benefited passengers and combi-taxis are not a viable alternative to buses.

He regards the National Road Traffic Act as a priority. It is the kernel of the overhaul of transport and will be the start of the actual deregulation process.

It will aim, says Jacobs, to create uniform traffic laws for the whole country by unifying the existing traffic ordinances. It will also introduce new forms of control based on quality which will apply to all operators of foreign and passenger vehicles and prevent those guilty of excessive or serious offences from operating as transport contractors.

The prospect that there may be an election this year doesn't please Jacobs.

The last one hampered the legislative process needed to deregulate transport and the need to deregulate is urgent. "SA cannot continue taxing road transport and using the money for other non-productive purposes. It is also absolutely folly to continue to stifle road transport by increasing input costs, sometimes to beyond the upper levels of market resistance."

The authorities need to become "much more sensitive to the crucial part transport plays in shaping SA's economic destiny. Without low-cost transportation, the economy cannot attain the growth levels needed to satisfy the demands of the community."

"The National Transport Policy Study (NTPS) formed in 1984 is a joint venture between the public and private sector to

LYNDAY SMITH/REUTERS-PCB 728

UNDERSTANDABLY, they are cheered with themselves at Toyota: their top-of-the-range Hino 55,380 truck has just been awarded the SA Transport Services (Sats) Magazine "Blue Ribband for long distance road hauling efficiency".

The Blue Ribband, which dates back to 1978, is now awarded annually.

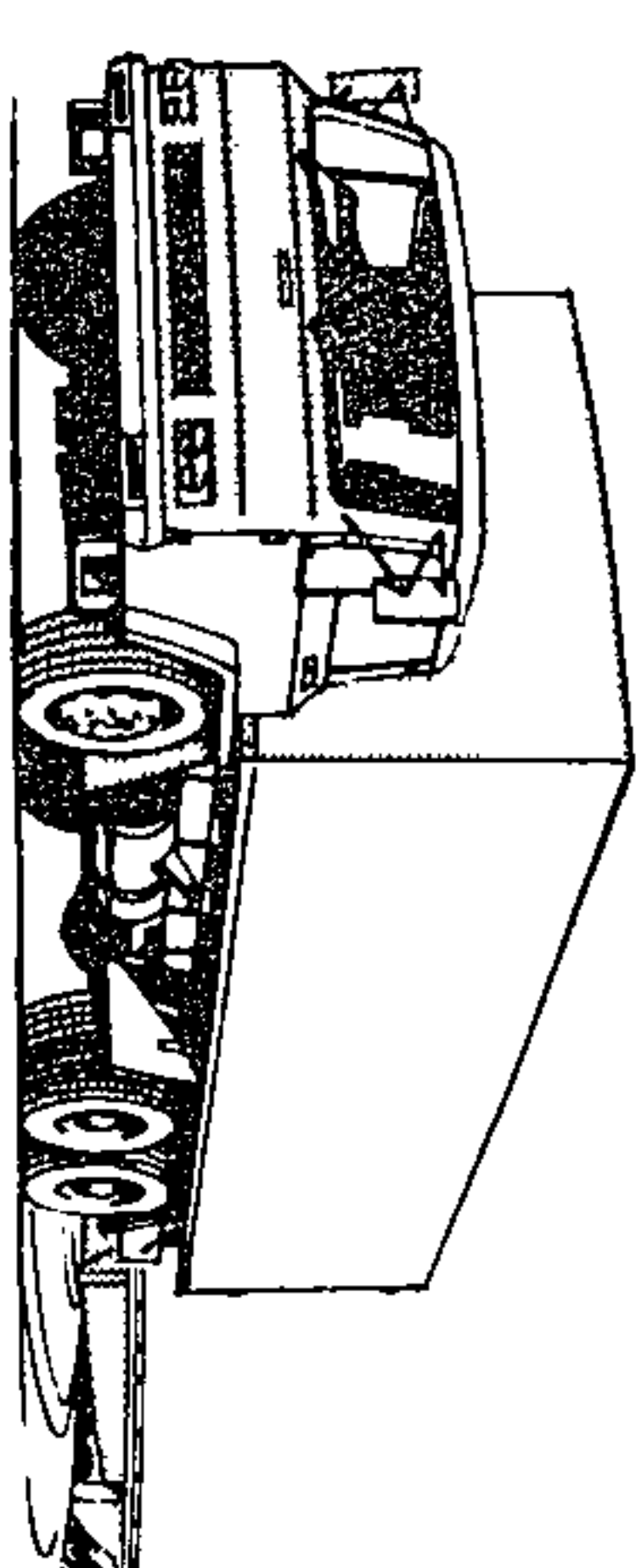
One of the reasons for the mile-wide smile at Toyota is that this is the first time the

Toyota rides off with top award

award has been won by a truck of Japanese origin. The previous winners were either British, European or US-made trucks.

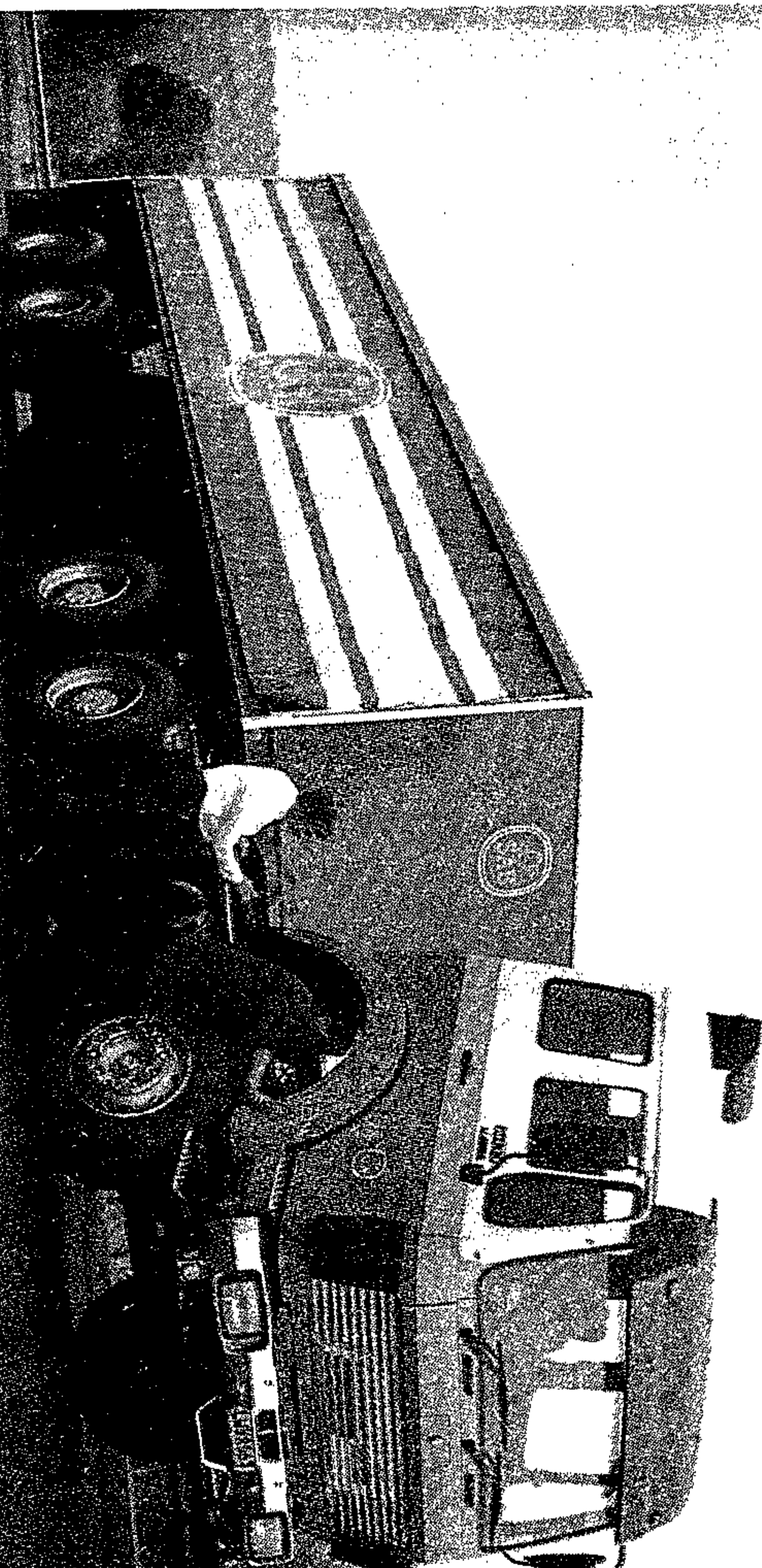
To decide the winner of the trophy, entrants are driven

on a round trip from Johannesburg to Durban and back again in "a test of productivity" — to decide which vehicle carries the biggest payload fastest, and uses the least fuel.



Road haulage A Business Day Survey

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National Transport Policy (NTP) be overhauled on the lines of deregulation and privatisation.

"This culminated in the White Paper on National Transport Policy, tabled in Parliament in January 1987. It is now high time that the recommendations were implemented."

He concedes that won't be easy because the White Paper itself contains controversial points that will have to be sorted out.

"The TAC and the Transport Tribunal are needed, because coupling the realities of South African Transport with the ideals contained in the White Paper will require a mean effort."

"The whole package will have to be negotiated". Jacobs cannot, for example, understand how the new market-driven transport system envisaged in the White Paper can be put into practice "while it still remains necessary to satisfy the SA Transport Services (Sats) preconditions."

Sats demands that it be given time to change its tariff structure to between 85% and 135% of cost and phased out cross-subsidisation, that it be relieved of some of its socio-economic burdens and that it convey anything, including commuters, at less than cost, someone or some body make up the difference.

"How will the government be able to compensate Sats for some of its losses?" Jacobs asks. "It simply isn't feasible when the demands and needs of other sectors such as education, housing and development are taken into account."

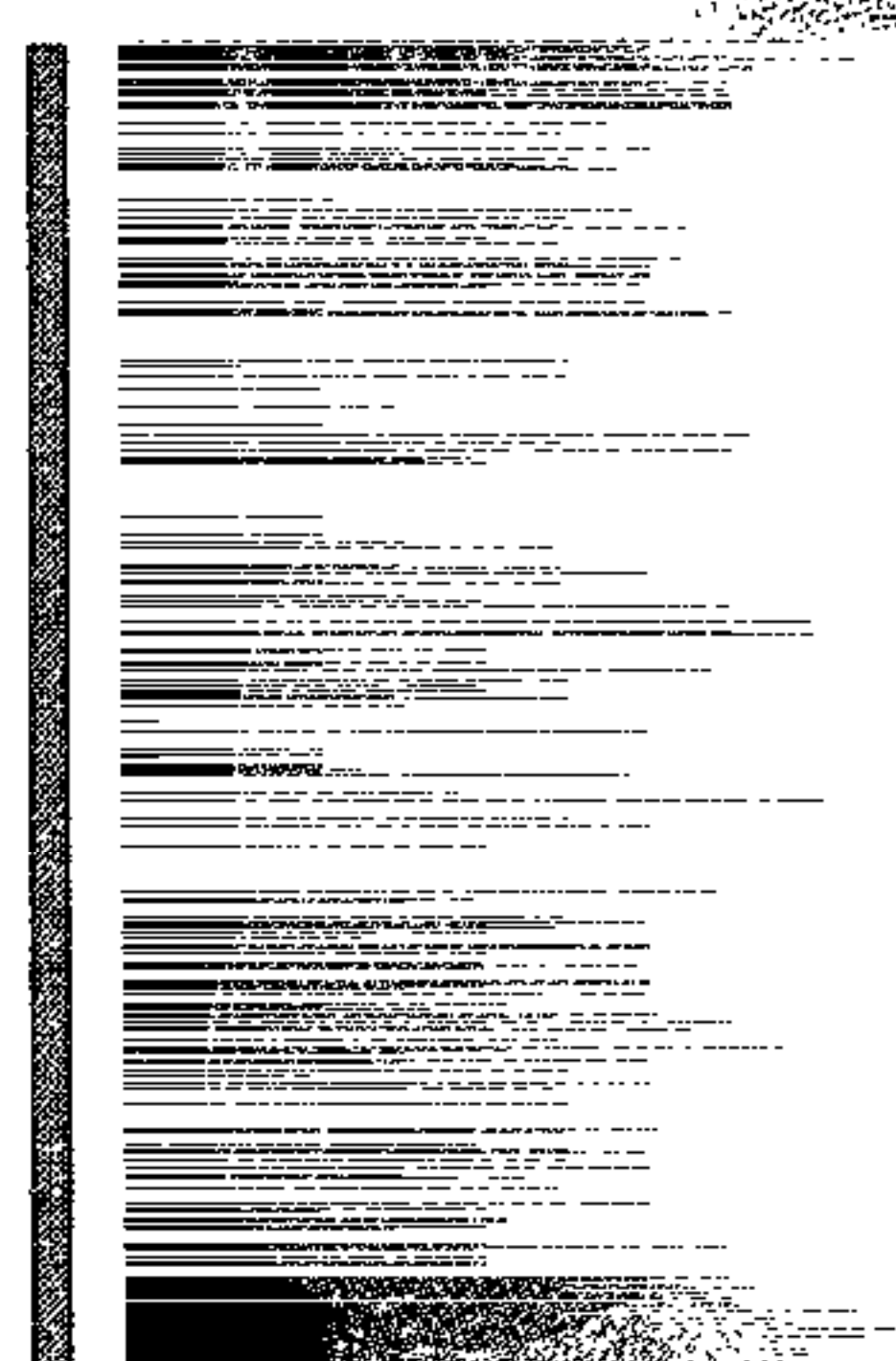
He says any overhaul of the transport machine will demand a rethink of the roles Sats and the private sector will have to play.

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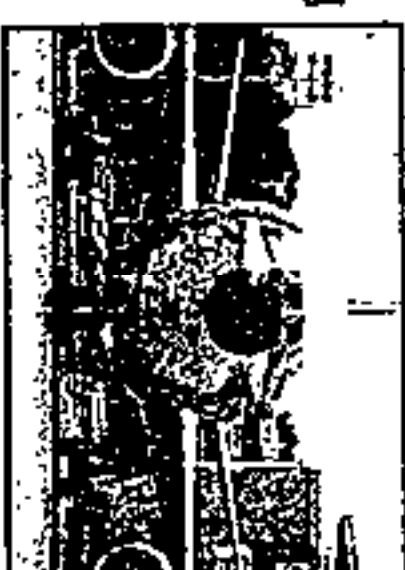
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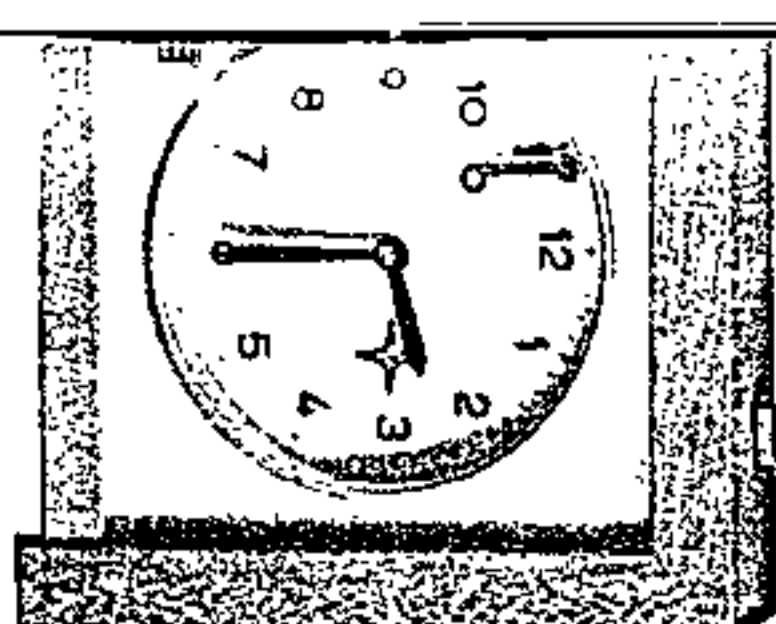
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AD HAULAGE

AD keeps low luring facelift

Associated Automation Distributors, formed a few years ago when management bought out Leyland SA the Rover group in the UK, has been keeping a low profile while it restructures itself, says MD Roman Stywicz.

The company is still negotiating with Leyland Daf in terms of its truck product. It will only be able to do feasibility studies in SA when it receives model rationalisation details from the UK. It will enable it to decide whether local engineering efforts, for example ADE engine installation, will be led "in a vehicle market that is still only half the size as four years ago."

It changes it is making, "to ensure total and professional back-up before entering the high-publicity phase" of transferring the head office from Cape Town to Durban and establishing new regional branches in Town and Durban.

is also installing a new nationwide computer network consolidating its entire parts operation for trucks, car and its Unipart operation into one main warehouse.

is also appointing new parts and vehicle dealers and listing strategic plans."

AD is still very much in the bus business, says Stywicz. It has already introduced the 17.240 and 17.280 and bus chassis which have a local content in excess of 5% and are selling very well.

Various other models are in the pipeline, but we would like to keep these close to our chest for the moment," says Stywicz.

We view the bus market very optimistically and we think there is still very much a place for the big bus within SA bus industry. However, we do recognise the trend where new market opportunities are occurring for smaller buses, 35 and 45t, for example, and are making our plans accordingly.

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Cargo here to stay

THE listing trucking giant Cargo Carriers is to remain very much in the road transportation business, but, says MD Professor Roy Marcus, it does not regard it as a holy cow and is looking seriously at other modes of transport as well as inter-modal transport.

The company is investigating the feasibility of installing an aerial ropeway and a pipeline in two separate installations. The reason being, says Marcus, that "in both cases we believe the substantially reduced rates will benefit the customers".

He was reacting to speculation that Cargo Carriers will change direction radically, now that it is listed. "The company has not undergone a change," says Marcus.

"What has happened is that we have taken stock of what will be required of a large transport company like Cargo Carriers in the future."

"We have added a few new building blocks to cope with that challenge, but we have also identified and borne in mind the existing building blocks — everything that has made Cargo Carriers so successful."

Marcus says customers are already beginning to demand the full spectrum of distribution.

In Cargo Carriers' book, that embraces aspects such as the importation of raw materials into the manufacturing environment, warehousing, storage, handling and many other processes, as well as the delivery of the finished product to the end user.

It would, he said, be naive to believe that the company can continue to base its whole business philosophy on the

Sats streamlines traffic ops

THE SA Transport Services has begun streamlining its higher traffic operations with the introduction of two hi-tech systems, part of a strategy aimed at netting a greater slice of parcels traffic.

Parcels traffic, an area in which private hauliers are heavily involved and which gave rise to the introduction of Sats success-

The streamlining started

turning wheel.

Marcus revealed that the company is already negotiating with materials handling, consulting and engineering organisations, "with a view to telling them what our perceived requirements for equipment are."

"We are also ensuring that we will be able to gain access to the necessary technology to perform modal technology."

"We are using this technique to analyse the problems involved in the delivery of sugar cane from an number of farms in Richards Bay, Heatonville and Empangeni to the Felixton II mill."

"About 600 000 t of cane is involved — as well as the delivery of about 250 000 t of cane to the Amatuku Mill from around Gungahlin. That's a fair share of the cane market."

It, of course, was only a matter of time before Cargo Carriers got a toehold in the lucrative cane transporting business.

It finally moved into this highly specialised business on November 1, 1987, when it brought W & R Transport's assets from the family trust fund. These include a variety of vehicles, such as Ball haulers and trailers, MAIN truck-tractors and Hilo trailers.

They were supplemented by its own vehicle, because, says Cargo Carriers' marketing director Mike Bower, intention is to develop the base into a fully-fledged depot facility to serve the North coast.

"We see a lot of potential for business there. It is an expanding, exciting industrial area."

with the first of three new ASS networks having just come into operation at Belville, Cape. It cost R30m to install.

A second ASS link will be phased in at Kazerne, Johannesburg, from about mid-year and will cost R70m. The third link, a R30m project at Durban, will also be phased in later this year. All three should be integrated and fully operational by the year end.

The Belville operation has a handling capacity of 10 000 parcels an hour, but the handling rates have not been increased, says the spokesman.

Complimentary to the ASS network is Intac, an integrated accounting system which monitors deliveries affected mainly by the 1000m/h "fast train" service. This has cut train time by 10 hours from the Cape to the Reef while an supple-

Tollgate sells off bus subsidiary

TOLLGATE has disposed of one of the recently acquired United Passenger Transport Investments (UPTI) subsidiaries, Rustenberg Bus Services, for a cash consideration of R38.5m. Duros announced this week.

The disposal substantially reduces the net cost of the R62.9m UPTI deal value by 16.2% from 317c to 368c. Based on the consolidated income statement of Tollgate for the year to June 1987, historical earnings are upped by 34.2% to 42.8c.

Since Duros acquired a 29.9% controlling interest in Tollgate in February, Tollgate's assets doubled from 1 400 buses to 2 800 buses and its properties from a book value of about R30m to R75m after the purchase of UPTI in March.

The sale comprises 300 buses and

KAY TURVEY

property with a book value of R3m, leaving Tollgate with about 2 500 buses and property with a book value of about R72m.

Tollgate's share price rose to a high of 400c on rumours of the deal before falling back 15c to a close of 385c yesterday.

A Duros Press release said further disposals by Tollgate of UPTI's subsidiaries were not being considered.

The cost of the UPTI acquisition is to be funded from internal sources, existing credit facilities and a R12.3m convertible debenture. The enlarged Tollgate debt at less than R40m results in gearing of 44.9% on the recalculated shareholders' equity.

Boost in turnover and profit for Clyde

LIZ ROUSE

CLYDE Industrial Corporation has posted a 65% increase in pre-tax profit and a growth of 45% in attributable income in its first 12-month report since listing in September 1987.

The supplier of steel-based products to the gold-mining and industrial market also reports a rise of 34% in net asset value due to two acquisitions, while a takeover subsequent to the year-end and the decision to purchase a Rlm cut-to-length line promises to fuel growth this year.

Increased market penetration and wider product range are reflected by a 22% increase in turnover to R43.2m from the previous year to February 1987.

After an extraordinary item of R13 000, being the amortisation of goodwill, lower interest charges of R462 000 (R932 000) and a higher tax bill of R562 000 (R165 000) due to an assessed loss being fully utilised, R2.3m was attributable to shareholders (R2.03m in 1987). Earnings rose 21% to 19.4c a share on a larger issued share capital from

Porsche will lay off 1 000 workers

FRANKFURT — Porsche plans to reduce its staff by about 1 000 people in the next 15 months, the company said yesterday.

The West German maker of luxury sports cars said the staff cuts would be made through early retirement and other "socially responsible" measures.

In January, the company employed 8 606 people, most of whom worked short shifts in that month.

The decision to curtail working time came late last year after Porsche faced plummeting sales overseas and chose to drastically cut car output at its Zuffenhausen facility as well as at Audi's Neckarsulm plant.

In the current fiscal year ending July 31, Porsche plans to produce about 33 000 cars, down 35% from 50 715 made in fiscal 1987.

In the fiscal first half Porsche's worldwide sales fell 15% to DM1,46bn from DM1,71bn in the year-earlier period. — AP-DJ.



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(“Waverley”) and
(Registration number 68/5717/06)
(Incorporated in the Republic of South Africa)
(“Egoli”)

Acquisition

Terms of the acquisition

In terms of an agreement with Egoli, which is subject to shareholders' approval, Waverley will acquire the entire issued share capital of and claims against Brakpan Van Dyk Mines Limited ("Brakpan") from Egoli Limited for 1 161 640 ordinary shares in Primrose Gold Mines Mariner Mining Corporation Limited with effect from 31 March 1988.

The transaction will have no effect on the issued share capital, earnings and net asset value of Waverley and Egoli.

A circular, setting out details of the transaction, will be posted to shareholders in due course.

Johannesburg
20 April 1988

By order of the board

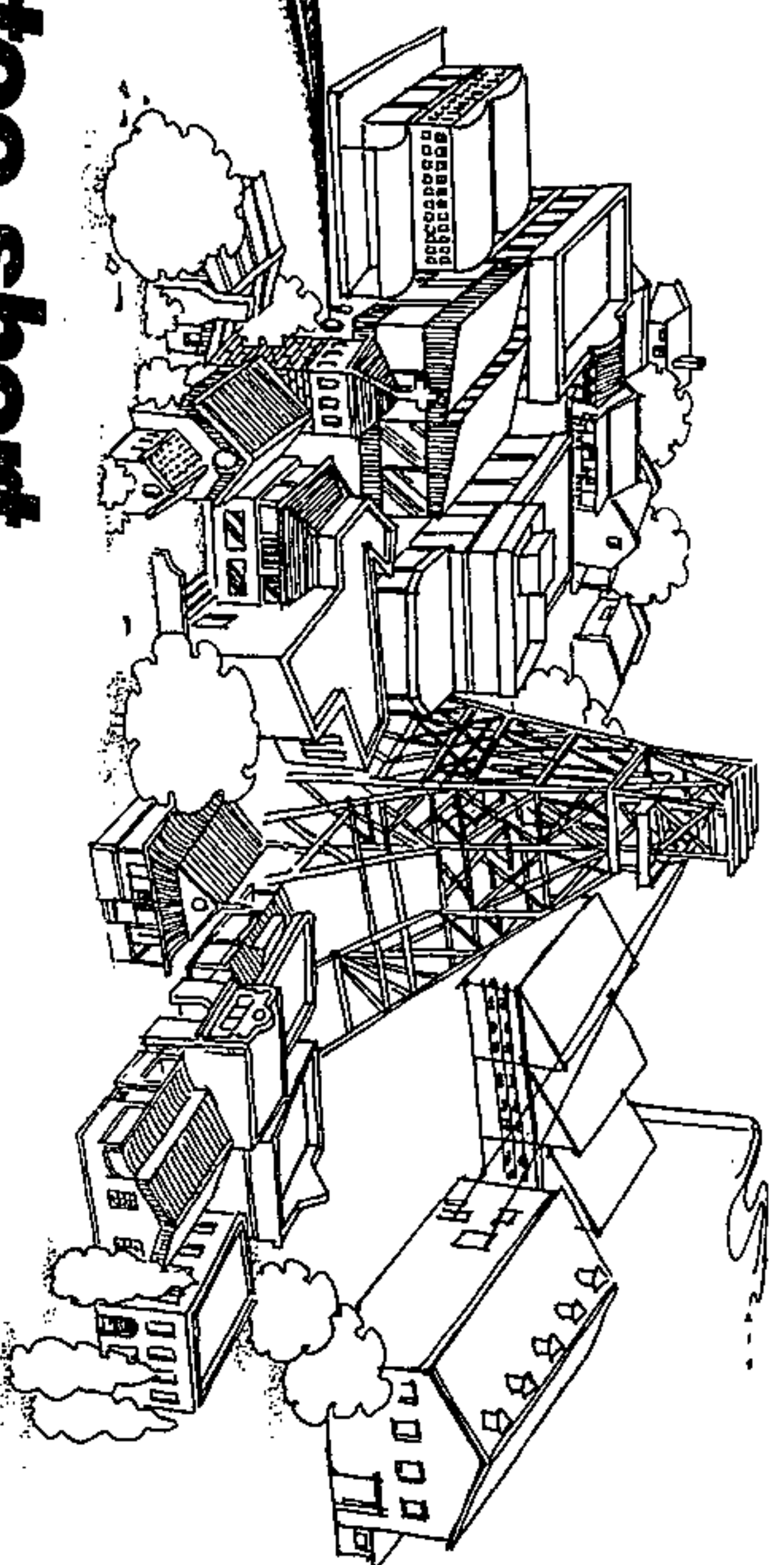
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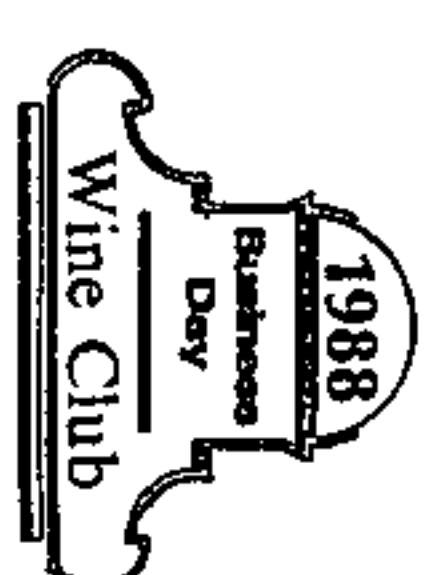
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1988 Sauvignon Blanc

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The first certified wine of the 1988 vintage made by the Vredendal Co-operative, with the apt name 'Goia Kgeisje', the Bushmen words for 'we were here first.' The Bushmen were the earliest inhabitants of the Olifants River Region, and Giel Swiegers, general manager of the cellar, has thus decided to honour the Bushmen in this way. The label of the bottle is a beautiful copy of a Bushman drawing done by Patricia Fraser.

The grapes for this wine were harvested on January 26, 1988 and the wine was bottled on February 26. All the grapes came from one farm, and this is only the second crop to be harvested from these young vines. No pesticides or fungicides have ever been used in this vineyard, and it is believed that this led to an over-abundance of ladybirds which controlled the growth of fungi. The wine is crisp and dry, with the typical, but delicate grassiness of sauvignon blanc, with very good acid, due to the specific microclimate of this well-managed vineyard.

Backsberg Nouveau Rouge 1988

(2 x 750ml)

Made from Pinot Noir grapes, harvested during the third week of February

and bottled on March 16, 1988, rushed up to the Transvaal, to be enjoyed as a young, light, fruity and easy drinking red wine. The maceration carbonique method of vinification bringing out the typical "berry-fruiness" of the Pinot Noir grape.

Deltheim Pinotage Rosé 1988

(2 x 750ml)

Once again, the by now well known and popular nouveau rosé made from pinotage grapes, the ideal wine for a pink party with pink flowers, pink food and fun pink outfits. Grapes were harvested on February 10, 1988 and the wine was bottled on March 14, 1988. A lovely fruity, slightly sweet rosé, 8 hours skin contact was allowed which gives this wine a good firm grip on the palate and aftertaste.

Saxenhein Rosé 1988 Nouveau

(2 x 750ml)

A rosé made from Pinotage grapes harvested on February 12, 1988, the wine was bottled on March 11, 1988. An off-dry wine with beautiful strawberry red colour, with whiffs of strawberry fruit on the nose and palate, typical of pinotage made this way.

Landskroon Nouveau Rouge 1988

(2 x 750ml)

A lovely easy-drinking red wine made from Pinotage grapes harvested on January 26, 1988 and bottled on March 10, 1988. This fruitiness of Pinotage really lends itself to this style of wine.

Fairview Gamay Noir 1988

(2 x 750ml)

Made from Gamay grapes only, the grapes used for the French Beaujolais wines, using the maceration carbonique method. A light, fruity easy drinking red wine, made to be enjoyed young, anywhere, anytime, but not with just anybody! Drink this wine slightly chilled (and in large quantities). Gamay Noir, an early ripening cultivar, was harvested for this wine on February 1, 1988 and bottled on March 9, 1988.

Manie makes his Weisser Riesling in true German style, off-dry, with just enough sugar to enhance the fruitiness of this variety. Lovely weight on palate, good acidity, also has the potential to develop into a most interesting wine.

Ersterster Vallee Co-operative

Weisser Riesling 1987

(3 x 750ml)

Again a unique style of cabernet, light and easy-drinking, and made to be enjoyed young although it should last for another 3-4 years. Good berry-fruiness on nose and palate.

Cabernet Sauvignon 1986

(3 x 750ml)

Ersterster Vallee Co-operative

Weisser Riesling 1987

(3 x 750ml)

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ROAD HAULAGE

Thorough tests are ZF's fetish

ZF OF SA, whose steering and transmission system needs little introduction to the road transport industry, is using the latest imported technology and goes to great lengths to test rebuilt units thoroughly, before they are reinstalled in vehicles.

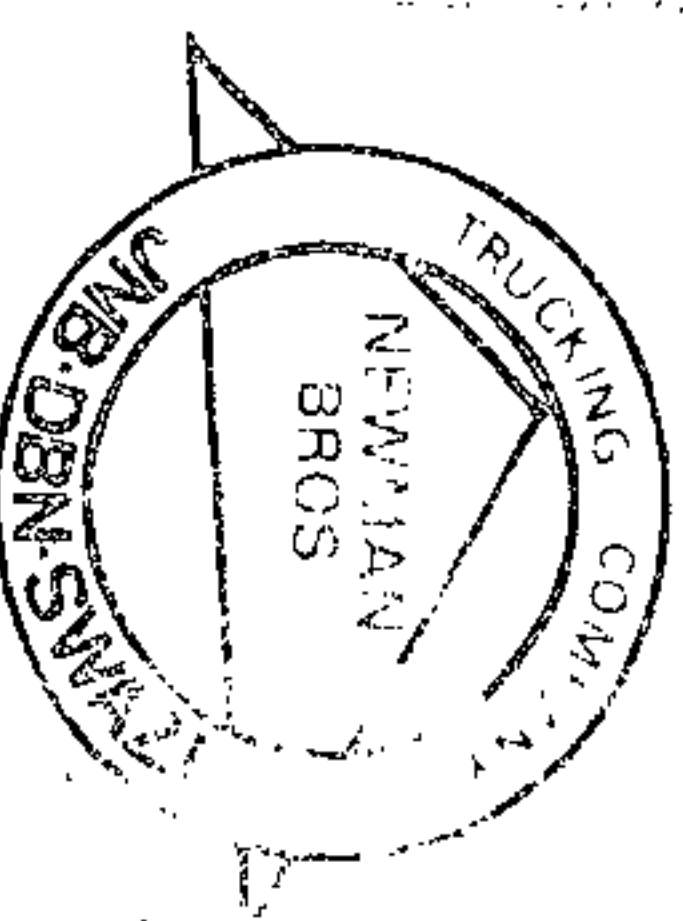
In fact, testing before reinstallation has become a bit of a fetish at ZF.

It believes that, in the end, this method of doing things is cost effective. It ensures a minimum of downtime, because units operate as they should when they leave the factory.

says, some SA original equipment manufacturers that offer a service exchange facility through their dealer networks, use ZF's Spartan operation.

"We use the same tools and the same assembly techniques in Spartan that ZF uses in Germany or its SA licensee, Asias, uses."

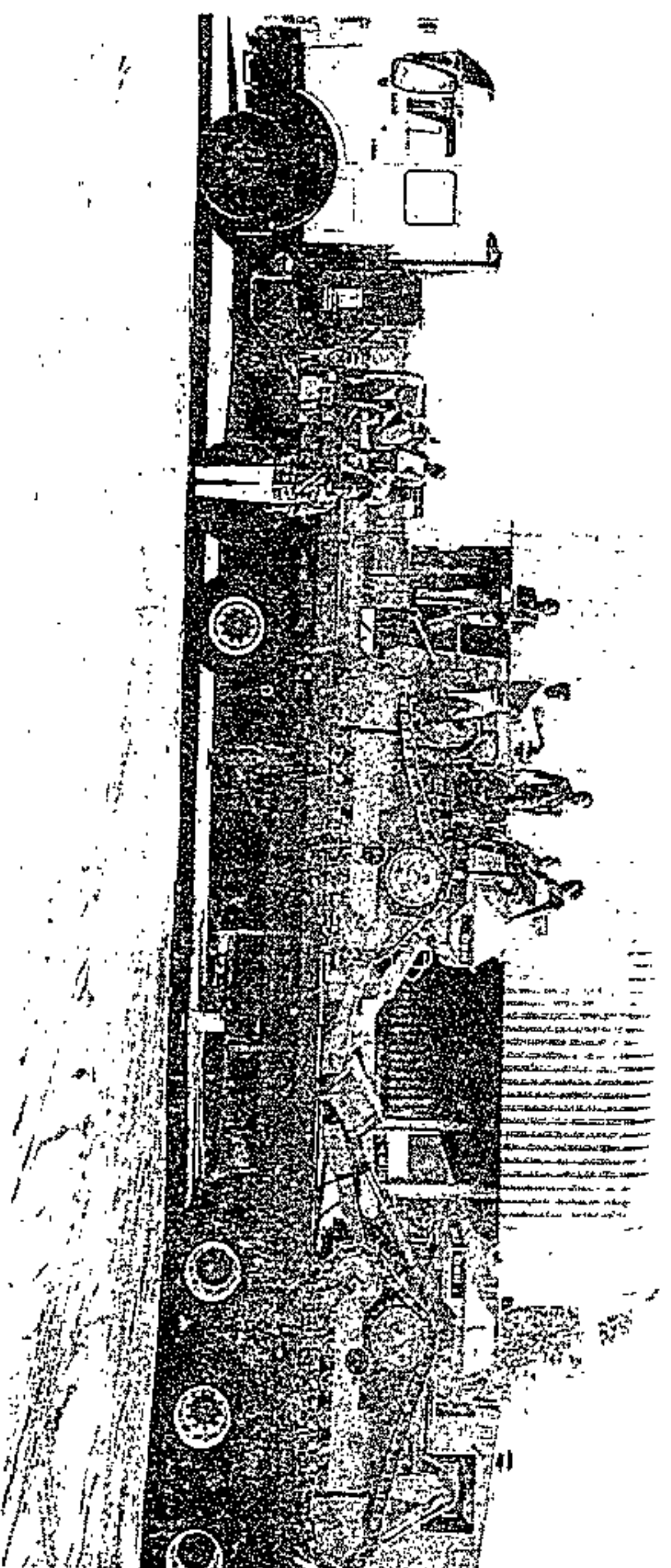
In addition to performance tests, rebuilt units are tested individually for noise levels, oil pressures, maximum temperatures, external leaks, proper shifts and, where necessary, their electronic circuitry is also tested.



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21686

LCV sales surge arrests slide

A SURGE of 17 674 units in the sale of light commercial vehicles last year, when 96 346 were sold, was largely responsible for arresting a downward slide in the entire commercial vehicle market that started in 1982.

Sales of commercial vehicles (worth R2,3bn last year) are divided into light commercial vehicles (LCV) with a gross weight of less than 8 000kg, medium commercial vehicles (MCV) with a gross weight of 5 002kg-7 500kg and heavy trucks (HCV) and buses weighing more than 7 500kg. LCV sales rocketed total commercial vehicle sales to 108 326, 22% up on the 1986 figures.

The National Association of Automobile Manufacturers of SA (Naama) estimates that 118 800 commercial vehicles worth nearly R3bn will be sold this year, of those 105 000 will be LCVs.

Its optimism seems justified. The market is still im-

proving. In January and February 17 674 LCVs were sold which was 5 092 or 40% up on the 12 582 sold in those months in 1987. MCVs moved up by 12,7% from 738 in 1987 to 832 and HCVs by only 4,5%, from 1 193 in 1987 to 1 247 this year.

Nico Vermeulen, Naama's executive director, attributes this to a combination of factors "including the moderate improvement in general economic conditions, the positive influence of official measures to stimulate the economy, continued low interest rates, pent-up replacement demand for new motor vehicles and aggressive marketing and sales campaigns by vehicle manufacturers."

Sales of medium and heavy trucks and buses lagged behind because manufacturers ran short of stock.

Vermeulen notes, however, "virtually without exception heavy truck and bus manufacturers report order books

that will keep them busy until well into 1988."

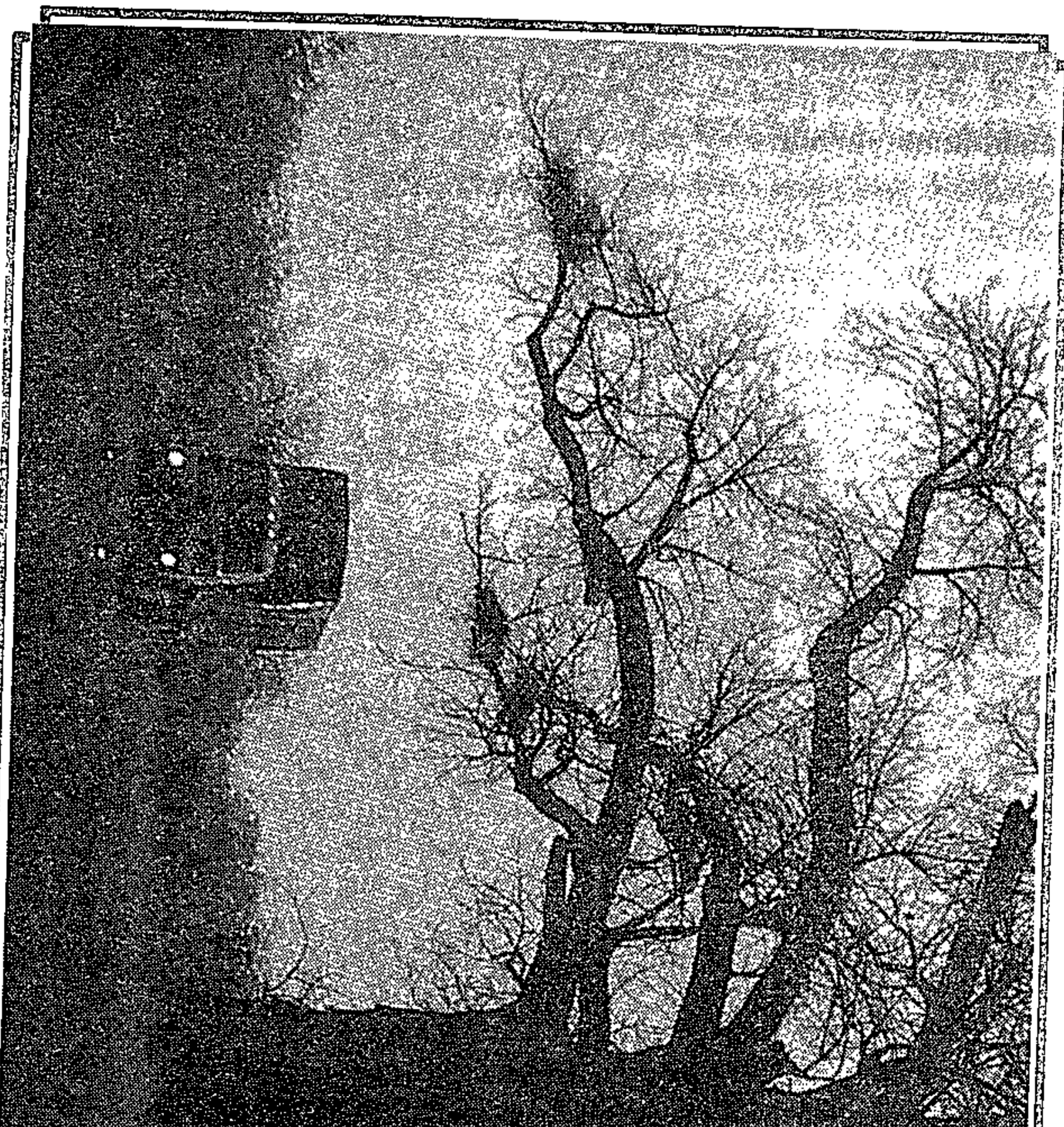
Vermeulen warns that the recovery could falter. There is a danger that Atlantis Diesel Engines (ADE) SA's strategic engine producer and AS Transmissions and Steering (Astas) "may experience some difficulty in meeting the significant upturn in vehicle manufacturers' orders."

Despite that, he is confident that the industry will record a moderate growth this year.

The replacement market has tremendous potential to boost manufacturers' volumes and turnovers.

To replace the 1,4-million commercial vehicles on the road would cost about R28bn.

In an average year 8%-9% of commercial vehicles are replaced. But the replacement rate dropped to 5%-6% during the recession because buyers postponed purchases by extending their vehicles' lives.



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Mozambican bid to woo SA taxis

Own Correspondent

DURBAN — President Joaquim Chissano of Mozambique has invited the Southern African Bus and Taxi Association to assist in the reconstruction of his country's transport infrastructure with emphasis on the taxi business.

The invitation was made public, for the first time, to Sabta members attending a Natal regional meeting at a beachfront hotel in Durban last week.

Natal regional chairman Mr Chris Ngiba told about 300 members attending the meeting that in accepting President Chissano's invitation, Sabta had chosen three delegates to go to Mozambique.

They are Sabta national vice-president Mr God-

frey Nthlathleng of Johannesburg, Mr Paradise Mahlangu of Pretoria, Transvaal regional chairman and Mr Ngiba. They will leave for Mozambique early next month and are expected to be in the country for a few days.

Commenting after the meeting, Sabta national president Mr James Ngcoya said the invitation showed that Sabta was now an international force.

"We are proud of the invitation and we'll lend our expertise to the best of our ability."

Mozambique's transportation system crumbled with the advent of independence and the war between the Frelimo government and the MNR.

1107-1108 EVANS

So says a Public Utility Transport Corporation (Putco) representative, who warns there could be trouble if taxis continue to encroach on bus ranks.

This is now causing tension, not only between Sabta taxis and "independent" companies, but between taxis and buses, and Duff fears another different kind of "blow-up".

There are over 60 000 taxis operating illegally and 15 000 applications for permits with the Johannesburg Transport Board, according to Chapman in a recent report.

332

Clo:

Tollgate's gain 22/4/88

Duros has lost little time in lifting the value of its investment in Cape-based transport group Tollgate. The group appeared to be attractive for Duros in terms of both current and potential assets and profitability. The latest deals show considerable progress in realising that potential.

When Duros announced its bid in late February for 29,9% of Tollgate and offered to buy 100% for its own shares and cash, Tollgate was standing at a market price of only 225c against a 318c net asset value at the then last balance sheet date of June 30. The group was under-gearred, with borrowings of only R10,35m against shareholders' funds of R76,3m, giving a debt:equity ratio of about 0,14. Yet, in 1987, it made trading profit of R15,2m on turnover of R145m. Duros' purchase price was R20m, of which 50% was to be paid by issue of Duros shares and the remainder in cash; Duros had earlier raised cash with a R10m rights issue.

When interim figures were announced in March, Tollgate reported pre-tax profit of R8,6m (R6,2m) on turnover of R85,5m (R69,5m). Earnings per share were up from 14,1c to 16,8c and the dividend was lifted to 10c from 7,7c. Borrowings had been increased to R21,3m, but this still left the balance sheet conservatively geared at about 0,27.

However, the acquisition of United Passenger Transport Investments (UPTI) a few weeks later for R62,9m transformed Tollgate both in size and in geographical spread. UPTI — which came with a fleet of 1 400 buses — operates commuter and long distance bus and coach services in northern Natal, north-western Free State, Transvaal highveld, western Transvaal and Bophuthatswana.

Payment was to consist of R50,6m in cash and the remaining R12,5m by issue of 14% unsecured convertible redeemable debentures of 275c each. This week's announcement that Tollgate has sold Rustenburg Bus Services and certain related assets to Bophuthatswana Transport Holdings for R38,5m in cash means that more than 60% of the purchase price of UPTI has already been recovered.

Johan Claasen, chairman of Tollgate and a member of the consortium which controls 60% of Duros (others are Mervyn Key, Dave McCay and Christo Wiese) says the deal benefits shareholders in both groups. In UPTI's latest financial period, Rustenburg contributed R6,7m of UPTI's total profit before interest and tax of R15,5m. Rustenburg's assets were valued at R19m out of UPTI's total net asset value of R58m. After the Rustenburg sale, UPTI is left with 1 100 buses and net asset value of R39m.

Of the R50,6m cash portion of Tollgate's consideration for UPTI, it has already got back R38m. The R12m in debt still held by Tollgate is increased by R15m that was held by UPTI, plus the R12,5m debentures, giving Tollgate total borrowings of R39,5m.

When UPTI's adjusted net assets of R39m are added to Tollgate's historical shareholders' funds of about R76m, the figure rises to R115m and the debt:equity to just less than 0,35. This figure does not take into account profits retained by Tollgate during the current year and is regarded by Claasen as "very sound gearing."

Effects on profit potential also look favourable. After excluding Rustenburg, UPTI brings into Tollgate profits of about R7m before tax and after interest; assuming a 50% tax rate, the next taxed profit is R3,5m. If this is added to Tollgate's budgeted taxed profit of R9m, total profit is R12,5m, equivalent to about 50c per share against EPS of 32,2c in 1987. For Duros, the Tollgate investment and subsequent deals have the effect of virtually tripling historical earnings.

The big question is whether Tollgate has sold the most profitable part of UPTI to fund the deal. Claasen says no. He contends that Rustenburg was run as a separate operation which was geographically remote and that the most important part of the acquisition is the large bus fleet retained by UPTI. Each of the buses, which carries about 65 people, has a replacement cost of some R200 000. In total, Tollgate, a highly capital-intensive business, now has 2 500 buses, giving considerable flexibility in operations.

Essentially, management believes that by making full use of the assets in the enlarged group, greater efficiencies can be achieved.

Tollgate now consists of four main divisions: the transport business in Cape Tramways, which will also hold UPTI; Tollgate Properties, which holds R80m of unbonded properties and is to be given professional

management with restructuring planned; Multimech, which is involved in maintenance, engineering and related activities and which is seen by management to have growth potential and as a candidate for listing later; and Springbok Safaris, also being considered for a listing.

Mervyn Key has been appointed chairman of Springbok Safaris. "We see great possibilities for this company," says Claasen. "This must be the biggest private transporter of tourists in SA at present. We see it as a vehicle to develop a leisure group."

Aside from all these developments, Duros intends to continue with its merchant banking and financial services activities. The recent acquisition of the Frencorp cash shell relates to these rather than Tollgate. Tollgate's share price stands at 410c against the low of 190c in early January and Duros has climbed to 870c from 700c before buying into Tollgate.

Andrew McNulty

by 0,25 percent below the prevailing fixed deposit rate at the time of the initial entry rate. The bonus deposit is available to a maximum of 2 percent a year.

MEDIA and MARKETING

Thomsons score a coup with Sabta deal

In a publishing coup this week Thomson Publications acquired control of the SA Black Taxi Association's official monthly journal *Drive On*.

The acquisition will give the Thomson's stable one of the highest circulation trade publications in the country and marketing access to 45 000 Sabta members.

According to a spokesman for Thomson Publications, there were 100 000 black taxis operating in South Africa at present and an indication of the "massive spending and consumer power" of the

CHRIS MOERDYK

sector was that Sabta members alone bought 800 million litres of petrol each year and spent almost R1 billion on motor spares.

The spokesman added: "This new agreement will allow Sabta to use the professional skills of Thomson's to communicate with their members on a range of issues.

"*Drive On* will also provide all sectors of the business community with an outstanding opportunity to market their products and services to black consumers in the A and B income groups."

Black taxis in South Africa transport more than a million passengers every day.

The May issue of *Drive On* would be the first under the Thomson banner.

Initial circulation would be 40 000 and plans were being developed to increase this figure.

The journal's existing editor Johnny Masilela retains his post.

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332
23/4/88
Star

Cargo Carriers 332

earnings up 29%

B/day 26/4/88

BOLTON Group's Cargo Carriers turned in a strong performance in the year ended February 1988, with earnings increasing by 29% to 44,6c a share (1987: 34,6c).

Turnover was up by 20% to R121m (R101m) and taxed profit rose by 29% to R8,9m (R6,9m). A maiden dividend of 7,3c a share has been declared.

Cargo MD Roy Marcus said the company's growth placed it in a strong position to continue to expand its operating base.

"The negligible gearing and strong cash position enhances the company's ability to take advantage of strategic growth opportunities.

"The moves towards deregulation and privatisation should provide enormous opportunities, which with benefits that will flow from new contracts, augurs well for continuing profit growth in the current financial year."

He said the proposed R7,5m Alrode staging post for the movement and transshipment of goods, represented a major investment for the company.

"This new intermediate warehouse for customer products is an exciting development for the future of road transport in this country. Cargo is now able to

MICK COLLINS

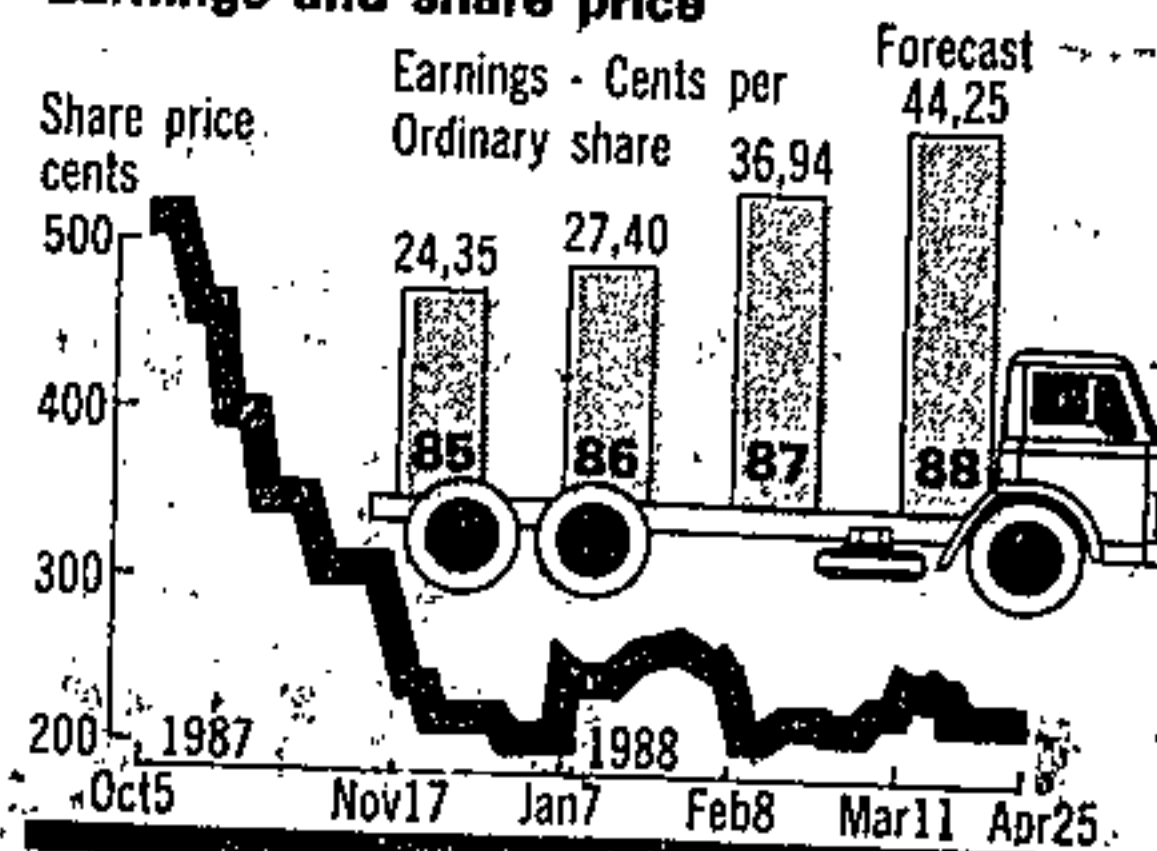
convey massive tonnages from a client's production facility and move it through a logistical infrastructure to the end user."

The company, Marcus said, was excited about deregulation and the concept of increased competition among road hauliers.

"Some 90% of present business is already conducted in the open market, or what is now to be called the deregulated business, and Cargo is well placed to benefit from moves to eradicate privileged contracts."

Cargo Carriers Limited

Earnings and share price



Source: JSE & CARGO CARRIERS Graphic: JOHN McCANN

Call for deregulation

Safair could boost tourist industry

By AUDREY D'ANGELO
Financial Editor

SAFAIR — the aviation arm of Safmarine — could boost SA's tourist industry by bringing holiday-makers more cheaply on-fully-booked charter planes than they can fly by the national carriers' scheduled services.

And it could ensure deliveries of Cape fruit and other perishable produce to overseas markets at times when SAA flights are fully booked.

These were among points made by Safair MD Braam Loots yesterday when he called for deregulation of the aviation industry in this country.

Loots emphasized at a media briefing that deregulation must not mean a lowering of standards, particularly of safety.

But he said that some deregulation was essential as a prelude to privatization, to give private airlines an opportunity to acquire day to day experience of providing services which are at present largely restricted to SAA.

Although Safair has the largest privately owned fleet of Hercules transport planes in the world — in addition to the Boeing 707 it has just bought for R12m in the US — and is used by the SADF to transport 250 000 passengers a year, Loots said so little was generally known about it that it was "almost a mystery airline".

But it carried more passengers than the combined total of 80 000 a year carried by other private airlines in SA. It carried freight in this country and outside, although it operates scheduled routes only by permission of SAA.

Loots said the freight it carried included specialized jobs such as transporting race horses and game. Its passenger charters included taking up groups of skydivers — it has done so in the US as well as in this country. It has also been chartered to do work for the oil industry in Canada.

It has its own maintenance facilities at Jan Smuts airport, where it services planes belonging to the national carriers of

some African countries "which would not like our planes to be seen at its airports".

In spite of this, Loots said, Safair carried freight between SA and some of these countries.

Safair has carried Cape fruit to overseas markets during the Christmas season when SAA flights are at their busiest and last year, for the first time, was allowed to bring cargo back. But last year it could not make this service immediately available when requested by SAA because it had other commitments.

"Since we are not normally allowed to carry freight on these routes, except by permission of SAA, we have to find other markets," Loots explained.

He said the airline's Boeing 707 was capable of carrying passengers overseas in similar comfort to the national airlines. But if Safair were allowed to provide regular passenger flights he had no doubt that Safmarine would buy more planes — possibly air buses.

Cape Times
27/4/88

332



STRICTER tests for drivers and vehicles like this one carrying 10 or more passengers for profit.

TOUGH ON TAXIS

Sowetan 28/4/88

332



Man gave his life for ANC, says prof

— Page 7

TOUGH new laws affecting taxi drivers are to be introduced. The country's traffic laws will be tightened and new standards set, it was announced in Parliament yesterday.

The new Road Traffic Bill, introduced yesterday, makes provision for fines of up to R8 000 instead of the present maximum of R2 000.

All ordinances passed by the four provinces are to be consolidated into one Act.

According to the legislators this will create uniformity of control and make amendments easier.

Monitored

Traffic policy making and maintenance of standards will be centralised in the Department of Transport while administration will still be done by the provincial administrations and local authorities.

A centralised computer register will be established through which drivers' licences, and involvement in collisions and other offences will be monitored by the Department of Transport.

One of the main objects of the system

New law is introduced in Parliament

is to protect public safety when the permit system governing the road transport industry is gone.

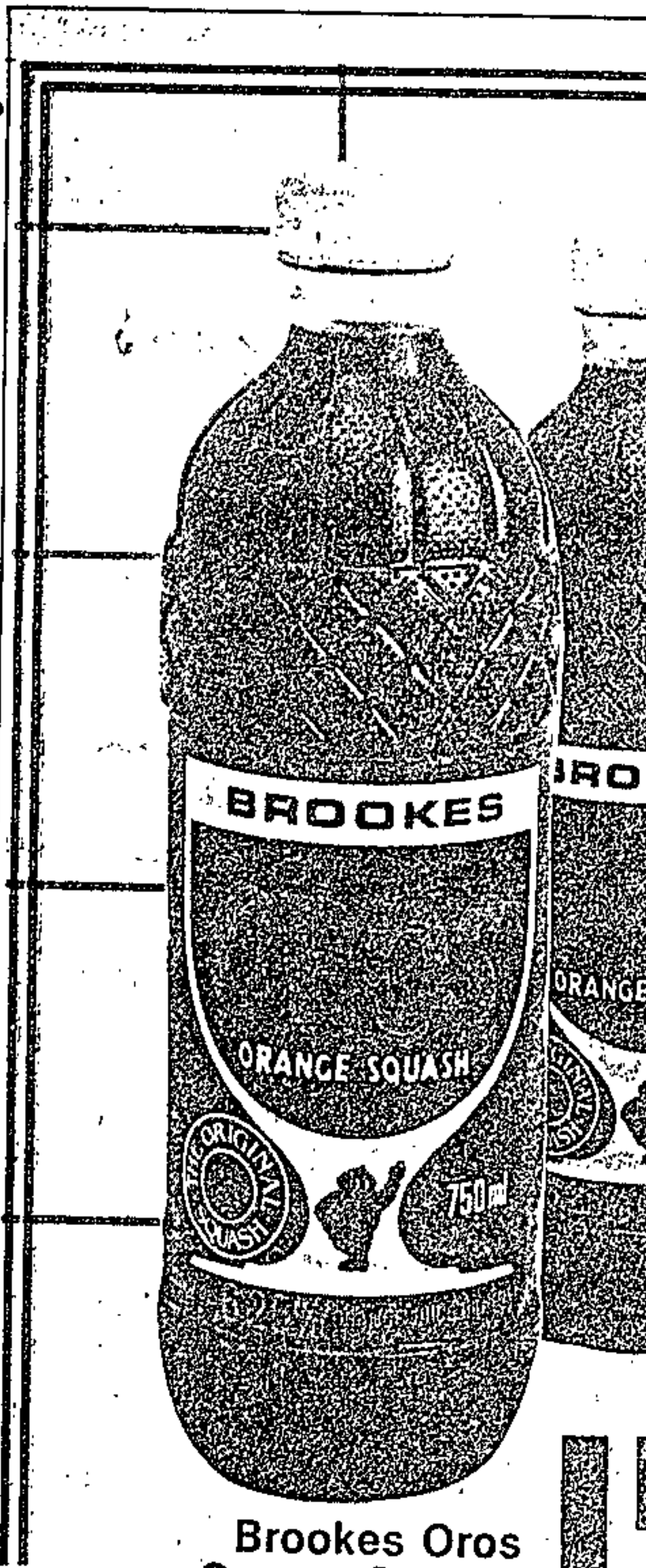
The system is being phased out as part of the Government's deregulation policy.

A two-part system of vehicle and driver standards will be introduced. Vehicles over 3500 kg gross vehicle mass (GMV) — or which carry 10 passengers or more or are used for profit — and their drivers and operators will be put in an "A" class and be subject to much stricter standards than other vehicles and drivers.

- The vehicles will have to be tested for roadworthiness every year instead of at present where tests are only necessary before registering a vehicle or on change of ownership;

- They will have to display roadworthiness certificate discs;

• To page 2



Brookes Oros

P.T.O.

To qualify for permits

• From Page 1

- The drivers will have to qualify for professional drivers permits which have to be renewed every two years, instead of receiving them for an indefinite period as now;
- Testers of professional (A-class) drivers and of the roadworthiness of vehicles will have to register and attend a special course at an approved institution;
- Drivers testing centres will have to be registered and will be graded A — for vehicles over 3500 kg — or B;
- Roadworthiness testing stations for A-class vehicles will also have to be graded as A stations and comply with higher standards;

The Bill creates the class of "operator" of an A-class vehicle. These operators will have to register and be responsible for the vehicle's and the driver's compliance with the regulations.

Vehicles will have to display operator's cards;

- A-class drivers will have to comply with new standards for maximum driving hours.

The Bill also enables vehicle testing stations to be privatised.

The Bill stems from the White Paper on national transport policy introduced in January last year and is the most important Bill implementing the policy, a memorandum accompanying the Bill says.

One of its main purposes is to effect the Government's road transport quality system (RTQS) which the Government says must be implemented before the present permit system is phased out.

The new stricter standards for A-class professional drivers and vehicles are part of this RTQS.

Car Talk 28/4/88
**Transport
reforms
closer**

Political Staff

THE deregulation of the transport sector progressed yesterday with the tabling in Parliament of the Omnibus Road Traffic Bill which consolidates the four provincial road traffic ordinances.

It follows the publication earlier this month of the Transport Deregulation Bill which spells the end of the commercial permit system and forms part of a package of Bills to implement the government's new national transport policy.

An important element of this draft legislation is that it provides for a road transport quality system which sets safety standards.

In a memorandum attached to the Bill, it is stated that the quality system will be supported by a purposeful and practical law-enforcement programme.

Drivers' licences, involvement in collisions and other traffic offences will be monitored by a computerized information system.

in the lingo, boetie

zo. Motown also spills from taxi windows.

The drivers — very often young — like their music played *loud*, much to the irritation of older travellers. It's another sign of the widening generation gap between new Soweto and old Soweto, as the older people bemoan the shallowness of the latest township vibe, talking rather about the sounds of their day.

"Zola Budds" and "Mary Deckers", as many of the taxis have become known, often collide (like their namesakes) as they race up and down the old Potchefstroom road.

Other taxis have more specific names. There's *Khulumani* (Speak); "Jealous Down"; and *Bak-*

haliph 'icebo (What plan are they devising?). Taxis reflect their drivers' individuality in more ways than just vehicle models or colours.

On the Jo'burg-Soweto run, Uncle Charlie's petrol station is an important landmark. As the taxi passes this point, the air is filled with the sound of coins clicking as they come out of the pockets of passengers. Time to pay.

The driver doesn't have to say a word: passengers start collecting money and distributing the change. Fares are collected seat by seat. This occurs every day, automatically.

Often on entering Soweto, taxis begin to slow down even though the robot is flashing green.

Something is wrong, but it is something familiar — a roadblock is in session.

Passengers are ordered out of the taxi and thoroughly searched. Eventually they are all back in, and the sharp criticism that follows is the topic for the rest of the journey.

Taxis are interesting discussion forums. Imagine 15 people from different walks of life squashed together at the end of the day, just in time to listen to the evening news broadcast. The discussions are often heated. The car racket, the mandrax industry, bomb blasts, the comrades and the councillors ... all are hot topics.

The drivers are a community in themselves. At

Soweto's Faraday taxi rank, a close group sits, laughs, talks, eats, and complains about bosses together. They're not a union, but they're close.

The taxi business has also given birth to other communities-within-communities. There are the teenagers who sell their labour as taxi-cleaners. They usually manage to jitterbug while they do their work. These little ones operate in groups of four, clearing a flat rate of R4 per cleaned taxi.

Taxis have become a way of life, and a good barometer of what's going on in this huge black city. Learning the non-verbal language is a good start for the beginner. But you also need style when you speak. When warning the driver that you want to get off, shout out the place name, but don't forget to add: "*Dankie boetie*".

Here's an example — "Short Street left, *Dankie Boetie!*" It's not difficult.

Opportunists? Not us, say Sabta

By MUSA ZONDI and
THAMI MKHWANAZI

organisation of "opportunism" because of its "silence when 17 organisations were banned earlier this year".

Sabta representatives said last week Ngcoya's stance was not representative of the organisation, while they still stressed reservations about disinvestment as a particular tactic of applying pressure on Pretoria.

In response to allegations of complicity in the taxi war, the representative denies that the organisation has played a role, although there have been claims of clashes between rival taxi groupings.

Regarding Putco's claims, Sabta's marketing advisor James Chapman agrees that a serious situation of congestion is developing, with too many taxis vying for limited ranks. "But," he asks, "what do you do if you are a taxi driver and all the ranks are full? You see a free bus rank and park there. It's safer than parking in the middle of the street."

In the face of the three-pronged po-

litical controversy, the organisation stresses its "nuts and bolts" role in providing assistance to members.

Since its formation in 1981, Sabta has steadily grown in importance, and now claims to represent between 40 000 and 50 000 members in South Africa, Swaziland, Lesotho and Namibia.

Sabta public relations officer John Masilela refers to the group's success in alleviating drivers' earlier difficulties in purchasing vehicles.

After Sabta emerged in 1981, divisions began to come to the fore, resulting in splits by 1983. The major cause of disagreement was differing perceptions of the Welgemoed Commission Report. (The government-appointed commission recommended that "black taxi drivers should be restricted to four-passenger sedans".)

Those who supported the recommendation formed a separate association, but differences were patched up by 1985.

Today, pressures on the unity of Sabta appear to come more from outside than from within its ranks.



THE Southern African Black Taxi Association is the focus of an unusual degree of public interest. It stems from three quarters: reports of "anti-sanctions statements" by Sabta's president; the violent "taxi war" which saw the killing of a woman in crossfire in suburban Johannesburg; and Putco's claims that taxi drivers "encroach" on designated bus-stops.

Sabta rejects the charges. Regarding accusations of "collaborating" with the government, a Sabta representative says the organisation "supports pressure that will force radical change in South Africa".

This could include some form of sanctions, according to executive vice-president Godfrey Ntlatleng, but the organisation remains opposed to disinvestment.

Ntlatleng told the *Weekly Mail* he was eager to clear up the controversy which began with reports of Sabta president James Ngcoya's testimony to an American congressional subcommittee hearing on South Africa.

Sabta faced attacks from some community leaders who accused the or-

— all part of the taxi culture burgeoning on the Rand
Pictures: GISELE WULFSOHN, Afrapix

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Want a ride? Lead

IT is 7am and the Soweto smog begins to clear, revealing crowds of people with their forefingers pointing to the sky. The sign they are using means "I am going to Johannesburg" and is only one in a complex non-verbal language which has developed as the township taxi business booms.

The minibus taxi industry, now such a strong competitor to the bus company which has long plied the road between township and city, has ushered in a culture of its own.

To be part of it, you'd better learn the sign-language quickly. Cross your fingers, and you're saying: "Crossroads, Soweto, driver." Stick up a rude-looking "V" sign and the driver won't mind. He knows you mean "Vaal Triangle, please ..."

Beyond the signs, Soweto is full of other indications that the taxi business which began so in-

formally has become sophisticated.

At Baragwanath terminus, long queues wait to catch taxis to Johannesburg. Busy controllers with walkie-talkies on their hips count the people and divide them into groups of 15 or 17.

These then file into the taxis, most of which are distinguished by stickers which range from the market-oriented to the simply wry: "Surely Soweto Taxi Association will take you home", "God Bless Africa", and "Don't push me — I am having a crisis."

Passengers seat themselves quietly; one or two invariably commenting on how they hate sitting in the back or front seats. As they look out of the

For the most up-to-date barometer of what goes on in Jo'burg, (crime, music, politics) switch off your radio, close your newspaper and climb into a Zola Budd. A Zola Budd? If that doesn't mean anything, you need to take a ride in a taxi

By THANDEKA GQUBULE and MZIMKULU MALUNGA

window, they are greeted by the common sight of stickers showing two curly, permed, greasy heads and the warning: "Darling, I like your perm, but not on my window."

This is the driver's tactful way of asking passengers not to lean their heads against his win-

dows — it's a tough job cleaning the hair gel off after a busy day's work.

Taxis are a good place for catching up with the latest in township sounds: current favourites are Brenda Fassie, Yvonne Chaka-Chaka, Sipho "Hotstix" Mabuse and Ladysmith Black Mamba

A dangerous job: 'I don't know a driver who has not been mugged'

By KAREN EVANS

THERE is no such thing as a white taxi driver or a black driver — only good or bad drivers, according to a representative of Maxi Taxis, one of the biggest in Johannesburg.

White-owned but nonracial, Maxi employs both, according to PRO Theo Schoenfeldt.

Schoenfeldt says the company's black drivers are more willing to work at night than white drivers, who "like to be at home with their wives watching TV while their black contemporaries are slogging at it".

Night work, which drivers consider more dangerous than day shifts, carries no extra pay.

Danger is often on the minds of drivers, says Walter Luvuno, vice-chairman of the company's drivers' committee.

He estimates that about 20 drivers have been admitted to hospital in the past year following assaults and shootings by customers, especially in Hillbrow. One driver is now in Baragwanath Hospital with head wounds.

"I don't know one driver who has not been attacked," says Luvuno.

"In Doornfontein a driver was robbed and assaulted for R11. Another was shot in Cyrildene — the bullet is still lodged in him months after. One driver was shot by accident when a customer meant to shoot his girlfriend."

Luvuno would like a bullet-proof screen between drivers and customers, but it is against the law because in a car crash there could be difficulty getting the passenger out of the back seat. So he carries a spray gun next to his seat.

"The customers are mostly armed and many don't pay for their ride," he says. "They ask you to wait while they run upstairs to fetch more money and you never see them again."

Customers make a habit of calling taxis from two or three companies and the one that arrives first gets taken. The driver might then be blamed by the office for not picking up the customer and must put his case forward before Luvuno's committee, which deals with complaints from customers and from drivers.

Schoenfeldt claims drivers face harassment not only from customers but from the drivers of black taxis: "Our drivers have been approached by association members on some of our ranks, particularly around the Sanlam Centre. They tell our drivers not to park there, to which we reply that they must go to the Transport Board about the matter."



Passing forward the fare to the sound of Radio Metro and a driver's tactful way of saying "Don't lean on my window"

Luvuno complains about the number of pirate taxis who have no controlling bodies. "Pirates give the taxi business a bad name with their bad driving. They buy a car, put a sticker on saying 'Taxi' and then when a customer's bag disappears, the customer complains to Maxi Taxi because they say the taxi was parked in our rank."

He says a high accident rate among black kombis "affects our insurance which is very high. They see we have black drivers and think we, too, drive badly."



THE Southern African Black Taxi Association (Sabta) will send a delegation to Maputo to advise local operators, says Sabta spokesman Johnny Masilela.

This would hopefully benefit Sabta, said Masilela, by enhancing its "bargaining power" with South African companies.

Masilela said the impetus for the initiative had come from his organisation, but Frelimo had given its blessing.

The proposed Mozambican venture would enable Sabta, with a membership of between 40 000 and 50 000 in South Africa, Swaziland, Lesotho and Namibia, to achieve its goal of establishing its presence throughout Southern Africa.

HALF THE FARE ... OR HALF THE FUN

ONE day in Johannesburg this week, I caught two taxis. One took me from the city to Randburg, and cost R26,30. The ride was tense and the driver surly and uncommunicative.

The other ride, from Randburg back, cost R1 — and it was fun.

The first was a "white" taxi; the second a "Zola Budd".

Like so many other things in South Africa, a taxi ride means completely different things for white people and black people.

I had booked a "white" taxi to take me to an appointment in Randburg early in the morning. The driver was punctual but not interested in small talk. After he had informed me that the R20 I was carrying was going to be nearly enough — and allowed me out at a bank to get more money — the only sound for the rest of the journey was the static crackle of the controller's messages.

I sat rigid, watching the meter ticking 10 cent pieces away at an alarming rate. Number 31, hurry up, the client is waiting." The meter moved from R17 to R17,50

during that message. "Number 16, name the vicinity you're in." R18.

Eventually we arrived, and I reluctantly handed over the exorbitant fee.

I faced a problem when I wanted to get back into town. There were no buses, and another white taxi was out of the question.

Then I spotted a black taxi rank and asked if they were going to town.

"Yes, R1 to town," the driver said cheerily. My mouth dropped open.

The minibus was soon full and we started out for Johannesburg. I could not believe the difference. These seats were comfortable, and on Radio Metro the disc jockey spoke directly to "those travelling in taxis right now". People were friendly, and the meter which had kept me on the edge of my seat was thankfully absent.

As we neared Jeppe Street, passengers at the back collected money, and passed it to the driver. The grand total was R13 — less than half what I paid for the isolated splendour of my earlier ride.

Karen Evans

A FAST FOR CONSCIENTIOUS OBJECTORS

During the first week of March this year Ivan Toms was jailed for refusing to serve in the SADF. His courage and commitment should not be forgotten.

Yet, although prison is no doubt a lonely and alienating experience for him, Ivan Toms is not an isolated individual. His stand has highlighted the plight of the entire community of South African conscripts refusing to serve in the SADF.

In the context of massive SADF involvement in Angola, the continued deployment of troops in the townships and the increasing militarisation of our society, this community has grown to an unprecedented size, so much so that the Minister of Defence now refuses to disclose the statistics of conscripts failing to report for duty.

The Objector Support Group of the Western Cape calls on all concerned South Africans to remember and support these objectors, by observing a monthly 24 hour fast from 8pm on the first Tuesday of every month.

Join us on May 3 in this demonstration of solidarity.

Objector Support Group, Western Cape,
P O Box 13032, Mowbray 7700

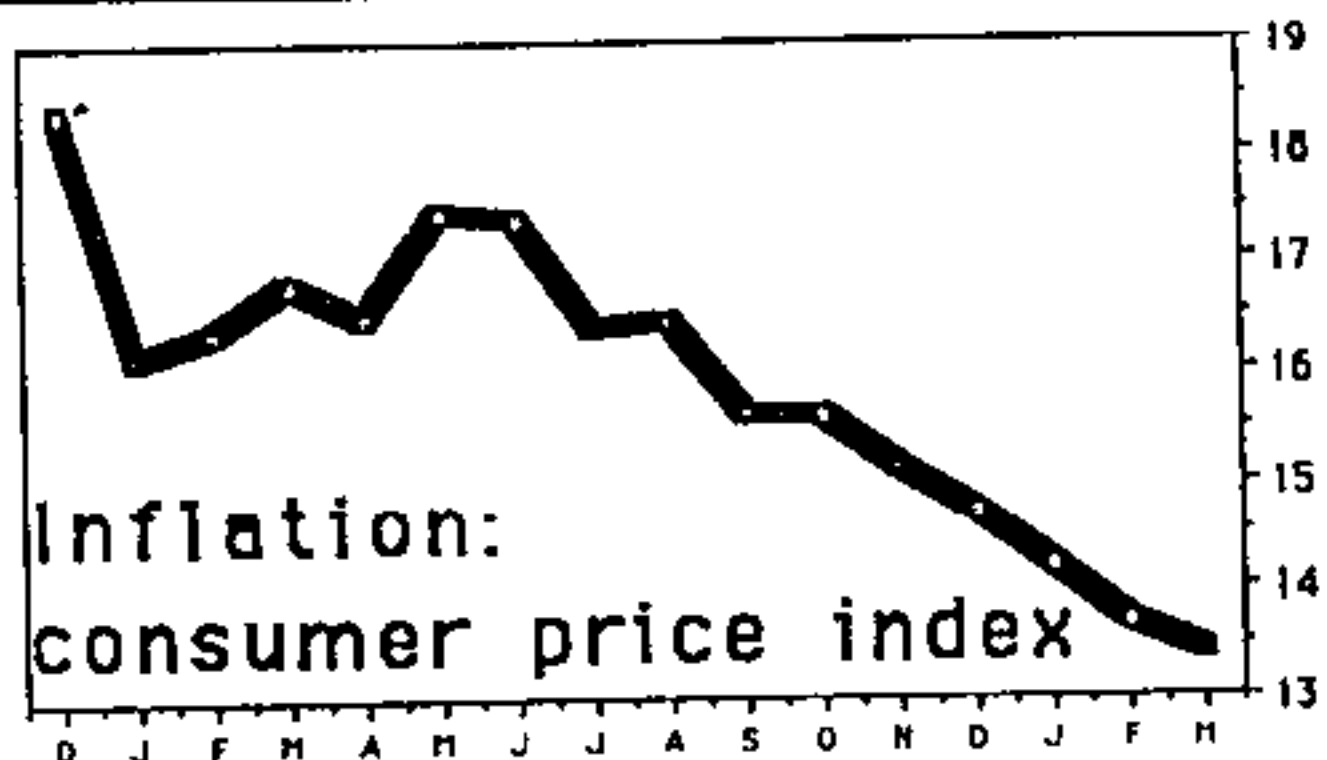
Endorsed by the End Conscription Campaign, Western Cape.

THE ECONOMY

Volunteer, says PW. It's now compulsory

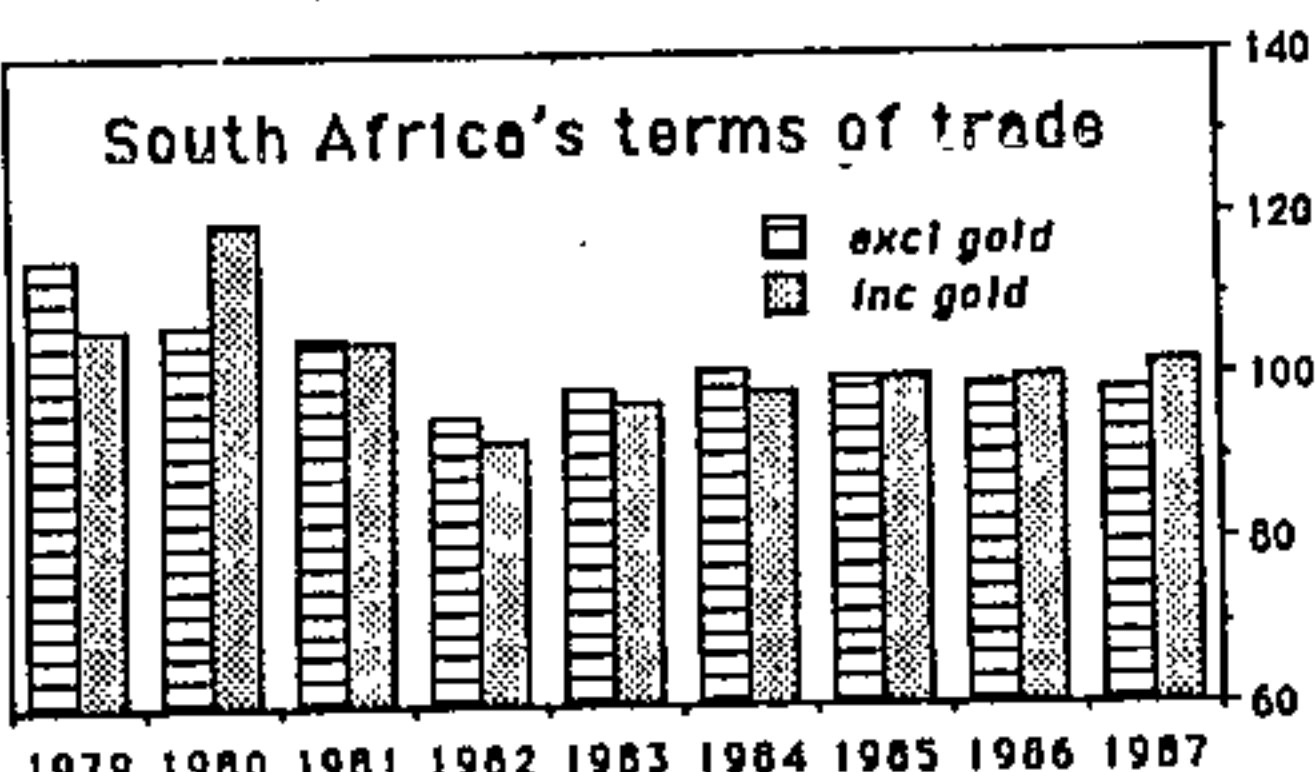
BUSINESS BAROMETER

GENERAL INDICATORS



CONSUMER PRICE INDEX

Inflation, as measured by the consumer price index, dropped to 13,4 percent in March from 13,7 percent in February and 14,2 percent in January. Food price inflation was unchanged in March at 17,1 percent. The CPI showed a year on year increase of 13,8 percent for the lower income group and 13,4 percent for middle and higher income groups.



ECONOMICS OF GOLD MINING

Reserve Bank governor Gerhard de Kock outlined changes in the economics of gold mining in South Africa in a speech he made at the opening of Anglo American's Eastern Gold Holdings project last week. Between 1970 and 1987 the US dollar price of gold increased on average by 16 percent a year (from \$36 in 1970 to \$447 in 1987) and the rand price by 23 percent per year. Average cost per metric ton increased over this period at an average annual rate of about 16 percent in rand terms. The rise in the gold price was accompanied by a 40 percent decline in South Africa's physical gold production — from 1 002 tons in 1970 to 605 tons in 1987. This was partly because the average grade of ore mined dropped from 13,3 grams per ton milled in 1970 to 5,3 grams per ton in 1987. The net result of the rise in price and the decline in output was gold mining became even more important to the South African economy than before, De Kock said. Measured at current prices, the "value added" by gold mining as a percentage of gross domestic product increased from 5,5 percent in 1970 to 9,1 percent in 1987. Gold exports as a percentage of total exports increased from 30 percent in 1970 to 37 percent in 1987. At current production levels and at the present rand-dollar exchange rate, each \$50 per ounce change in the gold price means a change of about \$1-billion or more than R2-billion in the value of South Africa's annual gold output.

SOUTH AFRICA IN WORLD GOLD MINING

In 1986 South Africa's output represented about 50 percent of gold production in the non-communist world and 39 percent of total world production. This is a substantial decline in South Africa's relative share of world gold production since 1970, when its

output was 79 percent of non-communist and 68 percent of total world production.

PRIVATE CONSUMPTION EXPENDITURE

South Africa's real economic growth rate averaged 5,8 percent annually in the 1960s, 3,3 percent in the 1970s and 1,8 percent between 1980 and 1987. Economic growth in this period became more and more attributable to private consumption expenditure and less and less to investment and exports, according to Sanlam's April Economic Survey, published this week. The average contribution of private consumption expenditure to economic growth rose from 42 percent in the 1960s to 52 percent in the 1970s to more than 80 percent in the first eight years of the 1980s. Consumer spending has been growing much faster than disposable income, indicating people are drawing on their savings or using credit to finance purchases. The financial position of consumers has been weakened by inflation and rising taxes. The personal savings rate has declined from average 11,3 percent in 1960-69 to 10,2 percent in 1970-79 to only five percent in 1980-87.

FINANCIAL INDICATORS

Johannesburg Stock Exchange Indices

JSE Indexes	27/4/88	WEEK AGO	% CHANGE
All Market Index	1585	1649	-3,9
All Gold Index	1191	1273	-6,4
Industrial Index	1488	1514	-1,7

Short-term interest rates

	26/4/88	WEEK AGO	YEAR AGO
Three-month bankers acceptances	11,75%	11,10%	9,8%
Prime overdraft rate	14%	14%	12,5%

Gold Price: dollars

	26/4/88	WEEK AGO	% CHANGE
	447	456,90	-2,1

Gold Price: rands

	26/4/88	WEEK AGO	% CHANGE
	965,52	976,31	-1,1

Selling price: Major currencies against rand

	27/4/88	WEEK AGO	% CHANGE
US dollars	2,1525	2,1380	+0,6
Pounds Sterling	4,0316	4,0526	-0,5
Deutsche Mark	0,7794	0,7769	+0,3
Yen	58,06	57,96	+0,2
Swiss Franc	0,6420	0,6453	+0,5
Financial Rand	2,84	2,8333	+0,5

US Dollar against major currencies

	27/4/88	WEEK AGO	% CHANGE
Dm	1,6777	1,6610	+1
Sterling	1,8730	1,8955	-1,2
Yen	124,97	123,92	+0,8
SwFr	1,3890	1,3726	-1,2

Source: First National Bank

PRESIDENT PW Botha's recent threat to impose a prices and incomes policy on the private sector has been strenuously opposed by trade unions, business leaders and Reserve Bank Governor Gerhard de Kock.

The Congress of South African Trade Unions (Cosatu) has stated that it "completely rejects the state president's plans to impose a general wage freeze" while the National Council of Trade Unions (Nactu) has promised to "fight this attempt at every factory in every industry".

Pick 'n Pay's Raymond Ackerman, who seems to have been indirectly singled out by Botha for special attention because his company recently agreed to pay wage increases between 12 and 25 percent, has called the proposal "totally unrealistic". Ackerman's views have been endorsed by economists within Anglo American, Rand Merchant Bank and Volkskas.

Significantly, too, Gerhard de Kock saw fit to respond almost immediately to Botha, arguing that "such direct controls would create more problems than they solve".

Clearly, Botha's outburst has not won him many friends. This must come as a bit of a disappointment to Finance Minister Barend du Plessis, who is particularly keen to cultivate the business community. The loud silence currently emanating from our finance minister over this issue suggests he wishes he were minister of something else just at the moment.

After being regularly condemned over the past umpteen years for his lack of economic understanding, Botha only recently managed to become the blue-eyed boy of the business community when he announced at the opening of parliament that the government was to freeze public servants' wages and launch a massive privatisation campaign.

Here at last, wrote Econometrix director Azar Jammie, was a "coherent philosophy in support of free enterprise". "As an exercise in orthodox Thatcherism", raved a Johannesburg daily, "President Botha's speech could hardly have been improved upon."

In reality, freezing public sector wages has as much in common with Thatcherism as bath water has with knitting needles.

But because so many in the business community and the press liked both the idea of freezing public sector wages and that of privatising state assets they ignored the contradiction. Privatisation promotes market forces

After years of being derided for lack of economic understanding, the state president at last won the approval of business, only to tarnish his record last week.
DUNCAN INNES reports

but Botha's wage freeze does the reverse: it subordinates the wage market to the arbitrary dictates of those in power.

Further evidence of the government's desire to keep important sections of the market under its control was provided by its commitment to push ahead with the Labour Relations Amendment Bill. What this Bill does in part is to restrict the rights of workers and trade unions in collective bargaining, thereby interfering in the functioning of the labour market.

However, because so many employers see this Bill as an opportunity to break the power of the unions they have not in general campaigned against it.

They failed to see that the government's commitment to union bashing, embodied in this Bill, also represented a continued commitment to the policy of directly controlling markets.

This point was hammered home to the business community a few weeks ago when the government circulated the draft of the Control of Harmful Business Practices Bill.

This Bill effectively gives the minister of economic affairs the power to fix prices, declare certain business practices unlawful, dissolve businesses, terminate agreements and fine offenders R200 000 or jail them for five years.

This time the business community rose to the occasion, attacking the "arbitrary powers" the Bill conferred on the minister and criticising the use of "price controls" which, the Association of Chambers of Commerce (Assocom) pointed out, ran counter to the idea of free enterprise.

And then came the Botha bombshell: because the private sector had not voluntarily responded to his proposal that it should exercise wage and price restraint, he would consider using legislation to compel private businesses to toe the line.

His statement raises questions about what precisely Botha means when he uses the word "voluntary". When he first announced his public sector wage freeze he called on the private sector "voluntarily" to exercise similar restraint in its negotiations around wages. Now he says because they failed to do so he will compel them to toe the line.

The indirect reference to Raymond Ackerman is ominous, coming so soon after the public pillorying of Chris Ball. Should we assume that every time a leading businessman does something the state president dislikes that businessman can expect to be hauled over the coals?

Nactu recently pointed out that in the past the business community has been ineffective and unwilling to oppose the government. "It might now find that, having compromised so often in the past, it may be impotent to do anything against this onslaught."

Perhaps some might find this warning extreme. Others might feel it provides food for thought.

Old wounds re-open in Samcor dispute

THE reasons why more than 3 000 workers shut down the SA Motor Corporation (Samcor) assembly plant last week in protest at their union's involvement in the company's share ownership scheme are not easy to unravel.

The National Union of Metalworkers of South Africa (Numsa) agreed in November last year to set up a trust in which workers would hold 24 percent of the company's shares on condition that the dividends be used for community projects.

At the time the agreement was seen by Numsa as a victory for the union. Numsa had opposed Ford's original plan to give shares to workers on an

By EDDIE KOCH

individual basis.

The union saw the Samcor share ownership scheme as going some way to meeting Congress of South African Trade Unions policy that disinvestment should take place in such a way "that the social wealth of the country remains the property of the people of South Africa for the benefit of all".

So why did the work force object so vehemently to a seemingly sound agreement? Reasons put forward by workers so far don't help to clarify the issue.

Press reports have quoted striking workers as saying they did not want to be "mini-capitalists" participating with management in the running of the company.

Other reports cited worker dissatisfaction at a rumour that the fund would be used to buy the Mamelodi Sundowns football club.

Samcor officials have refused to comment on the issue.

Asked to explain the confusion, a senior Numsa representative told the *Weekly Mail* the activities of a group of workers from a rival union at the Samcor engine plant in Port Elizabeth

was the main cause of the dispute.

Fred Sauls, national secretary for Numsa's motor section, said the group had been campaigning against the agreement for more than four months.

The dissident group, he said, was made up of former members of the Motor Assembly and Component Workers' Union of South Africa (Macwusa) who were reluctant to accept the merger between Macwusa and other metal and motor unions last year that led to the formation of Numsa.

Three weeks after the agreement was signed, he said, the rival group announced its opposition to the fund and in February this year "instructed their attorneys to stop all further dealings on the grounds that the union had no mandate for the agreement".

Sauls insisted Numsa's decision that the trust use dividends for community projects was taken at general meetings of workers who had given the union the go-ahead to sign the agreement.

The Macwusa faction then launched an "Anti Trust Campaign" in which petition forms were circulated at both plants telling workers their share of the company's assets amounted to

R187-million and that if this amount were divided among the 4 000 workers it would give each worker at least R40 000, said Sauls.

"Workers did not realise that for this to happen the company would have to sell its entire plant and stock. In their minds it was a chance to get R40 000 and the idea spread like wildfire.

There has been a long history of rivalry in the Eastern Cape between Macwusa and the National Automobile and Allied Workers Union (Naawu), the biggest motor workers' union to join Numsa.

Asked if the Samcor strike had undermined the ability of Cosatu unions to implement this policy, he said Numsa's model was still the best option for unions faced with a disinvesting company.

"We don't believe it (the strike) poses a problem of direction for us. But we must be careful to have much more intense discussions and seminars on a grassroots level instead of a few mass meetings that last for one hour each. Workers must be made fully aware of what they are entering into and we have been sadly lacking in doing that."

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Sabta never condones violence

2382 B/L May 29/4/88

Dear Sir,
I MUST protest in the strongest possible terms at the unwarranted comments in your editorial "Killing competition" (Business Day, April 14).

The SA Black Taxi Association (Sabta) has never and will never condone violence. We can point to many, many occasions when Sabta officers have acted as peacemakers in local disputes where outbreaks of violence have been threatened. We go on record once again as saying we do not condone the acts of those who resorted to violence on April 12, and we convey our sincere condolences to the family and friends of the innocent person who was tragically killed.

We have repeatedly informed government that the root cause of this type of violence is the pressure on rank space. If there are 50 rank spaces and the authorities issue 150 permits, the pressure must and will increase. At some stage, in combination with other factors, this frustration could result in violent reaction. Sabta is not against new entrants. Our statements and actions show

this clearly, but in the interests of operators, the commuter and — more importantly — the community in general, there must be adequate facilities.

We are not against deregulation, but in the interest of the public we submit that deregulation applied to the taxi industry should be evolutionary in nature, to allow facilities to be established to cope with the growth in the industry and to avoid the type of frustration and pressure which gave way to violence on April 12.

I treat with the contempt it deserves your question: "Is it too much to expect the leaders of Sabta will try to educate their members to an understanding of the difference between lawful competition and murder?" Apart from the assumption that Sabta members are involved in acts of violence, this statement gives offence to those of us who are struggling so hard to improve matters in this burgeoning industry.

We have practical plans for the vast task of educating and training drivers and owners of taxis. We are hopeful it will be seen in improvements in road behaviour and in a greater understanding of business and the nature of competition.

G. NTLATLENG
Vice-president, Sabta
Johannesburg

☐ ☐ ☐ ☐ ☐

Unlimited taxis — but they'll have to be safer

STAFF 29/11/88 Political Correspondent

332

CAPE TOWN — Official restrictions on the number of taxis are to be lifted — but they will be subject to strict safety standards.

Government sources said that under the Government's new policy of deregulating the taxi business, permits allocated according to the amount of business in an area will be scrapped.

Instead, a stricter safety code will be enforced and any taxi operator who conforms with it will be allowed to do business.

The changes will be introduced in the Road Traffic Bill — tabled in Parliament this week — and in accompanying regulations and new legislation called the Passenger Transport Bill, probably in the next two months, transport sources say.

Safety control will be exercised through the Road Traffic Bill and accompanying regulations.

These will create a new A-class of vehicles which will be subject to stricter standards.

"A" vehicles will be those with a gross vehicle mass of 3 500 kg or more, or which are intended to carry 12 people or more (including the driver) or are used for reward.

Vehicles will have to be tested for roadworthiness every year and drivers will have to qualify for new professional driving permits.

Driver testing centres and roadworthiness testing centres will also have to meet higher standards.

Taxi permits ready

Sowetan
4/5/88
332

THE Thokoza Taxi Organisation has called on its members to collect their certificates which have been approved by the Transportation Board in Pretoria.

The organisation's publicity secretary, Mr Isaac Ndzipo, said they had received more than 60 licences, of which 30 have already been given to members.

He said: "We are appealing to the remaining applicants to collect their certificates in order to trade freely."

They can contact the president, Mr Moses Tsotetsi at 7078 Sekese Street, Thokoza, or telephone Mr Ndzipo at 905-2943 (h) and 864-2014 (b).

PID 315788

Rennies discuss Cook buy-out

222
332

JOHANNESBURG — Negotiations are at an advanced stage whereby the Rennies Group is to acquire 100 per cent shareholding in Thomas Cook Rennies Travel (Pty) Ltd.

The Rennies Group holds 71 per cent and is to acquire the 29 per cent balance held by Thomas Cook Overseas Limited.

The acquisition, subject to South African Reserve Bank approval and approvals of world and national travel agents' bodies should be finalised by 1 July 1988.

The Rennies Group decided to take up the balance of the shares in the light of Thomas Cook's policy to review its minority shareholdings around the world. The 29 per cent acquisition will not affect the results of the Rennies Group materially.

The managing director of Thomas Cook Rennies Travel, Mr John Williamson, says the company will change its name to Rennies Travel and will be the sole authorised representative of Thomas Cook Travel in South Africa. The company will continue to handle Thomas Cook clients and products.

"The change in shareholding will strengthen the company. We will retain all benefits of a full association with Thomas Cook and furthermore be able to exercise a new flexibility. Our principal and clients will, however, still be able to use all Thomas Cook facilities as they have in the past," Mr Williamson said. — Sapa

Holiday warning for Sabta members

MDANTSANE — The local branch of the South African Bus and Taxi Association (Sabta), has urged its drivers to observe traffic regulations and drive carefully during the two coming long weekend holidays. 332

The chairman of a Sabta affiliate, the Mdantsane, East London and District Taxi Association, Mr M. Bukweni, yesterday appealed to members to exercise "extreme caution" during the weekends because traffic would be heavy.

Mr Bukweni said most accidents occurred at the start and end of holidays.

He thanked local Sabta drivers for heeding the safe driving call during Easter, with not one of the member taxis being involved in an accident.

Friday is Workers' Day and next Thursday is Ascension Day.

DDR 103/5786

Longrail increases taxed income 209%

Star 3/5/88

Listed In March last year, Longrail has boosted taxed income by 208,8 percent off a turnover increase of 41,1 percent in the year to February.

A statement yesterday on results for the group, which has subsidiaries in both the regulated and deregulated sectors of the transport industry, did not disclose turnover.

The increase was calculated on the basis that interests in subsidiaries were held throughout the current and comparative accounting periods.

Taxed income rose from R1,2 million to R3,8 million and earnings a share were 42 percent up from 5,2c to 7,4c.

Earnings per share climbed 23 percent on the forecast for the year of 6c.

Following an interim divi-

dend of 1c, the final dividend of 2c makes a total of 3c.

Acquisitions during the year resulted in the group more than doubling in size.

CASH PAYMENT

An 80 percent stake was taken in Cape Town-based DJ Breytenbach Transport in March last year.

Payment was by way of an issue of 797 100 shares and a cash payment of R450 000.

In July last year the company acquired all of Railit for R4,6 million via an issue of 30 million shares.

Joint managing director, Marius Els, said the company was looking to sustained organic growth for the coming year and was not actively looking at further acquisitions. — Sapa.

Unitrans ahead of forecast

By Ann Crotty

Unitrans, the transport group listed on the JSE last October, has reported a 50 percent increase in pre-tax profit to R19 million from R12,7 million for the 12 months to March.

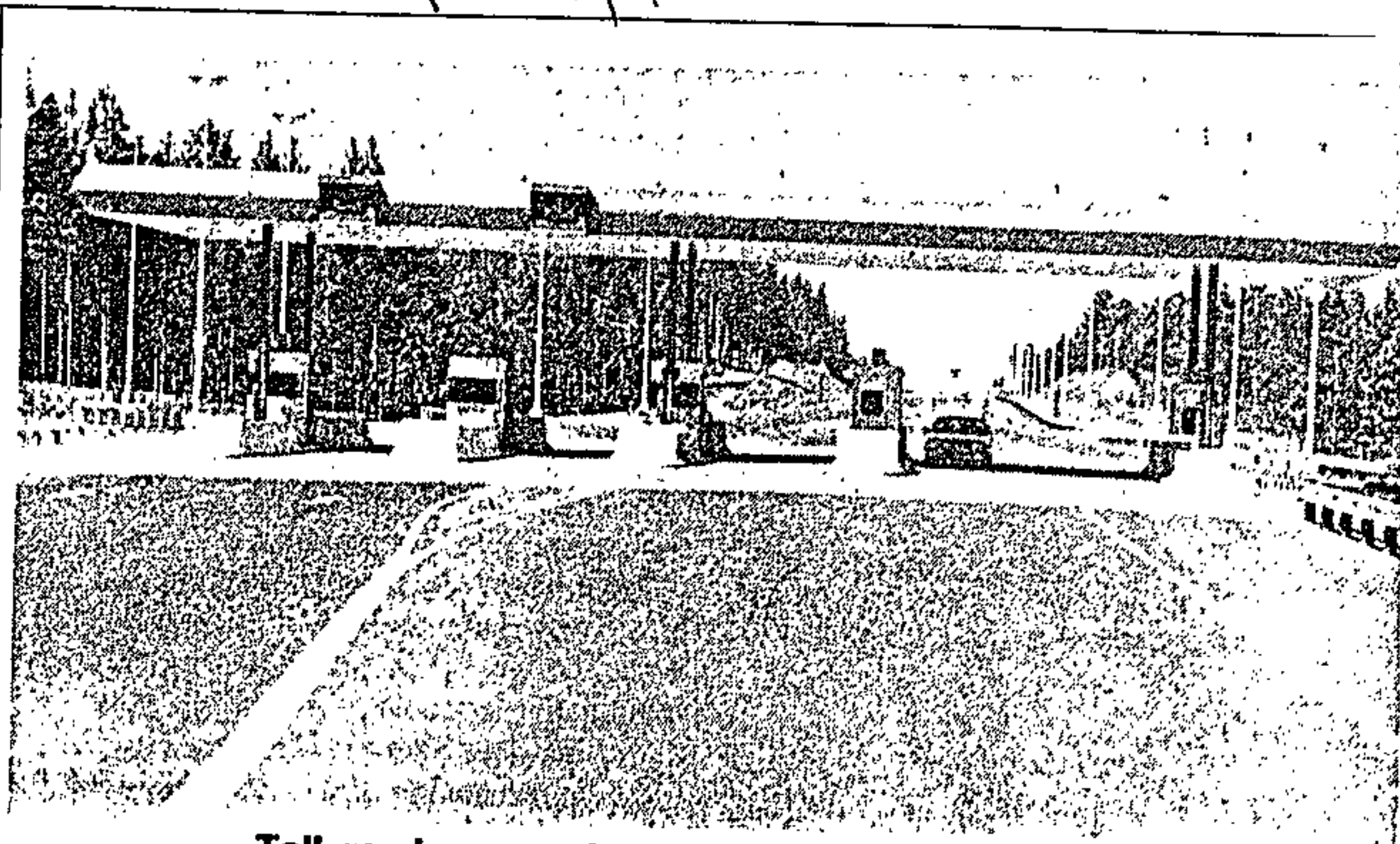
Earnings per share were up 47 percent to 24,1c (16,3c) and a final dividend of 6,5c a share has been declared. The earnings performance is 10 percent ahead of the 22c forecast at the time of the listing.

Turnover was up 32 percent to R115 million (R87,5 million). This was boosted to a 50 percent improvement at the pre-tax-profit level, which means Unitrans is yet another of the many companies that have managed to report a strong advance in operating margins. In this instance, operating margins were increased from 14,5 percent to 16,5 percent.

An increase in the tax rate to 48,3 (46,9) percent pushed the tax bill up to R9,2 million, leaving taxed profit of R9,8 million (R6,7 million).

Group MD Eduardo Garcia says operating subsidiaries continued to perform strongly, despite major disruptions caused by excessive rainfall and by delays in the supply of new equipment. He attributes the strong performance to improved efficiencies and to substantial new long-term contracts, which have brought further diversification.

FM 6/9/88



Toll road ... ready to siphon off excess traffic

TOLLROADS

The fire's gone out

The private sector is about to admit defeat. It realises it can do little to reverse government's decision to grant sections of major roads — built with taxpayers' money — to private tolling companies.

This much was obvious at a Department of Transport conference last week. It tried to explain the tolling by Toll Highway Development Company of the 85 km Hendrik Schoeman Highway, which will link Springs on the East Rand with Krugersdorp on the West Rand.

It was a tame meeting, which is more than can be said for an earlier conference involving major transport bodies where vociferous opposition to tolling was voiced.

At that previous conference, the decision to allow Tollroad Concessionaires to toll the Alberton-Hilton section of the N3 came under heavy fire from an angry Donald Mason, executive director of the largely pro-government Afrikaanse Handelsinstituut. He accused government of dealing underhandedly with the private sector.

The second meeting was much more restrained, even though the Hendrik Schoeman Highway is also an existing public road that is to be tolled by a private company. Tollway has been given the section between Dalpark, south of Brakpan, and the tollroad's intersection with the N13 — all built with taxpayers' money. It will also be allowed to toll the existing N13 (the South Rand Freeway) until 1990, when the M4 (to be built mostly on mining ground south of Johannesburg) comes into operation.

A probable reason for the authorities escaping so lightly at this latest conference is that objectors have already made their points. Little can be gained by again emphasising that the millions paid through fuel levies into government coffers for road upgrading and building have been used for other purposes.

The private sector also realises that the Hendrik Schoeman Highway is essential. It

will provide the only direct link between the two Reef towns and, when commissioned, will be used by nearly 2 000 vehicles an hour at peak periods.

Should government be forced to fund the road, a 15-year wait can be expected — by which time Johannesburg traffic would be chaotic.

Without the highway, roads in and around Johannesburg's CBD will be choked with traffic by 1990. The existing M2 is already handling more than it was designed for.

Even when the Hendrik Schoeman Highway is commissioned, pressures on existing connector roads — Booysens Road, Eloff Street Extension and Rosettenville Road — will not be relieved. Estimates indicate that peak traffic volumes will remain roughly at present levels of 2 200 an hour, 2 000 an hour and 1 500 an hour respectively.

RETIRE

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Breaking SAA's monopoly unlikely to cut air fares

Staff Reporter

TRAVELLERS hoping that an end to South African Airways' monopoly of internal routes will lead to cheaper fares are likely to be disappointed.

Spokesmen for Air Cape and Comair, two of the leading independent airlines and front-runners for a slice of the SAA cake, said they did not foresee fares dropping.

However, passengers would benefit from improved punctuality, more efficient service, a wider choice and greater seating capacity, said Mr David Novick, chairman of Comair, the passenger line based at Jan Smuts Airport.

Mr Novick was reacting to yesterday's announcement by the Minister of Transport Affairs, Mr Eli Louw, that he wanted to allow private airlines to compete against SAA as soon as possible.

Mr Novick said SAA prices were among the cheapest in the world.

"You have to take into account that between 60 and 70 percent of an airline's costs are 'imported costs'. The fuel, the aircraft and the parts are all dependent on the value of the rand.

"Taking these into consideration and then looking at the fare structure you find that SAA is still very cheap."

He said competition would have a positive influence on fares by keeping future increases in check.

Comair operates four 44-seater Fokker Friendships on routes between Johannesburg and destinations in Natal, Eastern Transvaal, Swaziland and Botswana.

"As the largest private carriers we are keen to get involved and we have made recommendations to the Government on how we see the industry best being deregulated," Mr Novick said.

Dr Piet van Aswegen, chairman of Air Cape and executive director of Safmarine's air division, Safair, also believed that fare prices were unlikely to drop.

"It's probable that the nominal fares would remain the same, though you might see differences in discount structures," he said.

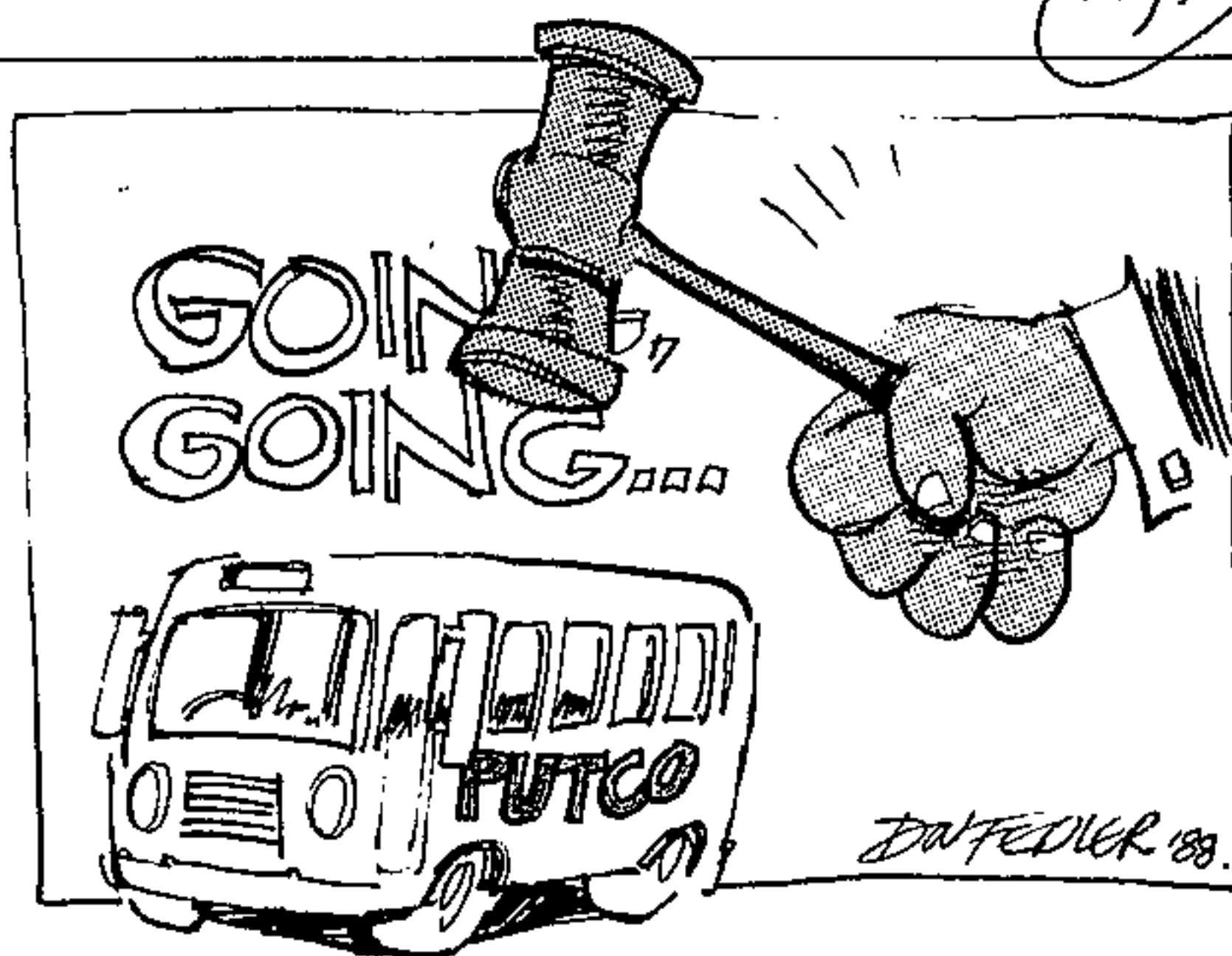
PUTCO

Something stirring

Speculation is rife in the marketplace that Putco is moving towards important changes.

Interesting things have been happening in the last few weeks in the biggest black bus company in the country and the largest independently owned bus company in the world.

FINANCIAL MAIL MAY 6 1988



ation (Sabta) and to Ivor Brownlees, which finally fell apart in October. A secret consortium of Afrikaans businessmen was also mentioned at the time, as was Johannesburg businessman and owner of a taxi company Anthony Mayer. But nothing materialised.

Putco spokesman and main negotiator Luigi Carleo has returned overseas and is unavailable for comment.

In the meantime, things are looking a little brighter for a company that probably wants to forget 1987 ever happened. It has come through a series of failed sales negotiations, a damaging period of unrest, passenger boycotts and labour problems that sent its stock plummeting.

It has recovered well this year, with its share price rising 45,5% from January 4 to a high of 320c on May 2.

The steady support for the share indicates the market's interest in the company — and the cognisance given to speculation that an announcement of some kind is in the offing.

First there was the senior management reshuffle of April 1, which saw Albino Carleo move from MD to CE, Jack Visser become MD, F Borzoni and J L (Vic) Coetzee move from assistants to the MD to assistants to the CE and E M Oldham become assistant MD.

This was followed by the announcement that all Putco properties are to be consolidated into a new subsidiary Namasota Investments, wholly owned by Putco, which is to be listed on the JSE through the medium of new company Putprop.

A one-for-one offer is to be made to Putco shareholders for shares in the capital of Putprop.

Added to this, are rumours that Putco is about to restructure and alter its whole approach. There have even been suggestions that another purchase deal is under negotiation, but nothing has been put on the table yet.

Putco is wary of publicity since the debacle last year of its on-again off-again sale to the Southern African Black Taxi Associ-

By Patrick Laurence

South Africa's black taxi industry is a booming, vibrant and volatile amalgam of thrusting ambition and entrepreneurial drive, offering rich pickings to ideologues of all persuasions.

It erupted violently recently, leaving a middle-aged woman dead in the street, the victim of a gunfight between rival taxi-drivers over a taxi rank.

Death brought the long and bitter warfare into sharp focus.

The robust, competitive taxi-drivers can be seen as evidence that capitalism is alive and well, and that, even within apartheid South Africa, where for decades black business was shackled, the capitalist ethos is strong and growing.

There are an estimated 100 000 taxi-drivers, many

The black taxi industry has a lot of muscle

of them unlicensed pirate taxi-owners, transporting people quickly and cheaply in a country with a notoriously bad public transport system.

Given a chance by President Botha's advocacy of unfettered capitalism, the growing number of black vehicle owners turned to taxi-driving and quickly filled the gap.

Black taxi-owners are a major force in townships throughout the land, rivalled only by the illegal taverners.

Young black radicals know that taxi-drivers have to be lobbied and won over before any protest

action has a chance of success. Late in 1986 it was the taxi-drivers who brought the "Russians", a dreaded vigilante force, under control in Soweto.

The South African Black Taxi Association (Sabta) is one of the most powerful black forces. With 45 000 members and a reported annual budget of R60 million, it has a lot of muscle.

Sabta's potential political influence was manifest in March when its president, Mr Thupane Ncogoba, gave evidence to a United States congressional committee. He protested against sanctions.

Arguing that black liberation would come through

the creation of wealth and the expansion of black business, he said: "We have come too far to turn back. Do not take from our hands the tools of liberation that we have forged as such a price."

But, where some politicians see the black-taxi industry as an argument for capitalism, their ideological rivals see it as rampant capitalism as its worst, setting blacks against one another, erupting into violence and threatening to plunge the streets into anarchy.

The cry is for the restoration of controls, an end to the policy of rapid and wholesale deregulation of

the taxi industry.

The disproportionate involvement, real or perceived, of black taxis in accidents is cited.

Mr James Chapman, Sabta's national adviser offers a different view. The problem, he says, is not deregulation as such but the way in which it has been implemented.

Existing bus operators have been given a five-year interim protection period, he says, explaining that while deregulation is phased in, bus owners are paid a subsidy.

Protection is not offered to the taxi-drivers. Why not? Mr Chapman asks. Is it because black taxi-drivers do not have the vote? Is it because the Government wants cut-throat competition to dominate the black taxi industry in order to break the power of an organised association such as Sabta?

The Star Friday May 6 1988

5

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Private airlines 'supplementary'

332 Own Correspondent

JOHANNESBURG. — Private airlines will provide supplementary services to those already offered by the SAA, rather than going into direct competition, if the proposed deregulation of SA's aviation industry goes ahead.

This was the view of the executive director of the Commercial Aviation Association, Mr Cor Beek, who said both SAA and the private sector would have a role to play in a deregulated aviation industry.

He welcomed the announcement on Thursday by the Minister of Transport, Mr Eli Louw, that he wanted to have the aviation industry deregulated as soon as possible.

"I do not think one should immediately believe this is going to mean a second SAA flying parallel, with the same type of equipment," he said.

"That would be a waste of money and does not make sense."

Mr Beek said neither SAA nor the private sector could afford neck-and-neck competition.

He added that with controlled deregulation, private airlines could be expected to provide additional flights during off-peak hours, using smaller aircraft. He ruled out the possibility of the development of a shuttle service.

Nine killed in road accidents 2 000 accidents in M'Plain last year

Staff Reporter

AN 18-year-old woman died and three people were injured when their car left the N1 freeway and overturned near Ysterplaat.

The woman who died was Miss Hanalie Combrink of Ridgeworth Drive, Bellville.

Mr Gerard Spies, Miss Charmaine van der Poel and Miss Delma Botha were taken to hospital after the accident early on Saturday.

A Stellenbosch University law student, Mr. Johann Grobbelaar Oosthuizen, 20, of Stellenbosch, died when his car over-turned on the N1 freeway at Joostenbergvakte near Kraaifontein yesterday morning.

Mr. R. A. Campbell, 67, of Main Road, Plumstead, was killed when his car and a

lorry collided at a bend near Camps Bay police station in Victoria Road on Saturday afternoon.

A boy, J. Brett, 5, of Tafelsig, Mitchell's Plain, was knocked down and killed by a car in A-Z Berman Drive, Mitchell's Plain, on Friday night.

Two unidentified men died after being knocked down by a car on the N7 near Bothasig on Friday night.

An unidentified woman was knocked down and killed on the N1 near the Monte Vista turnoff on Saturday night.

An unidentified youth of about 16 was knocked down and killed in Dissel Road Bonteheuvel, on Saturday night.

An unidentified man was knocked down and killed near Kraaifontein last night.

BY LINDA GALLOWAY
Mitchell's Plain Bureau
9/5/88

MORE than 2 000 road accidents were recorded in Mitchell's Plain last year, causing the deaths of 42 people — 15 of them under the age of 14.

More than 648 people were injured, 105 of them seriously, in 2 094 accidents in the mushrooming suburbs of Mitchell's Plain.

Statistics show most accidents occur on dual carriageways on Saturday evenings; most are "rear-enders", showing a disregard for safe following distances; and more than half are on straight roads.

In an interview, Mr. Wouter Smit, Cape Town's traffic man-

Plain accidents constituted only seven percent of accidents in the Cape Town municipal area last year, the figures reflected the city's "unacceptably high" road fatality figures. A total of 310 people died on Cape Town roads last year, 51 of them under 14.

DESIGN

Asked whether the design of Mitchell's Plain — separated into residential and commercial areas by dual carriageways — could be a cause of accidents, Mr Smit said he

believed Mitchell's Plain was designed according to "accepted town planning concepts".

It was true people had to cross major roads to get from their homes to shops, libraries and other amenities, but it was the way in which they crossed the roads that caused accidents, he said.

"Roads are only as safe as drivers and pedestrians make them," he said, adding that parents had a responsibility to instill a consciousness of road safety in their children.

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ALLEGED

Charges

THOUSANDS of desperate and unsophisticated black people in the PWV area are paying taxi licence consultation agencies huge sums of money for permits they may not get.

The agencies, which are mushrooming in Pretoria and the Reef, charge people who apply for taxi permits non-refundable consultation fees of between R350 and R850, while applicants who submit their applications directly to their respective Local Transportation Boards need only pay R10.

At the same time, the agencies, which catch their bait by advertising in newspapers widely read by blacks, cannot guarantee that the Transportation Boards would issue the permits.

Merit

A spokesman for the Local Transportation Board in Pretoria said this week that all applications submitted to the board were considered strictly on merit.

He said the agencies did not have any influence on the board's decisions whatsoever.

The spokesman said it was not necessary for a prospective taxi owner to seek the services of a consultant as "anyone can fill in the prescribed forms without any difficulty".

He said the cost of the application was only R10.

Mr Mike Ntlatleng, public relations officer of the South African Black

By SY MAKARINGE

Taxi Association (Sabta), said with so many taxis already on the road, it has become extremely difficult for one to get a taxi licence.

He said licences could be granted only when there was a need for a taxi service on the route applied for.

"The agencies can in no way influence the board into granting a taxi licence. The board uses its own discretion and does not take into

account whether an application was submitted through an agency", Mr Ntlatleng said.

Mr Adolf Fourie, owner of Pretoria Transport and Business Consultants, who refused to disclose his fees as they are "confidential", said there was a need for people who wanted to apply for taxi licences to seek the services of a consultant, just as one would need a lawyer to defend him in



MR NTLATLENG ... Sabta official.

To Page 2



MANY people want to enter the taxi business.

South suspended

THE Minister of Home Affairs, Mr Stoffel Botha, yesterday suspended the production of *South* newspaper for a month.

The notice was published in a special Government Gazette.

South, based in Cape Town, is the second "alternative" newspaper to be banned by the Minister within the last two months.

On March 22, Mr Botha banned the *New Nation*, based in Johannesburg, for three months under the emergency regulations.

Another newspaper, *Weekly Mail*, was warned by Mr Botha on April 26 in terms of the emergency regulations.

Mr Rashid Seria, editor of *South*, said: "We had been warned and now we

By MZIKAYISE EDOM

are banned suffering a similar fate as the *New Nation* and knowing that a similar threat hangs over the entire alternative Press".

Mr Seria added that the directors and trustees of the newspaper would seek legal opinion on the matter.

The Media Workers Association of South Africa said it condemned the banning of *South*. Mwasa also said that the time has come "when we must stop uttering empty slogans, but must take positive action".

The South African Society for Journalists also condemned the banning.

R550

From Page 1

court. "We have the know-how and know the basic principles of the law," Mr Fourie said.

He said his success rate was 95 percent in Pretoria and 50 percent in Johannesburg.

According to our information, Mr Fourie charges applicants about R550, which is not refundable when the application is refused.

He also charges a further R300 for submitting an application to the National Appeal Board.

He said he was "aware" of crooked consultants who are taking people for a ride.

Mr Cornelius Olivier, whose company is only known as Taxi Permits in Doornfontein, claimed that he had an influence on the Local Transportation Board, saying: "We know the people because we work with them every day. But I'm not saying we bribe them," Mr Olivier said.

He charges a non-refundable fee of R350 to help his clients apply for permits. He said if an application was refused, he re-applied on behalf of the client at no extra charge.

Mr Olivier likened his business to that of a doctor. "If you are ill, you must go to the doctor. He will charge you for consultation and prescriptions," he said.

He also claimed that his success rate was between 50 and 100 percent.

Too many taxis warning

THE South African Black Taxi Association has appealed to the Government to look carefully into the deregulation of the taxi industry.

Sabta's executive vice-president Mr. Godfrey Ntlatleng yesterday stressed that they were opposed to total deregulation, but welcomed any moves by the Government aimed at the safety of commuters.

He said: "Deregulation will, if passed as it stands now, cause

232
By JOSHUA
RABOROKO

endless problems for city councils who will now have no say as to the inflow of taxis in their areas.

"It will cause more friction among taxi owners who have the traditional ranking spaces allocated to them and I seriously warn that feuding over ranks will cause more bloodshed."

Mr Ntlatleng also welcomed the new Road Traffic Bill which makes provision for higher standards of vehicle roadworthiness.

"The stricter testing of drivers for professional drivers permits can also be seen as an improvement. We also take note of the increase in fines, which will certainly result in tight discipline in the industry," he said.

Business Report

WEDNESDAY, MAY 11, 1988

9

Bid for share of SAA internal market

By AUDREY D'ANGELO
Financial Editor

COMPETITION for South African Airways (SAA) on domestic flights would lead to increased efficiency, but not necessarily lower fares, Safmarine MD Mike Finlay said yesterday.

Safmarine is pressing strongly for deregulation of the aviation industry — opening SAA's scheduled passenger and freight routes to competition — rather than merely privatizing the national carrier.

If this happens Safmarine's aviation arm, Safair, formed by amalgamating two subsidiaries, Air Cape and Safair Freighters, will make a strong bid to become the country's second airline.

Finlay made it clear at a media briefing in Cape Town that Safmarine was prepared to make a multi-million rand investment in aircraft to compete with SAA on passenger and freight routes both in this country and overseas.

"We would be happy if SAA continues as it is and we are allowed to compete, as in Australia, where there is a second airline and air services are very efficient," he said.

But, asked if this would result in lower domestic air fares, he said this would happen only if increased efficiency allowed both airlines to lower fares. Otherwise, he said, tickets would probably have to cost the same so that they could be interchangeable — allowing passengers to fly out with one airline and back with another.

Safair is not the only contender for the position of second airline. There are 16 other private airlines in SA, including Comair, who may possibly form a consortium.

But Finlay pointed out that the price of the aircraft they would need to compete effectively with SAA would put some out of the running.

Discussing the advantages of deregulation, he said that privatization of SAA would merely

create a privately owned monopoly. Opening the skies to competition, on the other hand, would give passengers and firms sending freight a choice, resulting in more efficiency.

He said it would be cheaper for Safair to operate turbo-propeller aircraft on marginally profitable domestic routes than for SAA to serve them with jets.

"In Brazil they use turbo-props for all domestic flights and were surprised to hear jets are used for them here."

But it would not be possible for Safair to use a turbo-prop in competition with an SAA jet on the same domestic route "because no-one in his right mind would lose half an hour by travelling on a turbo-jet when he could travel in an air-bus for the same price."

Finlay said Safair would continue to push for freedom to compete on international freight routes, which was a major growth area with enough business to fill the planes of both lines.

It had already applied from time to time but the application had always been refused. At present it could accept a charter to fly freight on a scheduled route only if it obtained the permission of SAA.

Discussing international routes, he said most of these services were allowed through bilateral agreements between both governments. "I think something could be done if the minister thinks it is in the interests of the country."

It was announced at the meeting that Safair had added a Convair 580 to its fleet for use on its West Coast route and had located another it was prepared to buy if it acquired routes from Port Elizabeth to Bloemfontein and Kimberley.

"If the government opens doors we want to be in a position to go through them quickly," said Finlay.

If Safair is allowed to compete with SAA on a major route, such as Cape Town to Johannesburg, larger jet aircraft will be used.

Two-day course tutored by Just Inc. Las Vegas, one

Hauliers worry about toll road costs

By Frank Jeans

5/2/88
12/1/88

While toll road construction moves into top gear, there is growing concern among heavy transport men over the additional costs that will arise.

Outcry centres particularly on the proposed tolling of 438 km of the N3 between Alberton and Hilton in Natal at prices which, it is said, are certain to have a serious impact on the road transport industry.

According to the latest issue of *PCA Focus*, the newsletter for the freight transport industry, no firm information is yet available on the cost to hauliers of a return trip between the Reef and Durban.

However, Mr Ron McLennan, chief executive of Tolcon, the toll road consortium, has suggested that the toll for a car over the full stretch would be R30 one way.

Focus says: "The cost to hauliers of such a trip will be several times as much as the charge for cars.

"Multiples of between five and nine times have been suggested and are being freely discussed in circles close to the project."

Mr Ian Moss, chief executive of the Public Carriers Association, says: "On information available so far, hauliers could be faced with an increase of R10 a ton for a round trip to Durban from the Reef — representing 12 and 20 per-

cent on their costs, depending on whether there is a return load or not.

"This increase will have to be passed on to the consumer, with a consequent rise in prices of pretty well every commodity on sale to the public."

Mr Moss is disturbed by the fact that this major development is being introduced "through the back door, without prior consultation".

He believes, too, that the cost element and the impact this will have has not been properly worked out yet, or, alternatively, "those responsible for the scheme prefer not to reveal the cost at this stage".

Full details

332

"The PCA has already started efforts to get full details of the scheme from the Government without delay," he says.

Meanwhile, the Alberton-Hilton "superway" is going ahead rapidly.

The first section of existing road to be upgraded is a 37 km section on the N3 between the Umgeni and Mooi rivers.

Group Five company, Savage & Lovemore (Natal) began work on the R33,8 million contract in January and the upgraded road will be opened in stages from next month onwards and will be more or less complete by December.



Mr Ian Moss of the PCA . . . back-door talking

Safair prepares

Safmarine's announcement that Safair Freighters (SF) and Air Cape are to be rationalised under the single name Safair is a step towards preparing the group for air transport deregulation and privatisation.

SF owns and operates 10 Hercules L382 aircraft, each capable of carrying 20 t of freight, as well as a Boeing 707 passenger aircraft.

It also has experience in the passenger field through its SADF contracts to carry

FINANCIAL MAIL MAY 13 1988

troops, families and friends. Between 250 000 and 300 000 passengers are transported in this way every year.

Safair MD Braam Loots foresees an increasing role for the group in the air passenger market and says Safair is gearing itself for the day when open competition is allowed.

"We have the facilities, the infrastructure and the expertise to use the opportunities that will arise in future. We already operate the second largest passenger air service in SA and would therefore apply to go into competition with SAA as soon as this is allowed," says Loots. ■

New Bill requires transport drivers to obtain permits

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332

PRETORIA — Drivers of transport industry vehicles will have to apply for professional driving permits after promulgation of the Road Traffic Bill now before parliament, a Transport Department official said yesterday.

The official, Mr Pen Mainwaring, said he and a transportation engineering consultant, Mr Phil Hasluck, would be addressing this and other issues at an annual convention to be held at the University of Pretoria from July 4-8.

"Once the Bill is in force, drivers requiring a professional driving permit (PrDP), would have to present an existing valid drivers' licence and a medical fitness certificate on initial application and with subsequent compulsory biennial applications for renewal."

He added that PrDPs

would be issued, subject to consideration of a driver's licence, health, vision and traffic offences record.

On the subject of roadworthiness, he said all transport industry vehicles would have to carry an annually renewable roadworthy certificate.

"Private heavy goods vehicles and all passenger vehicles containing 12 seats or more will have to obtain this annual roadworthy certificate."

"The details of the certificate will be recorded in the central vehicle registers and will be checked at the time of re-licensing and at on-the-road checks."

In addition, all private and public vehicle-testing stations throughout the country would be upgraded according

to their facilities and personnel, on standards laid down by the South African Bureau of Standards.

"Registration and subsequent monitoring of testing stations will ensure that standard tests are carried out by adequately qualified personnel according to prescribed procedures."

"To spread the testing load — estimated to become five times the number of vehicles in the transport industry currently requiring certificates of fitness — privately-owned testing stations will also be recognised and registered."

"Personnel examining vehicles will also be graded and registered to enable their performance to be monitored and for them to undergo refresher courses when necessary." — Sapa

Safair takes off

By Robyn Chalmers

THE merger of Safmarine's Safair Freighters and Air Cape puts it in a strong position to challenge SA Airways when routes are deregulated.

SAA dominates the multi-million-rand airline market, which provides for more than 3-million passengers annually.

Air Cape will operate under the name Safair, which will have almost three-quarters of the independent airline market.

Air Cape managing director Jon Hemp says independent airlines carry about 450 000 passengers a year, and the new Safair will handle about 280 000.

"We have been involved in discussions with Transport Affairs Minister Eli Louw, and he assures us that deregulation is imminent."

Safair is one of three undertakings which have approached Mr Louw to negotiate about carrying passengers on internal flights. It is believed Comair and Magnum Airlines have made a joint submission.

Safmarine managing director Mike Finlay says Safair will make a strong bid for the Port Elizabeth-Bloemfontein-Kimberley route if it is deregulated.

Safair has bought a Convair 580, bringing the number of aircraft in the new Safair fleet to 13, including several Hercules and a Boeing 707,

which should be refurbished in June.

Mr Finlay says: "Although I doubt that deregulation will bring down air fares much, it will improve the efficiency of airlines. We aim to become

the second largest airline in SA."

Managing director Braam Loots says Safair already uses some SAA facilities.

SA has 16 independent airlines.

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SAA faces challenge for one of its routes

The Argus Correspondent.

PRETORIA — South African Airways is facing a challenge from six private carriers for one of its routes following a flood of complaints about SAA service.

The private airlines are vying for the right to service the Port Elizabeth-Bloemfontein-Kimberley route.

The tendering carriers appearing before the National Transport Commission in Pretoria fall into two categories. The larger Air Cape and Comair and four smaller carriers Border Air, Magnum, Eastern, and Citi Air.

The smaller carriers argue that with smaller aircraft they can offer a more frequent service.

SAA can claim protection against a route takeover in terms of the Air Services Act which protects an existing carrier that provides "satisfactory and sufficient service".

Several of the smaller bidders contend that SAA cannot ask for that protection as its service is "insufficient and unsatisfactory".

This was the view of the city council of Bloemfontein which said, in a letter read to the commission, that the SAA service was so bad it prejudiced commerce in the city.

SAA has not yet made clear whether it intends to claim this protection, or share the route, or abandon it. This has prompted accusations of a "cat-and-mouse game" during the hearing.

The national carrier has however, issued "conditions" to the tendering carriers — that they fly the route on SAA's behalf and that SAA reserves the right to re-enter the route when it chooses.

This was interpreted by the larger carriers — at least one of which already has ties with SAA — as "an envisaged co-operation between the private and public sectors". Citi Air's Mr Storm Rielly described it as "SAA asking us to roast the chicken for it to eat".

Mr Rielly said Citi Air would not like to find itself in the position of having restored the present unsatisfactory service to a satisfactory level only to have SAA reclaim it.

Road safety

SAA faces challenge for one of its routes

The Argus Correspondent

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This was the view of the city council of Bloemfontein which said, in a letter read to the commission, that the SAA service was so bad it prejudiced commerce in the city.

SAA has not yet made clear whether it intends to claim this protection, or share the route, or abandon it. This has prompted accusations of a "cat-and-mouse game" during the hearing.

The national carrier has however, issued "conditions" to the tendering carriers — that they fly the route on SAA's behalf and that SAA reserves the right to re-enter the route when it chooses.

This was interpreted by the larger carriers — at least one of which already has ties with SAA — as "an envisaged co-operation between the private and public sectors". Citi Air's Mr Storm Rielly described it as "SAA asking us to roast the chicken for it to eat".

Mr Rielly said Citi Air would not like to find itself in the position of having restored the present unsatisfactory service to a satisfactory level only to have SAA reclaim it.

Road safety
symposium

Private airlines wings in on SAA route

PRETORIA. — South African Airways is facing a challenge from six private carriers for one of its routes following a flood of complaints about SAA service.

The private airlines are vying for the right to service the Port Elizabeth-Bloemfontein-Kimberley route.

The tendering carriers appearing before the National Transport Commission in Pretoria fall into two categories: The larger Air Cape and Comair and four smaller carriers, Border Airline, Magnum,

Eastern and Citi Air.

The smaller carriers argue they can offer a more frequent service with smaller aircraft.

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Angry reaction to new road fund fuel levies

23/5/88 Daily Dispatch Correspondent

JOHANNESBURG — The government's major policy shift on road fund fuel levies, traditionally earmarked for road construction, has again drawn fire from organised transport and road construction bodies.

Spokesmen point to a R30 billion backlog in expenditure for road building and improvement programmes. While traffic demands have grown steadily, expenditure has declined by 30 per cent in real terms over the past ten years, they say.

The executive director of the South African Bitumen and Tar Association (Sabta), Mr Pieter Myburg, said the government's policy change means that road users have no way of knowing where their money is going.

In a warning to the public, Mr Myburg said that the government appeared unyielding to industry protests and that it is now up to the road user to apply pressure.

"Petrol and diesel levies have been consolidated into one contribution of 20,9c per litre to the fiscus which not only pays the funds needed for road construction but also contributes to the Central Energy Fund (CEF) which is used inter alia for financing the Mossgas project and other ventures.

"Last year R1,2 billion from the CEF was used for general state expenditure," he said.

Mr Myburg added that the creation of toll roads will not alleviate the financial problem and that deregulation would probably lead to a shift from rail to road usage, thus, exacerbating the situation.

Meanwhile, the chief executive of Transport Technical Industries, Mr Phil Erasmus, has called for a calm appraisal by the transport industry of the government's plan to toll the N3 between Alberton and Hilton.

Mr Erasmus said the government had not honoured its undertakings in the matter and was virtually disregarding all objections to its plans.

"We may not like this, but how much worse off will we be in real terms. Government took a levy on the fuel price which was supposed to be set aside for construction and maintenance of roads. In fact it was used mainly for other purposes."

Mr Erasmus, whose company is a heavy user of the affected N3 route, said haulers had every right to be bitter at the handling of the issue.

"But either we have toll roads, or we will not have roads of the standard we have become used to. We can't seem to prevent it, so let's look at it calmly and see if there aren't benefits in it."

Highway ransom, say haulers

AK 645
24/5/88 332

By DICK USHER
Staff Reporter

TRANSPORT operators claim they are being held to ransom by the Government's toll-road policy which will force them to pay for roads to which they have already contributed millions.

Department of Transport officials and hauliers' representatives are to meet this week to thrash out the issue.

Carriers say money contributed to the national road fund through fuel levies, which should have been used for building and maintaining national roads, had gone into general revenue.

"These funds should have been used to build and maintain main arterial roads, but now we are told that unless we have toll roads we won't have any roads," said Mr Ian Moss, director of the Public Carriers' Association (PCA), which represents about 400 private hauliers.

Privatisation

The director-general of the Department of Transport, Mr Barrie Meyer, said he would meet the PCA executive this week to discuss the matter.

He said that from the 1988/89 financial year the fuel levy had been consolidated into one tax.

National road funds would be voted by Parliament, which this year had approved R950-million, of which R400-million was a surplus in the national road fund.

Mr Moss said hauliers were "virtually being held to ransom" by the road privatisation policy which handed over development of main arterial roads to private enterprise.

"The N3 between Durban and Johannesburg is the most important strategic route in the country and many of our main

carriers use that route exclusively.

"It is hard to understand why no provision was made to finance the upgrading of the route from the millions carriers have paid in fuel levies over the years.

"Instead it is going to be a toll road which they will be forced to use because there is no suitable alternative.

"They feel they are going to have to pay to use a route, and thereby finance it, when they've already paid for it through levies."

Detour

Mr Meyer said it had been made clear that if an alternative route required improvement the Province could budget additional money or ask for funds.

"On the N3 there is a misconception that to miss the tolls users would have to make a long detour on the alternative.

"That's not correct. They would need to use only about 40km of the old road, from Hidedote to Nottingham Road, before joining the N3 again," he said.

The chief director of national roads in the Department of Transport, Mr Malcolm Mitchell, said a recent study showed road hauliers were paying slightly less to use the roads than other motoring categories, given the kilometres they travelled and weight carried.

"We carried out a roads-need study in 1980 and estimated that the money going into roads was about 30 percent less than the need," he said.

Transport men 'held to ransom' by toll roads

Staff Reporter

CAPE TOWN — Transport operators claim they are being held to ransom by the Government's toll road policy which will force them to pay for roads to which they have already contributed millions.

Department of Transport officials and hauliers' representatives are to meet this week to thrash out the issue.

ROAD FUND

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MEETING

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MADE CLEAR

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1040. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:

- (1) Whether his Department contributed towards the cost of constructing the Mmamatswe power station in Bophuthatswana; if so, to what extent;
- (2) whether his Department was involved in the tender procedure in respect of this power station; if not, why not; if so,
- (3) whether his Department was furnished with any details regarding the company to which the tender for this power station was awarded; if so, (a) to which company was the tender awarded, (b) in which country is this company registered and (c) (i) who are the directors of the company and (ii) what are their nationalities?

The MINISTER OF FOREIGN AFFAIRS:

- (1) No.
- (2) No, because it is an internal project of the Bophuthatswana Government.
- (3) No. (a), (b), (c) (i) and (ii) fall away.

Independent Black states/self-governing territories/citizens permanent residents in RSA

1041. Mr C J DERBY-LEWIS asked the Minister of Home Affairs:

What (a) actual and/or (b) estimated number of citizens of each (i) independent Black state and (ii) self-governing territory resided permanently in the Republic of South Africa in 1980?

The MINISTER OF HOME AFFAIRS:

- (a) Not available.
 - (b) (i) Citizenship
- | | Number* |
|------------------|-----------|
| Transkei | 744 762 |
| Bophuthatswana | 713 618 |
| Venda | 131 913 |
| Ciskei | 864 611 |
| (ii) Citizenship | Number* |
| KwaZulu | 1 658 806 |
| KaNgwane | 326 080 |
| Owagwa | 781 743 |
| Gazankulu | 178 846 |
| Lebowa | 680 267 |
| KwaNdebele | 158 232 |

*Population census 6 May 1980. RSA excluding self-governing territories. The figures have been adjusted for possible undercount.

Grahamstown/George: completion of roads

1084. Mr J J WALSH asked the Minister of Transport Affairs:

Whether the (a) national road bypass at Grahamstown and (b) new section of the national road at George between the Herolds Bay road and Kraaibosch have been completed; if not, why not; if so, in respect of the (i) Grahamstown bypass and (ii) new section of road at George, (aa) what was the final cost, (bb) what is the length, (cc) how long did it take to construct and (dd) which firm or State Department was responsible for the construction?

The MINISTER OF TRANSPORT AFFAIRS:

- (a) Yes.
 - (i) (aa) R38 900 000;
 - (bb) 12 kilometres;
 - (cc) 30 months; and
 - (dd) Concor Construction (Pty) Ltd.
- (b) Yes, except for minor finishing-off work.
 - (ii) (aa) R35 616 000;
 - (bb) 12 kilometres;
 - (cc) 45 months; and
 - (dd) The Cape Provincial Administration.

Domestic flights arriving/departing late

1100. Mr S S VAN DER MERWE asked the Minister of Transport Affairs:

- (1) How many flights between (a) Cape Town and Durban, (b) Cape Town and Johannesburg and (c) Cape Town and Port Elizabeth (i) arrived and (ii) departed late during the week which ended on 29 April 1988;
 - (2) what percentage of the total number of flights to and from Cape Town during this week does this represent?
- The MINISTER OF TRANSPORT AFFAIRS:
- (1)
 - (i) 14
 - (ii) 14
 - (a) Particulars are not readily available and
 - (b) it will take much time and

expense to 46 Both directions

(c) gather such information. 6

(2) 20,7 per cent.

Domestic flights arriving/departing late

1101. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

(1) How many flights between (a) Port Elizabeth and Johannesburg, (b) Port Elizabeth and Durban and (c) Port Elizabeth and Cape Town (i) arrived and (ii) departed late during the week which ended on 29 April 1988;

(2) what percentage of the total number of flights to and from Port Elizabeth during this week does this represent?

The MINISTER OF TRANSPORT AFFAIRS:

- (1)
 - (i) 23
 - (ii) 23
- (a) Particulars are not readily available and
- (b) it will take much time and
- (c) gather such information. 6
- (2) 11,8 per cent.

Domestic flights arriving/departing late

1102. Mr M J ELLIS asked the Minister of Transport Affairs:

(1) How many flights between (a) Durban and Cape Town, (b) Durban and Johannesburg and (c) Durban and Port Elizabeth (i) arrived and (ii) departed late during the week which ended on 29 April 1988;

(2) what percentage of the total number of flights to and from Durban during this week does this represent?

The MINISTER OF TRANSPORT AFFAIRS:

- (1)
 - (i) 23 Both directions
 - (ii) 23 Both directions
- (a) Particulars are not readily available and
- (b) it will take much time and
- (c) gather such information. 5
- (2) 16,0 per cent.

Domestic flights arriving/departing late

1103. Mr R J LORIMER asked the Minister of Transport Affairs:

(1) How many flights between (a) Johannesburg and Durban, (b) Johannesburg and Cape Town and (c) Johannesburg and Port Elizabeth (i) arrived and (ii) departed late during the week which ended on 29 April 1988;

(2) what percentage of the total number of flights to and from Johannesburg during this week does this represent?

The MINISTER OF TRANSPORT AFFAIRS:

- (1)
 - (i) 23
 - (ii) 23
- (a) Particulars are not readily available and
- (b) it will take much time and
- (c) gather such information. 23
- (2) 18,6 per cent.

Urban Transport Fund: old Potchefstroom Road

1112. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

(1) What are the functions of the Urban Transport Fund, (b) under whose direct jurisdiction does it fall and (c) from what sources does it obtain its funds;

(2) whether this fund contributed any moneys towards the maintenance and upgrading of the old Potchefstroom Road during the latest specified period of 12 months for which information is available; if so, what total amount?

The MINISTER OF TRANSPORT AFFAIRS:

(1) (a), (b) and (c). The honourable member is referred to the provisions of the Urban Transport Act, 1977 (Act No. 78 of 1977) wherein the required information can be obtained.

(2) Yes, R1,285 million during the 1987/88 financial year.

Taxi licences

1113. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

How many (a) White, (b) Coloured, (c) Indian

Consultants go missing

Sowetan 27/5/88

332

THE controversy surrounding taxi licence consultants mushrooming in the PWV area took a new turn when owners of an agency in Mayfair, Johannesburg, vacated their premises under mysterious circumstances about two weeks ago.

The owners of Basepidi Car Hire, who also traded as J W Systems, deserted their offices in 40 Queens Road, Mayfair, without informing scores of potential taxi owners who had paid them deposits of up to R650 to get taxi licences.

The owners, believed to be two white men and a black man, have also left behind them debts running into several thousands of rands.

Their disappearance came in the wake of a report in the *Sowetan* about two weeks ago which revealed that desperate and unsophisticated blacks were paying taxi licence consultants amounts of up to R800 for licences they may not even get.

A spokesman for the Local Transportation Board — the only body which issues taxi licences — said at the time that individuals who submitted their applications directly to the board were only required to pay a R10 registration fee.

He said the consultants did not have any influence on the decision of the board and that applications were considered strictly on merit.

The Basepidi Car Hire, like all other taxi licence consultants, lured its victims with its vague advertisements placed in publications read mainly by blacks.

The agency was registered as a closed corporation with the Registrar of Companies in Pretoria only this year.

The *Sowetan* visited their company's premises this week and found the doors locked from outside. The owners did not leave either a forwarding address nor a

By SY MAKARINGE

contact telephone number.

A butcher renting premises next to Basepidi's offices said he last saw the owners of the business about two weeks ago.

"Since then people have been coming to me to ask if I knew where these people have gone to. They told me they had been cheated," he said.

One of the people who paid R650 deposit for a taxi licence is Mr Solomon Radebe, of Thokoza. Mr Radebe, who applied for a long distance taxi permit in March, said this week he had lost hope of ever getting his money back.

He said when he applied for a licence in March, he was told to pay R650 as a deposit. Mr Radebe said the owners of the business promised him the licence would be ready within a week.

Board

"But due to business commitments, I failed to go back to them after a week. I went back to them on Saturday only to find the offices locked. Someone told us the owners had fled. Now my money has gone down the drain," Mr Radebe said.

Other prospective taxi owners who lost their R650 deposits are Mr Tom Rapetsoe, Mr Moses Tlape and Mr Nathaniel Mofokeng.

Attempts by *Consumer Corner* to trace the owners proved fruitless. It is believed that one of the owners is known as Mr Kay.

When they placed their adverts in the news-

papers, including the *Sowetan*, the owners did not furnish the advertising representatives with their home addresses or telephone numbers.

ALBINO CARLEO

Busing by the million

There is an irresistible temptation to dub Putco CE Albino Carleo the Godfather of the passenger transport industry; he so perfectly fits the epithet.

He heads up the largest privately-owned bus company in the world. He is the paternal head of a sizeable family, many of whom are directly involved in the business as both investors and directors. He is almost neurotically inaccessible to the media. He hates having his photograph taken.

And he is Italian.

He is also the subject of several outlandish stories within the Italian community, which he has shunned rather than patronised during his years in SA. One of the more colourful (and printable) is that he was involved in a plane crash in the Congo when on his way to SA and walked the rest of the way.

Whether he did or not is beside the point. The fact is that he is capable of it. Because Carleo, head of the family since the death of his father Gaetano (although he is not the eldest), has a formidable reputation for ruthlessness and relentlessness.

He is the son of what could well, in the South African context, be called a migrant labourer. He had not even been born when daddy Gaetano left his butcher's shop in Cava de' Tirreni outside Salerno the first time and set sail for Durban.

Most people think that's when it all started happening for the Carleos. Not so. Carleo senior's first five years in SA were barren; he went home almost empty-handed and left immediately for New York where he made his venture capital in a grocery store in Brooklyn.

Three years later, in 1936, he was back in SA buying a second hand Ford bus and starting a black service from Alexandra to Johannesburg. He was owner, driver and mechanic and even lived with his bus. But it was the birth of the Rapido Bus Company.

Meanwhile, back in Salerno, Albino was already nine years old. He had been born on December 3 1927 and had so far seen his father for a week. His mother died and Albino carried on with his education at the Liceo Scientifico Giovanni da Procida while his father expanded the bus company in SA and World War 2 raged around them. It only impinged when Carleo senior was briefly interned in the OFS as an enemy alien.

Only in 1947, at the age of 20, did Albino Carleo arrive in SA to join — and get to know — his father. He actually did survive an air crash *en route* in the Belgian Congo, but once in SA (he didn't walk) he threw himself earnestly into learning about the bus business.

By then, Rapido had not only expanded

but had also added a vehicle servicing garage to its assets.

Under the direction of the son, it was to swallow up several other companies — some of them larger and most of them older — on its way to becoming the giant Putco.

It was not just the bus company that underwent a transformation in those formative years. It was also Carleo junior.

He became a hard-nosed businessman juggling two ends of a monstrous see-saw: the black public, served by his burgeoning business, and the white government with its insatiable bureaucracy which controlled the bus fares, bus routes and the price of petrol.

He also took the time to get to know assorted tribal chiefs, headmen and up-and-coming politicians in the new homeland states — a shrewd move that indicated not only his growing Machiavellian tendencies but also the length of his long-term plans.

And he punted Putco as an "equal opportunity employer," even inviting blacks to serve on his board. He also wore his social conscience on his logo when he formed the Putco Foundation, a trust that still supports

black community charities and projects.

None of this was happy coincidence. Carleo is renowned for calculating everything he says and does — and in the not-too-distant past has even admitted this openly.

In one of the few official interviews he ever granted — to Joseph Lelyveld, *New York Times* journalist and author of the Pulitzer Prize-winning book on SA, *Move Your Shadow* — he expounded quite readily on his philosophy of life and business.

"People like to feel important and if you display a sense of knowing they're important, they like you. They like you and trust you because you represent a measure of their greatness.

"If there was a black government, I would talk to them with the same sincerity of purpose that I have when I talk to the white government. But that's a thing of the future. If a small minority has *de facto* power, it is stupid to challenge them. What you can't get by force, you get by persuasion.

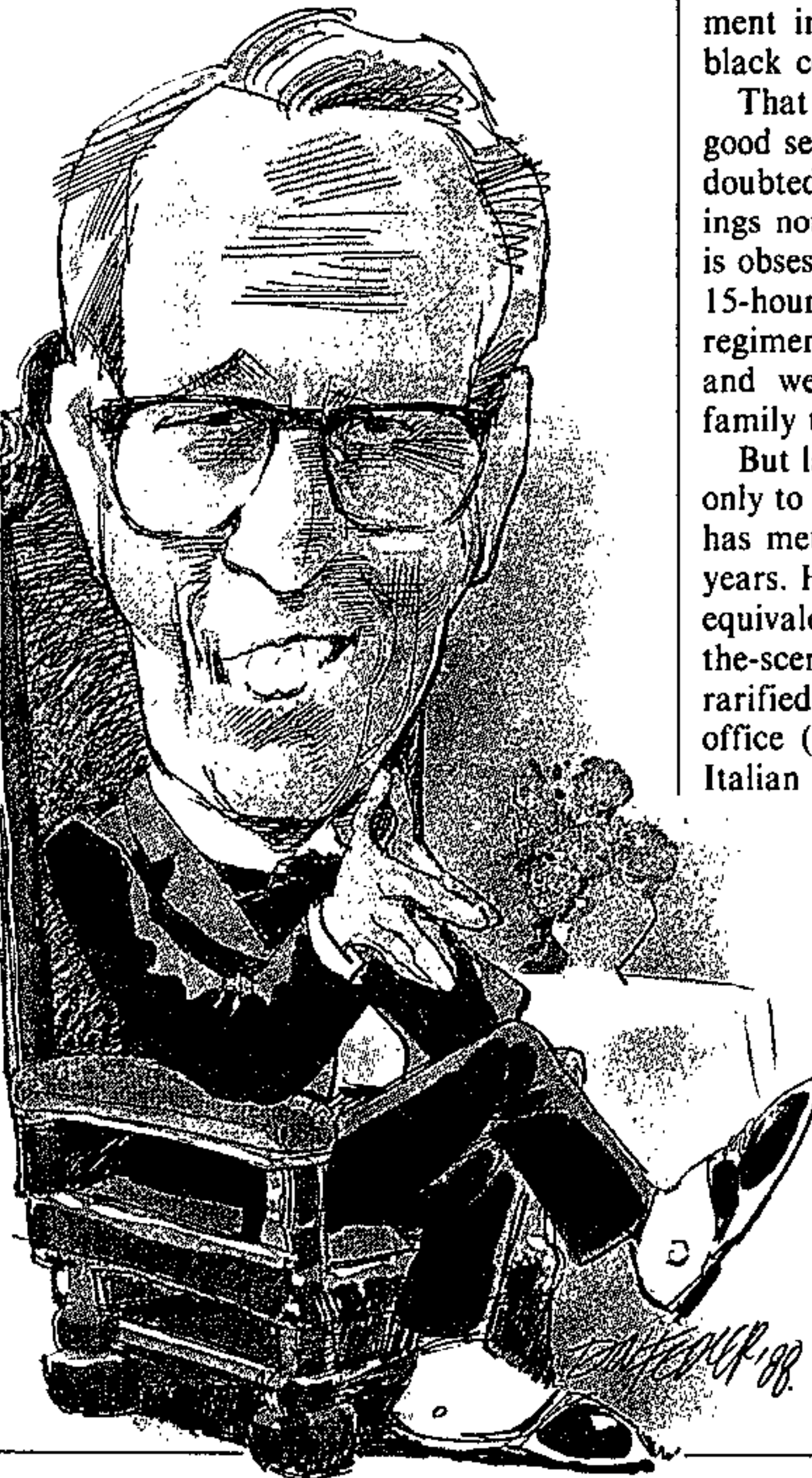
"People who accuse me of being a stooge don't know what they're talking about. I must have good relations with the government in order to give good service to the black community."

That Carleo believes utterly he is giving good service to the black community is undoubted (boycotts, barricades and bus burnings notwithstanding). The 61-year-old CE is obsessed with Putco, regularly putting in 15-hour days and seven day weeks — a regimen that has produced a heart attack and weak health and that prompted his family to push for the sale of the company.

But last year's resultant fiasco has served only to force Carleo deeper into the shell he has meticulously built for himself over the years. He has now become the bus industry equivalent of Howard Hughes — a behind-the-scenes mover working alone from the rarified atmosphere of Putco's ascetic head office (it was modelled on a 16th century Italian monastery).

He is a past chairman of the Southern African Bus Operators' Association. He is still a director of 30 companies as well as chief of Putco. But his family is determined to slow him down, and it looks increasingly as though they will succeed.

When he retires, however, Carleo will have a unique legacy. Not many young boys from obscure Italian villages have amassed the fortune and tinkered with the history that Carleo has. Regardless of the criticisms of his methods, it is an amazing achievement. ■



29/5/88
Cape
332

Violence flares as Natal taxi war starts up

Chairman has all the say

By VASANTHA ANGAMUTHU

TAXI wars, reminiscent of the vicious war that broke out in Cape Town two years ago, are developing countrywide.

Then two people died, 20 were wounded, 10 kidnapped and at least 50 taxis were smashed up or hijacked.

The war has spread to various areas as the conflict between associations and "legals" and the so-called "pirates" heats up.

The whole situation is highlighted by the "war" developing in Vryheid.

Mandla Wilson Kaizer, who operates his own taxi on a route where the association has the monopoly, claims that re-

peated attempts to join the association and apply for a permit to the local Transportation Board has been thwarted by chairman of the association, Tom Zulu.

Kaiser has operated his taxi almost continuously since 1982 and was joined in 1987 by Shadrack Mathebula and the two have conducted their business together.

They claim that Zulu prevented them applying to the Transportation Board when they first informed him.

"We therefore decided to apply directly to the board for the issue of the necessary permits. Zulu, however learnt of this and approached me at home and after a discussion, I withdrew my application," Kunene said.

• The association gave three taxis, two of which were unregistered, permission to operate on their routes. Negotiations between the two and Zulu, resulted in Zulu saying that the matter could only be resolved if Kunene and Mathebula leased a certificate at R1 800 per year.

The two could not raise all this capital, and Zulu informed them that this sum would only guarantee one certificate or permit.

Mathebula says that later, when his taxi was stopped by Zulu and others, his passengers were ordered out of the taxi and when this did not happen, they were forcibly pulled out.

They say that Zulu then pulled open the passenger door and struck Mathebula on his body, causing injuries to his elbow, his thigh and his abdomen.

A charge was laid at the Vryheid police station and the matter is under investigation.

A few days later, they were again assaulted by Zulu and others who were armed with knobkerries and knives.

TRANSPORT, PRIVATE - GENERAL

JUNE - DEC 1988.

'No' to tollgate

SOUTHERN Johannesburg residents yesterday decided they would petition the State President, Mr P W Botha, to stop the building of a tollgate which would cost each motorist R100 a month, writes JOSHUA RABOROKO.

Motorists from Ennerdale, Lenasia south and the Vaal Triangle will be expected to pay between R2 and R3 each time they travel from or to Johannesburg.

The toll gate, being built on the N1 highway between Vereeniging and

Johannesburg, is about 250 metres from the off-ramp that leads into Ennerdale, Lenasia and the Vaal Triangle townships.

The chairman of the Ennerdale Management Committee, Mr Achmat Abadar, yesterday told a meeting in the area the toll gate would affect thousands of people who commute to work every day. It meant taxing the community that was already overtaxed, he said.

"The Government's policy of Group Areas

Act is responsible for forcing blacks to travel long distances to work, whereas whites do not."

The chairman of Tolcon company, which is building the road, Mr Ron McLennan, said no finality has been reached on the toll fee. He said the fee might be between R2 and R3, but residents in the neighbourhood might pay half the price.

He stressed that residents were not obliged to use the road because there were alternative routes. He was in touch with the community leaders regarding their grievances, he said.

An executive member of the Johannesburg-Evaton Taxi Association, Mr Joseph Buthelezi, described the road as "an added burden to the people who are already reeling under the escalating cost of living."

Capt. T. J. J. (SAA)
3/4/88 332
SAA

pilots to form new company

Own Correspondent

JOHANNESBURG. — South African Airways pilots are set to go into business for themselves.

The president of the SAA Pilots' Association (Saapa), Captain Blake Flemington, said yesterday the organization would form a new company.

He would not give details, saying more information would be given at a press conference tomorrow in Johannesburg.

He said, however, that Saapa was past the feasibility stage and was going to put a plan into action.

The statement comes shortly after the announcement of a meeting to be held between the association and the Minister of Transport, Mr Eli Louw, on Monday.

Intense negotiations on pilots' remuneration packages have been going on between SAA management and Saapa during the past two months. The negotiations have been sanctioned by Mr Louw.

A spokesman for the minister's office said private sector reports commissioned by the minister — on a market-orientated salary package for pilots and for the recognition of Saapa as the pilots' official mouthpiece — had been received and were being studied.

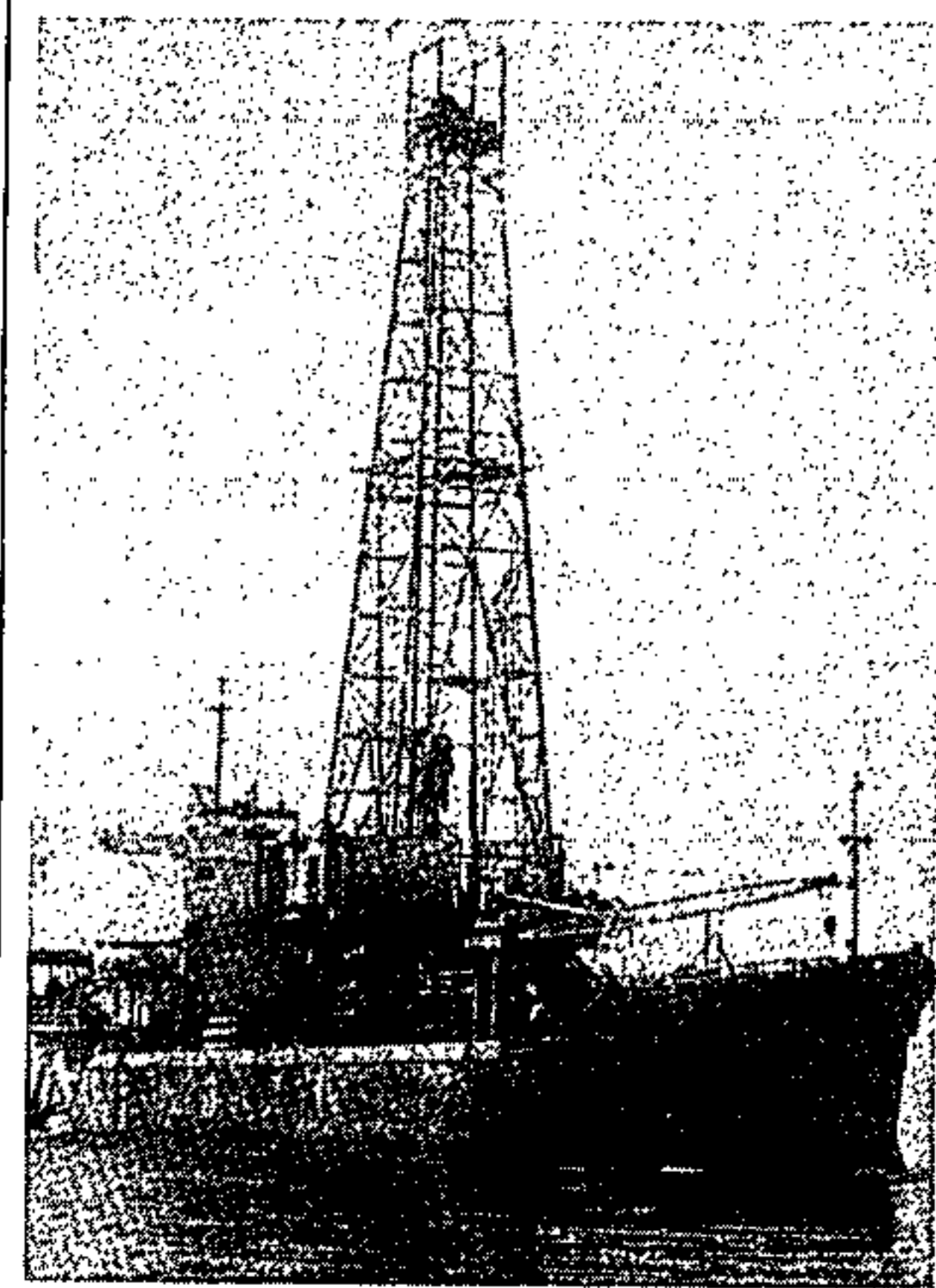
SHIPPING

332 KM 2/11/88
Conversion attempt

Three Cape marine engineering yards are bidding for an R8m contract to convert an American oil prospecting rig into a floating fish factory.

The *Ocean Cyclone* was towed to SA this month from Brazilian waters, where she had lain idle for three years. The hull developed serious leaks during the tow and the South African tug John Ross was paid a reported US\$23 000 a day to dash 1 300 nautical miles from Cape Town to pump out flooded compartments and repair leaks in mid-Atlantic.

The reconstruction contract involves cutting away 3 000 t of scrap, including the midship drilling tower, installation of fish factory plant and refrigeration and upgrading of the diesel-electric main machinery. The job is expected to take about 10 months.



Ocean Cyclone ... new look

Because the rig is American-owned, work must comply with standards set by the US Coast Guard. These involve safety equipment, crew comfort and mechanical plant. When completed, the *Ocean Cyclone* will sail under her own power to Alaska, to serve as a mother-ship for fishing craft working there.

The vessel's owners are keen for work to begin as soon as possible and the successful contractor should be known this week. The job is considered the biggest and most exacting to be undertaken at the Cape for years. It exceeds, in new plant terms, the recent fitting out of diamond mining vessels employed off the Namaqualand coast. ■

BUS TRANSPORT

Driven to the limit

Yet another example of a corporate responsibility programme which went wrong has occurred in Natal, where the black-owned Umlazi Bus Service is facing serious financial difficulties.

The bus service to Umlazi, near Durban, was taken over in December 1986 by a group of 28 black taxi operators when Putco pulled out. They formed Umlazi Ntokozweni Kwamynandu Bus Company, with a loan of R100 000 from First National Bank and R300 000 from Shell's retail division.

Sources say the bank loan was marginally above prime and was "a standard business loan made on the usual criteria." The Shell money was used as deposit on 15 buses leased from Busaf.

But, according to one of the 14 directors, "things were never on our side." When the Putco bus service was withdrawn, black taxis reduced fares from R1,50 to R1 to attract customers. By the time the new bus company

was formed and operating (May 1987), local residents had become accustomed to doing without buses.

There were also problems with the leased buses, which meant there were seldom more than six on the road at any one time.

The directors had no previous business experience other than running their own taxis. Neither Shell nor First National offered much in the way of advice or guidance; they merely provided the funds.

By November last year, the company had problems. It was in debt, its buses had been repossessed by Busaf and it could no longer obtain credit for fuel. The directors went to the SA Black Taxi Association (Sabta) for help.

Transport consultant Paul Browning was called in to restructure the service. A new company, Umlazi Bus Service, was formed and a contract signed with Putco for the rental and maintenance of 13 vehicles as well as the provision of professional management.

Another loan was arranged through Shell; this time, R200 000, from the consumer division.

But things got no better. Last weekend, directors had to use their own money to buy fuel to keep their buses on the road while they tried to arrange further finance to stave off liquidation.

Says Browning: "It is true Umlazi Bus Service has run into financial difficulties. Sabta is continuing to do all it can to ensure there is adequate finance to allow this important community scheme to succeed. However, it looks as though the recent history of bus services in Umlazi will make this difficult.

"Even if the worst comes to the worst and the company has to close, we believe the principle of black community ownership with professional transport management is the right one for the future."

Browning's emphasis on professional management is important. For big white business to throw money at inexperienced new black businesses is not the answer. If companies are prepared to invest money in the black business sector, they must also be prepared to invest time in ensuring able management.

Without that effort, there will be more business failures like Pepsi and Umlazi which will do black business confidence no good at all.

3/6/88

Umlazi taxi fares set to rise today

By S'BU MNGADI

UMLAZI'S three taxi associations this week announced fare increases which they said would curb overloading and speeding.

The fare increase would be 10c inside the township and 50c to the city with effect from today, said Obed Hlongwane, chairman of a co-ordinating committee set up to monitor the situation following complaints from passengers.

The Umlazi, Ntokozweni and Kwanyandu associations also plan to dismiss drivers guilty of speeding. They will also introduce strict monitoring in conjunction with the police.

Hlongwane warned drivers to adhere to speed and passenger-load limits.

He said fares had to be increased in order to make the services more viable, efficient and clean.

Taxi operators claimed overloading was essential for their financial success, but it had proved dangerous.

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Hidden hazards on the road to deregulation

332
By Ian Smith
STIMES

THERE are still concealed hazards on the road to deregulation in SA's transport industry.

The Government's deregulation actions have resulted in more private hauliers moving goods around the country as permit requirements have eased. Most operators approve of what has been done.

Unitrans chairman Ockie Goosen, reporting record turnover of R115-million — up 32% on the previous year — says in his annual review that competition in freight transport will benefit the industry and the economy.

One side

But that is only one side of the picture. Commerce and industry will have to face up to rising costs because of new pressures emerging in the transport sector, says Ian Lockett, chief executive of Natro, one of SA's largest road transport brokers.

He believes the overall effect of deregulation will be to increase costs.

"Private operators may be hauling more goods, but they have to contend with several new problems which, in the long term, will contribute to cost increases."

Provincial authorities have tried to guard against the worst aspects of cut-throat competition experienced in the US and falling standards by introducing stricter regulations for hauliers.

Mr Lockett says: "On a run between Durban and Johannesburg a driver can expect to be stopped at Newcastle, Ladysmith and Mooi River for routine roadworthy inspections."

No limit

"At each stop there may be a queue of vehicles before he can be put through the check."

"Even if no fault is found, the vehicle may have to go through an identical check two or three times. There is no limit to the number of times he can be stopped."

"On busy routes where operators rely on quick turnaround for two-way loads these inspections can be costly in vehicle standing time and manhours — a bill they pass to customers."

Mr Lockett says the industry also has to contend with long delays for compulsory weigh-ins and the provision of municipal escorts for abnormal loads.

Another increasing threat to costs comes from labour unrest.

"Work disruptions and union action are causing long delays, vehicles idle while they wait to be loaded or unloaded," says Mr Lockett.

"With the national transport fleet at full stretch to meet demand, this is costly for operators."

The industry has welcomed the removal of Sats road transport's exemption from demurrage charges if goods are not moved from ports within three days of being discharged.

"This should lead to improved efficiency, but it will also mean higher costs for customers if demurrage penalties are incurred," says Mr Lockett.

Finally, the shortage of heavy moving equipment means carrying capacity is at a premium. "The rule of supply and demand could influence costs," says Mr Lockett.

Pilots in bid to buy SAA's home flights

CALL TIMES 10/6/87 227 220

332

Own Correspondent

JOHANNESBURG. — The South African Airways Pilots' Association (SAAPA) last night gave formal notification that it would make an offer to purchase the domestic services of the South African Airways (SAA) — said to be worth about R1 000 million.

SAAPA said it would make formal application to Transport Minister Mr Eli Louw and seek a listing for the company on the Johannesburg Stock Exchange should the bid be considered favourably.

In a statement released in Johannesburg, SAAPA president Captain Blake Flemington said SAA had also been formally notified of the association's intentions.

However, spokesmen for both the SAA and Mr Louw said last night that they had not yet received notice of a formal offer of intent.

SAA's domestic services alone are estimated by Transport Ministry spokesman Mr Leon Els to be at least R1 000 million. It is understood the average cost of a Boeing 737 is R140 million and R500 million for new Boeing 747s.

The SAAPA statement said: "Once the offer has been submitted in due course it will be made known to the public. But until then there will be no further press comment on this issue."

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Pilots want part of SAA

By Tim Cohen
and Dan Side

Stv 10/6/88

332

The South African Pilots' Association (Saapa) is to make a bid to buy the domestic services of SAA, the association's president, Captain Blake Flemington, said last night.

Captain Flemington said the association had given notice to SAA and the Minister of Transport Affairs of their intention to submit a formal offer for the purchase of the domestic services of SAA.

However, spokesmen for SAA and the Minister of Transport Affairs, Mr Eli Louw, said last night they had not received the offer.

A spokesman for the Minister of Transport, Mr Leon Els, said it had not even been decided yet whether SAA would be deregulated or privatised, although a private sector group was investigating the possibility.

He described the offer by Saapa as "a tall order" and pointed out that if the domestic services were sold it would cost in the region of R500 million.

The group's investigation was due to be submitted this month, but this was only an initial investigation and it would be some time before a final decision would be taken, he said.

The bid could succeed only by next year at the earliest, said a spokesman for commercial aviation in South Africa, Mr Cor Beek.

Mr Beek said today that statements in Parliament indicated SAA was one of the State-owned assets that could be considered for possible privatisation, but there could be no privatisation without deregulation.

"And, in the first instance, we still do not even know whether SAA is willing to sell," he said.

Pilots set to raise R1 000-m for SAA planes

by KITT KATZIN, Weekend Argus Correspondent

JOHANNESBURG. — Talks are under way between the South African Pilots' Association (Saapa) and its financial backers to raise a huge cash offer — possibly as much as R1 000-million — in a bold and unprecedented bid to set up a public company to gain control of SAA's domestic services.

Saapa is preparing to submit a formal offer to the Government to buy or lease 25 of SAA's jetliners — eight Airbus-es and 17 Boeing 737s which make up its entire internal fleet — and operate them under a new private banner.

To do this it will set up a separate company to be listed on the Johannesburg Stock Exchange which will offer a financial stake to all of SAA's 16 000 staff and the public if the Government accepts its offer.

Confident

Negotiations on the terms of its cash-offer package to take over the airline — its existing name will be retained — are well advanced between Saapa and a consortium of merchant bankers, stockbrokers and finance houses.

Saapa is confident of getting the backing it needs and has been given full support by its 500 members to enter the aviation management business.

The move comes in the wake of Saapa's new air crew brokerage syndicate, Acorn, which will enable SAA's 500 pilots to sell back their services to SAA under contract.

Saapa, as the operating arm of SAA, believes it has the first claim on buying the airline (domestic services) if, as the Government has said, it is to be thrown open to private buyers.

The association, which will control Acorn as a recruiting agency and the holding company, intends to buy or lease all of SAA's existing aircraft in its internal fleet.

These consist of eight Airbus-es, valued at R100-million each, and 17 Boeing 737s. How-

ever, it will also consider leasing one or more of SAA's 12 747 Jumbos (each worth about R350-million) in peak domestic traffic periods, but will not be involved in SAA's international operation.

Capt Tim P

June 13, 1993 5

'No problem' buying SAA services

JOHANNESBURG.

The SAA Pilots Association (Saapa) will have no problem financing its proposed purchase of SAA's domestic services, a Saapa spokesman said yesterday.

Saapa announced on Thursday that it would make an offer to purchase the domestic services of SAA. It also announced its intention of listing the company on the Johannesburg Stock Exchange if the bid succeeds.

The Saapa spokesman said three of SA's top banks and the chairmen of several large corporations had expressed interest in helping finance the purchase.

The companies concerned had asked that their names not be released yet, he said.

A Transport Ministry spokesman, Mr Leon Els, estimated SAA's domestic services to be worth at least R1bn.

Black taxi body

Sowetan 14/6/88

invites foreign

332

ministers to SA

THE Minister of Transport in Zimbabwe, Mr Mumbengegwi, and his Mozambique counterpart, Mr Armando Guebeza, have been invited as guest speakers to the South African Black Taxi Association annual general meeting scheduled for Sun City in September.

The three-day conference starting on September 19 is expected to attract close to 4000 Sabta delegates from all over

By ALI MPHAKI

the country.

Dr Ellen Kuzwayo, president of the Black Consumer's Union, will also address the meeting.

One of the highlights of the conference will be the crowning of Miss Sabta 1988, which will be held on the night of September 20.

Participants include beauties from Transkei, Namibia and South Africa.

To ensure cheaper transport rates and

accommodation for the delegates, Sabta has appointed Black Reality Promotions to handle travelling and accommodation of the expected delegates.

Discounted air fares with the South African Airways (SAA) have been arranged for all those wishing to attend.

Black Reality Promotions can be contacted at (012) 325-1570 ask for Mrs Danisile Lavisa or Miss Tenjy Dlepu.



DR ELLEN Kuzwayo.

Gutierrez-Garcia plays a fine tune at Unitrans

STAN KENNEDY

Mr. Eduardo Gutierrez-Garcia, Unitrans managing director, is a man who has reached into his soul most of his life to find his true identity.

For 26 years — since he came to South Africa — he has, in a sense, been a cultural hermit, seeking to remain true to his heritage as a Spaniard while doing his best to come to terms with his Anglo-Saxon environment.

Torn between the pragmatic and utilitarian world of the Anglo Saxon and the passionate, metaphysical life of the Latin Mr Garcia has, nevertheless, been able to create a synthesis that has made him successful in his business life.

Money has never been a motivating factor, he says.

"I think what possibly motivates me is the general state of discontent in myself. It has been with me throughout my life and I have never been satisfied with my performance. I would like to think I can bring some value to society, to feel, in some way, that life is meaningful. That is important to me.

"I am not ambitious in the normal sense of the word. My ambitions are more internalised and I would like to be a better person, more intelligent, better educated and have a greater sense of humour. I have been entrusted with a great responsi-

bility and I try to apply myself intelligently for the wellbeing of our 2 300 workers.

"My management style is direct and charismatic, not bureaucratic. I need to build up personal relationships with the people I work with and I cannot be impersonal. I cannot work in a hostile environment or one that is too regimented."

Unitrans has nine operating companies which, through a network of depots, provides a wide range of road transport and allied services throughout southern Africa. In the year ended March 31, turnover was R15 million, 32 percent up on the previous year. Pre-tax profit was 50 percent up at R19 million.

Each company has its own managing director and management structure and almost full autonomy except when corporate decisions are made concerning finance, capital expenditure and wages.

Mr Garcia's background is in transport. His father was a railway executive in Spain and all his childhood he lived in a railway house. He recalls the free train rides as a boy and helping his father at his office with his work and projects when he was older. It was in this environment that he learned some aspects of administration.

He came to South Africa in

1962 and worked for a short period at an audit firm before joining Thorntons Transport as chief accountant. The following year, he was appointed financial manager of Stag Bulk Transport, which spawned Natal United Transport and merged with Tanker Services in 1967 under the name of United Tanker Services (UTS).

He became transport manager of UTS but later returned to head office as company secretary, with management responsibility for the Cahora Bassa transport operation.

From 1973 to 1978 he was managing director, Unitrans Natal, before being appointed managing director of the freight group. In 1982 he became managing director, United Freight Transport Holdings, now known as Unitrans.

His day begins with two games of computer chess while waiting for the newspapers, then half-an-hour on his guitars playing classical and flamenco music before going to work.

The guitar is an important part of his life. He says, with a hint of modesty, that he is not an accomplished player and that it acts as therapy, soothing and helping him to relax before being flung into the stresses of the day.

About his work, he says that when one takes on a job like his, a person must be ready to take all the responsibility that

goes with it. One has to be fair to everybody. An executive cannot allow his passions to run wild and to carry with him personal likes and dislikes.

He admits that he is a doubting person, often beset with great angst, constantly wrestling with his thoughts "because nothing is final in this life".

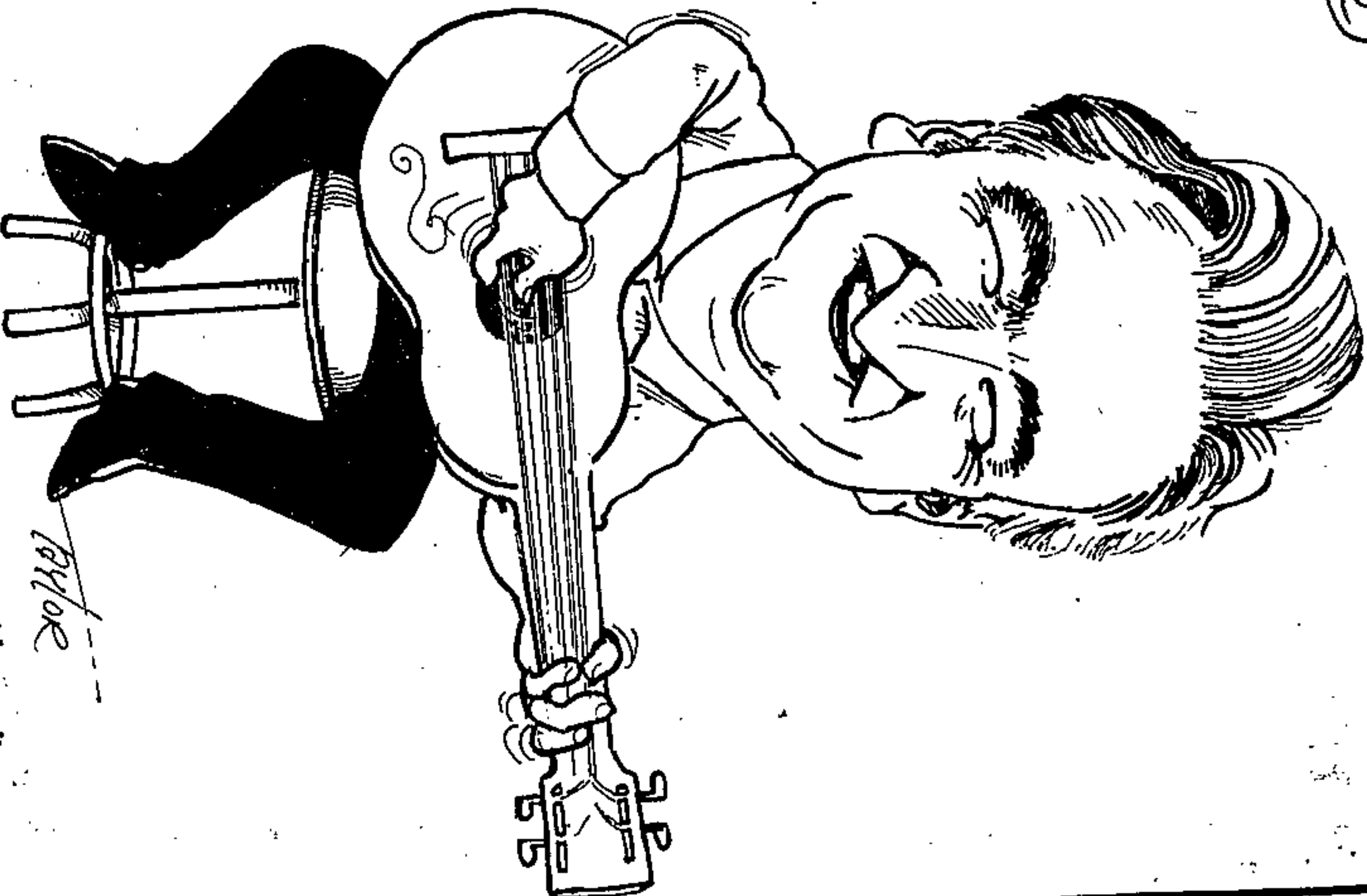
He believes the spiritual and intellectual development of a person has a big bearing on a business.

And without any braggadocio he adds: "I think I have brought to the group — because of my background and culture — a different type of thinking and innovation. I am not saying better, but different. Being able to look at problems from other angles, I think, has been my major contribution to the group.

"I believe I have enhanced its culture and brought a degree of commonsense to the operation. Many people chase rainbows simply because they do not have enough perspicacity."

His main challenges in the future are internal and are aimed at improving himself. As far as business is concerned, he would like to develop a distinct culture to give workers scope for development and a sense of achievement at all levels.

"I don't want to make the group the biggest in the country, but the best in the industry," he says.



Gutierrez-Garcia — Therapy with a guitar.

Putco to cut some Transvaal bus fares

Kaizer Nyatumba

A decrease in some Putco bus fares in the Transvaal is to be announced in Johannesburg today, Mr Robin Duff, Putco's public relations officer, has confirmed.

Mr Duff said details and reasons for the decrease would be given at a press conference later

today because the matter was "too complicated to be given in a press release or discussed over the phone".

Only certain areas, mostly in the Transvaal, would benefit from the decrease, Mr Duff said. He emphasised that the decrease would apply to selected fares only.

Putco has been facing strong competition from minibus taxis.

The bus company reduced its bus fleet from 3 348 in 1985 to 3 137 in 1986, and to 3 034 in June last year. The total number of its employees declined from 10 917 in 1985 to 9 396 in 1986 and 7 928 in June last year.

Putco *Sowetan* cuts²² *1/6/82* some fares

332 By JOSHUA
RABOROKO

THE giant Putco bus company is to reduce fares on weekly and monthly tickets by 20 and 30 cents on some major routes in the Pretoria-Witwatersrand-Vereeniging areas as from June 27 to July 1 respectively.

This was announced by Putco's public relations officer, Mr Robin Duff, at a Press conference in Johannesburg yesterday.

He said following the reduction in the price of diesel fuel announced by the Minister of Economic Affairs and Technology, Mr Danie Steyn recently, the company had decided to review its fares.

He said: "As a result, certain savings have become apparent, which the company is anxious to pass on to the commuter."

"Because these savings are relatively small in total, it has been decided to assist those passengers who travel daily over 10 kilometers to work on selected routes within the Transvaal only," he said.

TRANSPORT SYSTEM VITAL

A DEPENDABLE and cheap passenger transport system in cities is vital if the disadvantaged are to be given the opportunity of raising their living standards.

And this can best be done by privatising passenger services and thus increasing competition.

At the forthcoming Annual Transport Convention, Terry Markman, specialist in road transport at the Ove Arup Group, will discuss the competitive tendering for passenger services assisted by the Regional Services Councils (RSCs) and the advantages of privatisation of bus services.

Mr Markman says that if RSCs design tenders in such a way that owners of minibuses have the opportunity to tender with owners of buses, a truly competitive situation will result.

For many years, urban transport policy in many parts of the world has been based on the assumption that buses are more economical than smaller vehicles for mass transport and that the bigger the operator, the more economical he is.

In contrast, minibus fares in Bloemfontein are lower than bus fares after the subsidy has been deducted. A similar situation, he says, exists in such centres as Buenos Aires, Manila, Istanbul, Nair-

obi and Puerto Rico, all of which use minibuses of a sort.

"Today many people accept that minibuses, because of their flexible routes and better timing frequency, are more effective than buses at keeping people out of their cars. They also accept that whereas buses are large and slow, kombis and other small vehicles travel at the same speed as other traffic and cause fewer hold-ups."

In a recent address, Cliff McMillan, president of the SA Institution of Civil Engineers, challenged engineers and other professions to tackle the problem of cheap bus services.

"Transport is the cardinal issue and that is the domain of the civil engineer," he said.

"Are we doing enough in the way of exploring efficient, lower cost and possibly innovative transportation options for our cities? Are the Metropolitan Transport Advisory Boards working, bearing in mind the fragmentation between rail and road transport? Are we consulting enough with the people who will be the users of the system?"

"Most important, is our transportation planning caught in the straight-jacket of constraints imposed by the land-use and other abnormalities of our metropolitan areas?"

3372 Hday

Govt in rush to legalise sale of toll roads

DRAFT legislation designed to legalise the Government's sell-off to the private sector of the country's toll routes has been tabled in Parliament by Transport Affairs Minister Eli Louw.

The National Roads Amendment Bill, already referred to the Joint Parliamentary Committee on Transport and Communications, is urgent and it is government's intention to push the legislation through during this session of Parliament — or during the short session at the end of August, at latest.

8 day 23/6/88 (332)

CHRIS CAIRNCROSS

Until the legislation becomes law all tolls collected by the "private concessionaires" which are to take over the country's first two toll roads, have to be transferred to the National Transport Commission (NTC) before being credited to the private-sector operators.

Thus the Bill would authorise the NTC to allow the concessionaires to levy a toll on any vehicle using the toll roads.

It would also pave the way for other toll roads to be identified on national routes which could also be sold off.

The Bill details the responsibilities imposed on the concessionaires taking over these toll roads for the next 25 years.

Among other things the Bill sets down the terms by which a toll can be levied, with the amounts imposed on different vehicle categories having to be approved by the NTC.

KEY MARKET MOVEMENTS

Four Vaal towns' taxi fees rise

Sowetan 23/6/86

332

FOUR Vaal Triangle major white town councils have decided to increase fees at black minibus taxi ranks in their area from R100 to R300 a year as from July 1.

Spokesmen for the Sasolburg, Vanderbijlpark, Vereeniging and Meyerton Town Councils, said the fees were increased because of the rising costs in the maintenance and usage of facilities at the ranks.

New fees

The new fees will affect between 7 000 to 9 000 black taxis that ferry residents from the five Vaal townships to the towns, a spokesman for the South African Black Taxi Association, said in Pretoria yesterday.

Sasolburg's town clerk, Mr J Jordan, said the council was spending thousands of rands to maintain the ranks, although he did not give the exact amount.

He said it was imperative that the councils should get some form of income for usage of their facilities. The

decision also affected white taxis in the towns.

"We have consulted all taxi representatives in the area to inform them about our decisions. We have cordial relations with them and they understood our position," he said.

Lekoa Taxi Association's secretary, Mr Marks Thebehali, confirmed that they held discussions with the councils, but said that they were dissatisfied with the new fees.

Licences

"We feel that the new amount we have to pay is high because we still have to pay for our taxi licences annually. This will be too much for us," Mr Thebehali said.

The Councils' spokesmen said the R100 previously paid by taxi owners was little in terms of what they spent to maintain the ranks.

"We are forced to review our situation annually and we felt we cannot afford any longer," Vanderbijlpark's Mr P Venter said.

1987

TUESDAY, 28 JUNE 1988

1988

vice Staff Code and Regulations in which case the Department of Transport accepts responsibility for their travelling and subsistence expenses. The total cost for the Department over the past two years amounts to R690 029,00. Each visit is subject to my approval.

I do not consider it to be in the public interest to disclose more particulars, but I am, however, prepared to furnish the relevant information to the honourable member on a confidential and personal basis.

Staff housing subsidies: amount allocated

1239. Mr R M BURROWS asked the Minister of Transport Affairs:

What total amount was allocated by the South African Transport Services for the (a) 1986-87, (b) 1987-88 and (c) 1988-89 financial years for the payment of staff housing subsidies on a (i) compulsory and (ii) voluntary basis?

The MINISTER OF TRANSPORT AFFAIRS:

Transport Services does not pay housing subsidies to its personnel but has Housing Schemes which are financed by the Organisation itself.

Kombi taxi services: permits issued

1247. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

(1) How many permits to operate Kombi taxi services were issued by each local road transportation board as at 31 December of each of the latest specified three years for which figures are available;

(2) whether any measures are taken to ensure that pirate (a) Kombi and (b) other taxi operators are apprehended; if so, (i) by whom, and (ii) what measures, in each case?

THE MINISTER OF TRANSPORT AFFAIRS:

(1) The information is not available in the form requested by the honourable member, but the following statistics have been obtained —

For the financial year 1 April 1985 to 31 March 1986

<i>Local Road</i>	4-8	9-15
<i>Transportation Board (LRTB)</i>	seater vehicles	seater vehicles
JOHANNESBURG	376	307

HOUSE OF ASSEMBLY

1987

TUESDAY, 28 JUNE 1988

1988

PRETORIA	164	453
PIETERMARITZBURG	60	262
DURBAN	229	265
BLOEMFONTEIN	32	159
KIMBERLEY	3	36
CAPE TOWN	44	368
POTCHEFSTROOM	116	665
EAST LONDON	54	50
PORT ELIZABETH	19	120

For the financial year 1 April 1986 to 31 March 1987

LRTB	4-8	9-15
seater vehicles	seater vehicles	seater vehicles
JOHANNESBURG	3 600	750
PRETORIA	2 085	1 357
PIETERMARITZBURG	260	181
DURBAN	879	631
BLOEMFONTEIN	352	428
KIMBERLEY	131	37
CAPE TOWN	2 306	209
POTCHEFSTROOM	2 156	882
EAST LONDON	96	76
PORT ELIZABETH	33	351

For the financial year 1 April 1987 to 31 March 1988

LRTB	4-8	9-15
seater vehicles	seater vehicles	seater vehicles
JOHANNESBURG	6 898	89
PRETORIA	20 135	3 273
PIETERMARITZBURG	1 057	177
DURBAN	974	262
BLOEMFONTEIN	1 309	124
KIMBERLEY	186	15
CAPE TOWN	2 125	218
POTCHEFSTROOM	1 383	508
EAST LONDON	380	122
PORT ELIZABETH	341	28

Please note that the above-mentioned statistics are in respect of the number of new applications for taxis, including those for Kombi taxi services, granted during the past three financial years. These applications were granted on condition that proof be furnished that ranking space has been

1989

TUESDAY, 28 JUNE 1988

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obtained by the applicants. Many applicants failed to obtain ranking space with the result that permits have not been issued to them. Statistics in respect of the exact number of permits physically issued for taxis are not kept. The Department is in the process of developing an extensive information system relating to Kombi taxis so that comprehensive information will in due course be available.

(2) (a) and (b) No, but section 31(1)(a) of the Road Transportation Act, 1977 (Act No 74 of 1977) determines that any person who undertakes road transportation except under the authority of a permit authorizing such road transportation shall be guilty of an offence. An authorized officer, as defined in section 1 of the Road Transportation Act, 1977 (Act No 74 of 1977), may, in terms of section 40(1)(a) of the Criminal Procedure Act, 1977 (Act No 51 of 1977), arrest any person who commits or attempts to commit any offence in his presence.

These authorized officers are continuously taking action against unauthorized operators and authorised operators who

contravene or fail to comply with the conditions of their permits. During the 1987/88 financial year 7 565 pirate taxi operators were prosecuted and fines of nearly R1,2 million were imposed.

SAA staff: Aids sufferers

1260. Mr C J DERBY-LEWIS asked the Minister of Transport Affairs:

(1) Whether, with reference to his reply to Question No 4 on 12 April 1988, he will reconsider his decision not to furnish information on possible Aids sufferers on the staff of the South African Airways; if not, why not; if so,

(2) whether any staff members who have been identified as Aids sufferers are still employed on Airways flights; if so, (a) why and (b) how many as at the latest specified date for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS:

(1) No. As indicated in the reply to Question No 4 this information is regarded as confidential.

(2) Falls away.

HOUSE OF ASSEMBLY

1978	15,85
1979	15,78
1980	9,09
1981	21,21
1982	22,50
1983	16,32
1984	14,03
1985	21,53
1986	22,78
1987	20,61

(1) (c) (i)	(ii) R
November 1979	18,00
May 1980	18,00
November 1980	18,00
May 1981	18,00
November 1981	18,00
May 1982	18,00
November 1982	18,00
May 1983	22,00
May 1988	60,00

(2)	1961	Statistics are not available
	1962	Statistics are not available
	1963	Statistics are not available
	1964	Statistics are not available
	1965	Statistics are not available
	1966	Statistics are not available
	1967	316 550 persons
	1968	327 978 persons
	1969	291 645 persons
	1970	256 197 persons
	1971	262 550 persons
	1972	198 576 persons
	1973	205 980 persons
	1974	219 110 persons
	1975	228 911 persons
	1976	244 563 persons
	1977	257 353 persons
	1978	270 631 persons
	1979	281 885 persons
	1980	289 459 persons
	1981	307 099 persons
	1982	317 620 persons
	1983	331 453 persons
	1984	349 293 persons
	1985	374 350 persons
	1986	402 143 persons
	1987	426 354 persons
	1988	453 229 persons

Langlaagte: incorporating into Riverlea
21. Mr T R GEORGE asked the Minister of Constitutional Development and Planning:

HOUSE OF REPRESENTATIVES

- (1) Whether his Department intends incorporating certain areas of Langlaagte into Riverlea; if not, why not; if so, which areas;
- (2) whether any negotiations have taken place in this regard; if not, why not; if so, (a) what negotiations and (b) with whom;
- (3) whether any decisions have been taken on the matter; if not, why not; if so, what decisions;
- (4) whether he will make a statement on the matter?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

This matter vests in the Administrator of Transvaal and he furnished the following information:

- (1) No. No such request was received by the Provincial Government.
- Rest of question falls away.

Taxi licences

47. Mr T R GEORGE asked the Minister of Transport Affairs:

Whether he will furnish the names of all (a) persons issued with taxi licences, and (b) registered taxi associations, in respect of (i) Riverlea, (ii) Bosmont, (iii) Westbury, (iv) Eldorado Park, (v) Klipspruit West, (vi) Coronationville, (vii) Noordgesig and (viii) Newclare for 1985, 1986, 1987 and 1988, respectively; if not, why not; if so (aa) in what manner will he furnish these names and (bb) when?

THE MINISTER OF TRANSPORT AFFAIRS:

(a) and (b) No. The required information is not readily available.

(aa) and (bb) Fall away.

Own Affairs:

Port Elizabeth: pensions

2. Mr W J DIETRICH asked the Minister of Health Services and Welfare:

- (1) (a) How many persons applied at the Port Elizabeth regional offices of his Department for (i) old-age pensions, (ii) pensions for the blind, (iii) disability grants, (iv) war veterans' pensions and (v) maintenance grants over the latest specified period of three years for which information is available and (b) how many of these applications (i) were (aa) granted and (bb) refused and (ii) are still under consideration;
- (2) whether his Department received any complaints during the above period from members of the public concerning misconduct on the part of officials attached to the Port Elizabeth regional offices of his Department and involved in the processing of these pensions and grants; if so, (a) what was the purpose of these complaints and (b) what steps have been or are to be taken in this regard;
- (3) whether any funds were misappropriated at the above-mentioned offices over this three-year period; if so, (a) what were the amounts involved in each of these years and (b) how many persons were involved in each instance;
- (4) whether the Department took any action in regard to these instances; if not, why not; if so, what action was taken in respect of (a) the perpetrators and (b) preventing a recurrence;
- (5) whether he will make a statement on the matter?

THE MINISTER OF HEALTH SERVICES AND WELFARE:

(1)(a)(i)	(ii)	(iii)	(iv)	(v)
1985: 451	8	1 834	50	940
1986: 741	7	2 217	43	1 062
1987: 753	4	1 777	64	1 174

(1)(b)(i)(aa)	1985: 2 686 cases
	1986: 3 198 cases
	1987: 2 871 cases
TOTAL	8 755 cases
(1)(b)(i)(bb)	1985: 597 cases
	1986: 872 cases
	1987: 901 cases
TOTAL	2 370 cases

1(b)(ii)	1985: 0
	1986: 0
	1987: 0
(2) No	
(3) Yes	
(a) 1986: R 9 758,10	

HOUSE OF REPRESENTATIVES

1986: R16 149,45
1987: R26 143,42
(b) 1985: 12 persons
1986: 15 persons
1987: 13 persons

- (4) Yes
 - (a) The South African Police have opened fraud dossiers in each case. A recoupment order have been served on each debtor for the repayment of all moneys illegally received.
 - (b) Supervision and control over Social Security matters have been reinforced at all the Department's Regional Offices. Review procedures on all pensions/allowances have been tightened and more stringent control measures applied to the issuing of face-value forms.
- (5) No.

Social pensions

11. Mr P A CHENDRICKSE asked the Minister of Health Services and Welfare:

- (1) (a) What was the amount paid per month to social pensioners (i) in each year from 1961 up to and including 1987 and (ii) in 1988 as at the latest specified date for which figures are available, (b) what was the percentage increases in each such year and (c) (i) in which years were bonuses paid to such pensioners and (ii) what was the amount of the bonuses paid out in each of these years;
- (2) how many social pensioners were registered with his Department in each of the above years?

THE MINISTER OF HEALTH SERVICES AND WELFARE:

(1) (a) (i)	1961 — Not available
	1962 — Not available
	1963 — Not available
	1964 — R6,00 per month
	1965 — R7,50 per month
	1966 — R8,00 per month
	1967 — R8,50 per month
	1968 — R9,00 per month
	1969 — R15,50 per month
	1970 — R21,00 per month
	1971 — R22,00 per month

CAR Taxis 29/6/88

Taxi numbers rise by 572%

THE number of new licensed taxis, including kombi taxis, in South Africa has rocketed by 572% over the past three financial years — from 6 921 in 1985/6 to 39 604 in 1987/8.

The increase has been due to the increase of 33 331 four- to eight-seater vehicles, which were granted permits by the ten local road transportation boards.

However, the number of nine- to 15-seater vehicles granted permits declined from 5 464 in 1985/6 to 4 816 in 1987/8.

The increase in the number of kombi taxis by the transportation boards was disclosed yesterday by the Minister of Transport Affairs, Mr Eli Louw.

Taxi specifications 'need to be revised urgently'

By Shirley Woodgate,
Municipal Reporter

Star 29/6/88

332

A total rethink on taxi specifications and policing was necessary to resolve the massive combi-taxi problem facing Johannesburg, said Mr Danie van Zyl, chairman of the transportation committee, at last night's council meeting.

Speaking on the launch of a traffic department "taxi squad" of 10 men on motorcycles to control the combi fleet, he said this was the tip of the iceberg. Calling for police in cars, he said lone officers on motorcycles would be unable to cope as it was too dangerous to go in single-handed to apprehend drivers.

Predicting that black taxis and the Group Areas Act would dominate the coming municipal elections, he said: "The problems are huge. In only one year combi-taxi drivers have been guilty of 38 000 traffic violations and there have been 28 000 prosecutions between June 1987 and May 1988.

"The specifications for these vehicles are not up

to the heavy loads they regularly carry. The chassis of these vehicles carrying up to 26 passengers is the same as that of a family car. They are fully licensed to carry 26 people at speeds of up to 120 kmh, yet their brakes are inadequate and it is impossible to stop at high speed on the open road.

"Clearly this is why we are hearing of more and more cases where the entire busload of people is killed when a combi is involved in an accident.

"That applies to the steering system and the bodywork. Add to the problem the fact that there are 15 000 applications for permits pending in the Transvaal and we are nowhere near a solution."

Vaal taximen will not pay

VAAL Triangle taxi operators this week decided they would not pay new taxi rank fees of R300 which come into effect tomorrow. The fee hike — from R100 were recently announced by four white councils in the area. *Sawefan 30/6/88*

The associations which took the decision at a meeting in Sebokeng are: the Orange-Vaal Taxi Association, the United Taxi Association, Morning Star Hiring Car Service, Vanderbijlpark Taxi Association and the Evaton-Johannesburg Taxi Association.

Tempers ran high at the meeting as an executive of the OVTA, Mr Johannes Mokoena,

said none of the associations were consulted by the four councils on the matter.

332 Mr Mokoena said taxi ranks in white towns did not have facilities such as shelters, toilets and storm water drainage.

The taximen resolved to meet again at the Residensia hall today.

The Sasolburg, Vanderbijlpark, Vereeniging and Meyerton town councils said that they decided to increase the fees because of the rising cost in the maintenance and usage of the facilities at the ranks.

Sasolburg's town clerk, Mr P Jordan, said they consulted the associations.

Bus and rail transport feel pinch

Minibus taxis make inroads

332
27/7/88

PRETORIA — Proliferation of minibus taxis continues to make inroads into bus and rail passenger transport.

The Department of Transport said the downward trend in the bus transport index since 1982 (114 points) continued last year when it fell to 77.

This is 13% below the 1986 level.

There is no indication of the falling bus transport index bottoming out.

The department said the shift to minibus taxis was continuing.

More minibus traffic should result in a lower State transport subsidy but the bus sector counters that the opposite is likely to happen.

The department said rail passenger transport was 7% below the 1986 figure.

Main-line passenger traffic was down 39% and commuter services by 6%.

The annual index increased be-

GERALD REILLY

tween 1971 and 1981, from 79 to 104, but since then there had been a constant slide to last year with the index at 81 for the last available figure.

The department said that to some extent the fall in rail passenger transport was identical to that for buses although the emergence of minibus taxis affected the bus sector more.

There is no sign of a curb in the downward trend.

Road freight transport had a gradual fall in the index, from 109 points in 1981 to 94 points in 1986, but it rose by 14% last year.

This year the index is expected to rise above 130 points.

New road transport legislation, which allows a 300-km delivery range to freight operators, could have a significant effect on both the road and rail freight indices.

CAPT Tiers 28/7/88

Millions spent on bus subsidies

Own Correspondent

JOHANNESBURG. — The government's policy of homeland settlement is costing the taxpayer hundreds of millions of rand each year in bus subsidies for people who, in many cases, have been resettled up to 130km from where they work.

Last year Pretoria spent R280 million — 80% of its bus subsidy for the year — to transport commuters, according to CSIR research.

In the case of KwaNdebele, every commuter was subsidized to the tune of R1 500 last year.

There are close on 20 000 commuters that travel up to 130km to Pretoria for work, CSIR transport research says.

And transport consultant Mr Paul Brownign says highly unprofitable bus companies have been kept in business by subsidies and regulation.

In urban areas unsubsidized micro-bus taxis have taken passengers from the bus companies, which have in the past three years closed down most of their short-haul routes and now have an overcapacity.

Meanwhile they demand higher subsidies every year because their overheads of running large head offices have not been reduced, he says.

Phasing out

However, the CSIR researcher points out the general trend in government is to a greater acceptance of deregulated urban settlement and public transport, coupled with the gradual phasing out of subsidies.

But doing away with "wasteful" subsidies and planning for the movement of settlements can be justified only if the measures are directly affordable to the people involved.

He suggested that settlement

closer to town could be encouraged by subsidizing fixed assets such as housing rather than transport and that the subsidy should be user-directed — rather than to the producer.

But he conceded it was not feasible politically to phase out subsidies overnight to industries for transport, housing or food.

One way to phase out the excessive subsidies to the remote areas would be to offer weekend subsidies to commuters and concurrent housing subsidies for settlement closer to their place of work, over a five-year period.

The transport specialist at the Southern African Development Bank added that bus subsidies on very long distances should be removed.

However the change in urbanization patterns could be achieved only if there were no constraints in settlement through the Group Areas Act.

Multimech heads for JSE

By Tom Hood
CAPE TOWN — Multimech, the Tollgate group's in-house engineering and vehicle body building company, is expected to be listed on the JSE through a reverse takeover by Drivetech.

Both companies are controlled by Duros, which owns Tollgate.

Tollgate will receive R17,9 million — R3,7 million in cash and the balance in Drivetech shares.

But Tollgate will pay R11 million in cash to Duros for its 40 percent stake in Multimech.

After the deal Tollgate will end up with more than 60 percent of Multimech.

The three companies said yesterday the reorganisation would achieve Tollgate's aims of giving Multimech its own identity and a separate listing on the JSE.

Tollgate is to get a new MD, Hennie Diedericks, the MD of Volkskas Investments (formerly Volkskas Industries).

Johann Barnard, present MD, is to be vice-chairman. Tollgate recently appointed a new chairman, Johan Claasen, a Duros director and former chairman of Ellis Park.

Multimech has been developed into an independent business, with a significant part of its work coming from outside customers.

"Drivetech's financial base will be considerably enlarged and certain synergistic benefits realised," the companies said.

"As a result of the significant increase in Tollgate's bus operations, the earnings of Multimech are budgeted to increase materially, with resultant benefits to the enlarged Drivetech group."

Tollgate's earnings would have increased by 8,6c to 40,8c a share if the reorganisation had been effective for its past financial year. Net asset value would have dropped by 6c to 298c.

Duros's earnings would have risen by 0,5c to 54,3c and net asset value by 5c to 375c.

Drivetech's earnings would have been 2,1c lower at 18,3c and net asset value would have risen by 1,1c to 41,9c.

● In another development, Tollgate is to merge eight sport and leisure companies into one with assets of more than R35 million.

The new company, Entercorp, has been formed via its wholly owned subsidiary, Tollcom, and will apply for a JSE listing later.

Sunter on 'miracle of mid-1980s'

Star 28/7/88
332

Taxis show SA the 'High Road'

By Michael Chester

The expansion of black taxi fleets had proved the miracle of the mid-1980s in setting an example of the potential of black/white business alliances, Mr Clem Sunter, scenario planner at the Anglo American Corporation, said in Johannesburg yesterday.

He told a top-level conference called to review "SA Megatrends" that the incredible growth of the informal sector — taxi operators, hawkers and mini-builders — had underscored the importance of establishing new relations between big business and small business with mutual benefits.

Investments in taxi fleets was now running at R3 billion and the number of jobs created, directly and indirectly, stood at 300 000, equal to 60 percent of the labour force of the gold mining industry.

Future power-sharing

"Without the car manufacturers on one hand and black entrepreneurs on the other, nothing would have happened.

"The formal and informal sectors combined very effectively to produce this miracle, which has also destroyed the myth about blacks not being creative and demonstrated the power of deregulation."

The growing number of black/white alliances being formed to pursue common economic and social goals might in turn prove to be the nucleus of future power-sharing.

Mr Sunter's best-seller, "The World and South Africa in the 1990s", was behind a re-think about our economic

future when published last year and sparked debate on the choice between a "High Road or Low Road" route.

In a review of the current scenario, Mr Sunter stressed: "Social harmony, of course, remains the crying need."

Referring to the dangers of political and economic isolation, he added: "It cannot be said too often that 'Fortress South Africa', a tempting scenario to some, will ensure that the decline in real income per head which we have experienced since the mid-1970s will extend into the next century.

"New technologies and new social values were pushing the world towards an 'industrial renaissance' that could mark the beginning of another major growth phase.

"How tragic if South Africa cannot participate in it."

The basic options open to South Africa remained unchanged: either the High Road to a shared future with high economic growth and improved standards of living for all or the Low Road, where each side wanted the future all to itself, leading to conflict, a military fortress and, ultimately, a wasteland.

"Both scenarios are in play. On the one hand, the rise of the small business/informal sector has shown what unbelievable latent talent there is in the black community if only it is released.

"On the other hand, sanctions and the hardening of attitudes have made reconciliation and the attainment of a high standard of living for everyone here that much harder to achieve.

"The need for a common vision which spurs reasonable people of all colours in the centre to stand up and be counted is more vital than ever."

● See Page 6M.

CARGO CARRIERS

Short haul

Activities: Bulk road transport contractors.

Control: Indirectly by listed Bolton Industrial Holdings. Ultimate holding company is Cargo Carriers Holdings.

Chairman: W de la H Beck; managing director: R D Marcus.

Capital structure: 20m ords of 1c. Market capitalisation: R43m.

Share market: Price: 215c. Yields: 6,9*% on dividend; 20,7% on earnings; PE ratio, 4,8; cover, 3,0. 12-month high, 550c; low, 200c. Trading volume last quarter, 151 000 shares.

Financial: Year to February 29.

	'87	'88
Debt:		
Short-term (Rm)	2,5	0,1
Long-term (Rm)	16,3	2,8
Debt:equity ratio	1,1	—
Shareholders' interest	0,56	0,63
Int & leasing cover	8,0	26,3
Debt cover	0,9	7,0

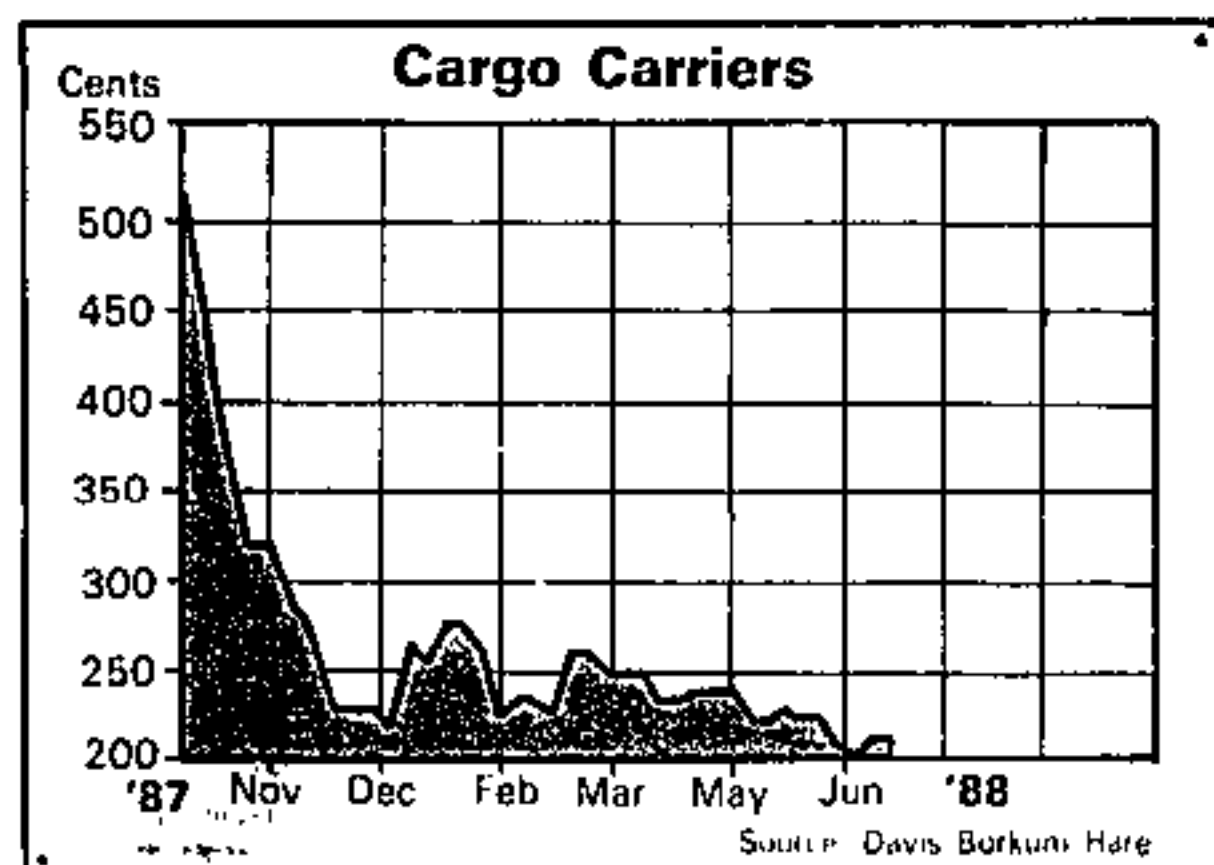
Performance:

	'87	'88
Return on cap (%)	22,1	22,2
Turnover (Rm)	100,9	121,0
Pre-int profit (Rm)	17,2	18,1
Pre-int margin (%)	17,1	14,9
Taxed profit (Rm)	7,1	8,92
Earnings (c)	34,6	44,6
Dividends (c)	n/a	14,8*
Net worth (c)	n/a	258,1

*Annualised

Presumably it is a symptom of present market conditions that the company — listed last October, founded in 1956 and now a major force in the road transport industry — stands on an effective dividend yield of 6,9% and an historic p:e of 4,8. All this, plus a forecast of improved earnings and dividends this year from chairman Bill de la Harpe Beck and the prospect that Cargo should be a major beneficiary from moves to deregulate road transport, has failed to move investors to recent enthusiasm. The briskly traded shares continue to wallow around their 12-month low.

It is true that announced proposed jumps in licence fees by close to 200% for heavy vehicles must, if effected, bear down to some degree on the bottom line of Cargo, whose fleet at the past year-end consisted of more than 750 heavy-duty prime movers and 1 500 trailers and ancillary items of equipment. The reported proposed increase in the Transvaal, for example, is from R2 468 to R7 298 for a heavy vehicle, with similar increases in the other provinces. Finance director Murray Bolton says, however, that



FINANCIAL MAIL JULY 29 1988

increases have thus far only been gazetted in Natal. He adds that Cargo's contracts carry escalation clauses generally at six-month intervals, so that any effect should be limited to a short time period.

Apart from such apparent new problems, Cargo finished last year in fine style. Earnings were slightly ahead of last year's prospectus forecast. Following the reconstruction of the company, involving, among other things, the sale of properties to listed Bolton Properties, the end of the year saw the company left with R11,5m in cash and minor indebtedness, despite investment of R23,9m in vehicles, buildings and other assets. Bolton notes that further such investment this year should be met without a dramatic increase in borrowings.

Beck says that Cargo has over the past 30 years operated in a deregulated environment and that more than 90% of the business has been concentrated in exempted areas. He believes the experience thus gained has placed the company in a favourable position to take advantage of deregulation, which opportunities employed much managerial energy last year.

Despite uncertainties aroused by the proposed licensing hikes, the shares appear unlikely to drop much lower than current levels, and should benefit in any upsurge in investor confidence as and when this shows itself.

David Ross

Taxi tapes a new marketing vehicle

8/5 30/7/88

332

LYNDEN WRIGHT

A DYNAMIC new advertising medium has been developed in South Africa — but the success story has been kept under wraps for more than six months.

The Republic's latest *marketing vehicle* is the black mini-bus taxi, and it's making inroads nationwide as the new way to reach A-B income blacks.

The Johannesburg-based firm, Music In Marketing, is selling ad slots on its Star Taxi Music tapes to national advertisers. The tapes are played by the taxi drivers to black commuters and shoppers. Cassettes are updated every two months.

Music In Marketing distributes tapes to 372 taxi associations around the country, all affiliates of Sabta, the country's leading taxi grouping. Star Taxi Music is playing in just over 10 000 selected taxis — reaching both the black metro and rural markets.

The taxi tapes idea has apparently been around since November of last year. Now it is being developed into a broader marketing vehicle.

First came ad slots on 90-minute cassettes (45-minutes of music and messages each side). Now the taxi is to be expanded into an involvement medium, with drivers handing out coupons and competition entry forms to generate two-way communication. This grafting of a direct marketing element on to the original "airtime" advertising technique gets into gear next month.

MD of Music In Marketing, Alan Prentice, believes expansion of the concept proves the acceptability and strength of his new advertising medium.

He said: "Until now we have kept a low marketing profile. We have space for only 15 clients, and our last three programmes have been fully booked.

"We are proud of our client base and the fact that most the original advertisers are still with us.

"OK Record Bars, on our next programme, will be involving passengers in a competition. Drivers will hand out the forms. Taxi tapes have already proved themselves as a quality advertising medium — now they are proving their versatility too."

Music In Marketing spent seven months in negotiations with performers, composers, lawyers and record companies to obtain exclusive rights and get round copyright problems. They produce a new tape, or programme, every two months. A top deejay is commissioned to do the continuity work and create a radio show feel.

The tapes are handed free to participating drivers and are not withdrawn after the original two months — so the advertiser gets additional exposure.

Mr Prentice, former MD of Gallo Records, said it was estimated that 81 percent of tapes were still played up to 11 weeks after they had been superseded by a new programme.

Gauging exact listenership, he admits, poses a problem. However, studies completed so far indicated massive penetration of a mass market.

Said Mr Prentice: "Research by Nick Green at Markinor showed the tapes were played 25 times a week and that the average taxi load was 122 people a day, or a universe of 36,6 million.

"A complicated formula was applied, but the bottomline was that there were 20 million impacts a month for advertisers.

"Another study carried out at Bates, Wells showed that 36 percent of the adult black population was being reached by the tapes — and they are primarily A-B income blacks, the workers and shoppers."

The tapes are also being used as a vehicle to improve driver-passenger relationships and road safety.

Consumer slots featuring Dr Ellen Khuzwayo are also being added.

A promotions team carries out weekly random checks on participating taxis, and one lucky driver each week gets an immediate spot cash prize of R100 in the incentive exercise — if he is playing Star Taxi Music when the inspection takes place.

Meanwhile, Music In Marketing's client list demonstrates that some marketing heavyweights are alive to the advantages of the tape concept.

Clients include Unilever, the Perm, OK, Shell, Toyota and Edgars.

Taximen sue Vlok

THREE taxi drivers who were allegedly assaulted and belittled by the police near the Marabastad — Pretoria rank last year, have claimed a total of R30 000 damages from the Minister of Law and Order, Mr Adriaan Vlok.

The three are Mr Elkan Molomo, Mr Martin Ramara and Mr Joseph Magoleng, all of 2nd Avenue, Alexandra township, Johannesburg.

The three alleged that they were unlawfully assaulted by three white members of the South African Police with an iron rod about 9pm on March 30, 1987. (P201) (332)

A spokesman for their attorneys, Mr Bryant Tantsi, yesterday confirmed that they had claimed R30 000 plus legal costs from the Minister and that summonses had already been issued.

According to the three, they had suffered shock, pain and suffering as a result of the assault. They also alleged that they were belittled.

July 1988

Sandton and Sabta discuss non-racial taxis

332

NEGOTIATIONS between the Sandton City Council and the South African Black Taxi Association (Sabta) about a non-racial, "go-anywhere" public transport service in Sandton are at "a very delicate stage".

Mr Jabu Mabuza, Sabta's marketing communications manager, was commenting yesterday on the prospects of Sabta being granted permission to operate a non-racial taxi service in Sandton.

He said Sabta's "primary commitment" was serving the commuting public and the association was looking forward to offering its services.

"Our offer is valid for as long as the ownership of the transport remains with blacks and the drivers are of good standing.

"If it infringes on the law, then it should be taken up by us and those people who are going to use our service," said Mr Mabuza.

According to him, Sabta's offer to the

KAIZER NYATSUMBA

Sandton City Council had "met with mixed feelings," since there were councillors who were opposed to the idea "because of our image problem".

Mr Mabuza said allegations that Sabta members were responsible for many road accidents were devoid of any truth.

He challenged those who made the accusations to "produce evidence in the form of statistics showing that the drivers who caused accidents were Sabta members."

It had been rumoured that the taxi organisation had approached the Randburg City Council, offering its non-racial service. This was untrue, said Mr Mabuza.

"A forum existed where these issues were raised, and we said if our services were needed we were prepared to help. There was

definitely no formal approach," Mr Mabuza said.

Sabta's offer to the Sandton city council was first announced last Thursday by the Sandton Civic Foundation's new chairman, Mr Colin Adcock, at the foundation's general meeting.

Sandton mayor Mr Peter Gardiner last week hailed the Sabta offer as "a marvellous idea".

Meanwhile, after an amalgamation of major black organisations, black business is poised to make a greater input in the wealth-creating process of South Africa, says the general secretary of the newly formed Foundation of African Business and Consumer Services, Mr Joas Mogale.

Mr Mogale said in an interview that the amalgamation of the Southern Africa Black Taxi Association (Sabta), the National Black Consumer Union (NBCU) and the Transvaal

African Builders Association (Taba), marked the beginning of a huge black business organisation.

The foundation would promote greater involvement of black business in the expansion of the SA economy.

He said the foundation would like to see the National Federated Chamber of Commerce and Industries (Nafcoc) becoming part of this move.

"It's excellent record in the promotion of black business at all levels would be of great benefit.

He said the small individual retailer rightly belonged to Nafcoc which made it more desirable that the two organisations should join hands.

The launching date of the new organisation was not yet definite but would probably be towards the end of the year.

SIGN LANGUAGE USED BY MINI-BUS TAXI USERS

Must readers for non-racial transport

332

Road hauliers fight super-tax

TRUCK operators are furious about the Government's decision to raise an additional R200-million from them through a super-tax on heavy vehicles.

They are also upset because road fund money, to which they contribute 10c a litre on diesel fuel and 8c/l on petrol, is being paid to the Exchequer and not being used for maintenance.

The Public Carriers Association (PCA) and the National Association of Private Transport Operators (Napto), will meet the Department of Finance and the Department of Transport for discussions. They will seek a postponement of the tax until April.

Undercutting

Some large truck operators estimate they face increases of up to 300% in licence fees. They will have to pay between R4-million and R5-million a month when licences become due. The super-tax is to be introduced in November and operators have not budgeted for the additional cost.

By Don Robertson

They also fear that the road transport division of SA Transport Services (Sats), which has been undercutting private hauliers because of cross subsidisation, will not have to pay the super-tax.

But chief director of road transport Gert Meintjes says Sats will pay the new tax.

The road transport industry is the lifeline of the economy, says Ian Moss executive director of the PCA, which has a membership of 470 truck operators with at least 19 000 vehicles.

"The Government is either unaware of the consequences of what it is doing, or it is willfully disregarding them."

"It is playing games with the future of a huge national industry which is of incalculable strategic and economic importance. You cannot keep piling charges on an industry in this way without having a serious effect on its viability."

Searching for funds for other purposes, the Government seems to have settled on the road transport industry as a convenient milch cow with inexhaustible reserves that can

be tapped at will, says Mr Moss. The levy was announced by the Minister of Finance in his March Budget to raise additional funds for road wear and tear caused by trucks.

Mr Moss says: "If one accepts the Government's figures, only an estimated 16% of vehicles are overloaded. Why should the Government burden the innocent 84% of road hauliers because of its inability to control the relatively small number of transgressors?"

According to Government figures, overloaded vehicles cause R120-million in damage to the road system a year. The PCA's calculations show the additional tax will raise much more than R200-million.

Backlog

Andre Jacobs, executive director of Napto, says R1.3-billion was raised in levies on fuel from motorists in 1985, but only R550-million was used to maintain roads.

"The user is paying for the maintenance of roads, but is not getting the benefits."

An engineer for one of the largest road-building concerns says roads are designed to take heavy truck use. Only if trucks are overloaded or if

estimates of use are incorrect, do they cause additional damage.

Pieter Myburgh, executive director of the Bitumen and Tar Association, says the backlog in maintenance and construction is about R30-billion, but is not being made up as road programmes have to compete with other State priorities.

Mr Moss says the levy cuts across undertakings given in the White Paper on national transport policy, which the Minister of Finance used for his decision.

"The White Paper states that the infrastructure cost recovery programme should only be implemented in consultation with all affected parties. But this was not done. The shock implementation flies in the face of everything we were told at meetings with ministers and senior people in Government only a month ago."

"As a result of this, everything discussed in the National Transport Policy Study will have to be revised."

Competitive

The PCA says the super-tax and the building of toll roads are nothing more than an attempt to make rail transport more competitive, whether intentionally or not.

Mr Moss says: "If the Government feels free to behave in this way, and if the Minister of Finance can ride roughshod over undertakings given by the Department of Transport, that is something we think the Minister of Transport Affairs, Eli Louw, should be very concerned about."

The Department of Finance has asked hauliers to make submissions which it will put to the Government.

TRUCKS & TRANSPORT

Driving in the dark

Planning in the transport business has been thrown into turmoil by a shortage of new trucks — and attempts by transport operators to overcome the problem.

Operators are having to wait between six and 18 months for delivery of new trucks from manufacturers because of shortages of locally produced engines and transmission systems.

But now operators themselves are confusing the market by placing the same order with several manufacturers and dealers, accepting the first one that's ready and cancelling the rest. The result: truck and component-makers are no longer sure of the market's real strength.

The heart of the problem lies with the inability of engine producer ADE and transmission manufacturer Astas to cope with increased market demand. Like vehicle manufacturers, they underestimated the extent of the market's recovery. But because they are sole SA suppliers of their products, their shortages are felt all the way down the line.

Astas and ADE have both increased production, but it hasn't been enough. The backlog is slowly being made up, but because of doubts that the economy's buoyancy will be maintained, neither company is prepared to throw caution to the winds and risk being caught later with stocks it can't get rid of.

Astas marketing director Ray Couldridge says truck manufacturers can expect to wait between six and eight months for new transmissions. "You have to look at the situation since last year, when a market that had been falling since 1981 suddenly picked up. To suddenly switch production on again is not an easy exercise."

ADE says demand for engines increased by 70% between September last year and April. Marketing director Wally Rautenbach says the market decline of the early Eighties persuaded manufacturers and dealers to cut stocks to a minimum. "When the upturn came, there were stocks for an estimated three months in the production pipeline — far too little to make provision for the greater demand."

Industry officials have expressed fears that ADE's planned introduction of the new 440 V-Series engines next year would divert its attention from more immediate supply problems. ADE, having earlier agreed to bring production forward, recently asked to delay it but was told manufacturers' preparations were too far advanced to contemplate such a delay.

Manufacturers are sympathetic to the plight of ADE and Astas — while pointing to the fact that their designation by govern-

ment as sole suppliers was bound to lead eventually to problems for the industry.

Bert Wessels, Toyota's CE-designate and chairman of the industry's HCV committee, says: "One shouldn't turn somersaults to meet immediate demand if you are going to be over-stocked later." He says the supply situation is getting better, if only slowly. "The rate at which we are receiving engines and gearboxes has increased."

Nevertheless, waiting lists for many trucks — particularly larger models — extend well into next year. Says Nissan heavy commercial vehicle product manager Neil Mardell: "We have very strong orders. But some people who are ordering won't get orders until next year."

Mercedes-Benz's Adolf Moosbauer predicts the situation will be back to normal by the end of next year. His customers don't all agree.

André Jacobs, of the National Association of Private Transport Operators, says some are already waiting up to 18 months for trucks to arrive — and he sees no improvement in the rate of supply. He adds that the situation has been made worse by strikes at Mercedes-Benz, the country's leading truck-maker. One leading operator currently has R45m of unfulfilled orders.

Manufacturers complain that planning is made more difficult by operators placing multiple orders, intending to accept only the first that is ready. "You have to be a little cautious in believing the order figures being floated around," warns Toyota's Wessels.

Jacobs confirms there is duplication, but says there is still real market growth — and nowhere to satisfy it.

"There is a genuine increase in the market. For four or five years, operators couldn't afford to replace vehicles. Now they have to, and they can't."

That's what you get from government intervention in an industry. ■

PARKING GARAGES

King Wilson rules?

SA's biggest parking garage companies, Kings Parking and Wilson Parking, are to merge, say well-informed sources.

Kings MD Clive Bevan and marketing manager Alan Calenborne were both unavailable for comment this week, as was Wilson GM Larry Scheider. Their secretaries referred the FM to PR consultant Jan du Plessis, who said: "A statement will be released this week."

It is believed there will still be separate

Kings and Wilson parking garages, but they will be owned by a holding company. None of the sources professes to know the name of the company — if it has been formed yet — or who will head the operation.

Federale Volksbeleggings, which has a 90% stake in Kings, will probably be the biggest shareholder, but may not have a majority holding. Wilson is a joint venture between Wilson of Perth, Australia, and Sage.

At the end of 1985, the last time they revealed their positions in the market, Kings had 54 parking contracts and 24 738 bays and Wilson 30 contracts and 7 010 bays. The parking market was in the doldrums then. It has since recovered and so aggressively are companies competing for new contracts that margins have been cut to the bone. Industry insiders say a merger was inevitable.



Kings has a big geographic base, is big in public parking garages and is involved in tollroad operation. Wilson's base is office parking and it has international expertise. Combined, sources say, they will be able to finance their own property developments.

It is understood the merger was referred to the Competition Board — but permission was never likely to be withheld. Together, they control only 15% of parking in SA. The rest is run by municipalities and landlords. Anglo American Property Services alone controls 9 600 parking spaces.

Fears that a combined Kings-Wilson will have the muscle to push up prices indiscriminately may also be wide of the mark. Prices will go up without them. Grahame Lindop, of Ampros, predicts a Johannesburg parking bay will cost more than R200 a month by next year. "Parking is big business. There's huge demand," he says. "That's why we are developing a 520-bay parking garage and 3 000 m² of retail space on the old Piel's Cold Storage site, opposite the JSE's new building. Including the site, the cost will be nearly R18m." ■

Talks to resolve taxi feud collapse

By Montshiwa Moroke

The three-year feud between the Thokoza Taxi Association (TTA) and the breakaway Thokoza Taxi Organisation (TOTO) continues, after the recent collapse of peace talks.

And at the weekend about 50 delegates who attended a TOTO meeting at City Deep reaffirmed their support for the organisation and vowed "to forge ahead in the interest of the community".

Delegates were told the talks collapsed at a meeting held between the two groups and the Sithuthisizwe Transport Company on June 26 when the four TOTO

representatives walked out because of what they say was a violation of conditions agreed on at the start of the peace moves.

Officials of the group said it was agreed at a previous meeting that each group would be represented by four members. This interim committee would run the general affairs related to the taxi business in the township.

"At our last meeting we had 16 people instead of 12. We walked out because we felt the objectives of the meeting no longer served our interest and of those people we serve," a TOTO spokesman said.

What appears to have started as a problem among taxi operators, involving permit applications, has now been extended to include the chairman of the Government-appointed Thokoza administration, Mr J B Sekete, a former councillor.

Mr Sekete confirmed he had chaired the peace talks with the object of forming one association under one name which would be agreed upon by most taxi owners.

Mr Sekete conceded there had been bad blood between him and TOTO and accused the organisation of lacking "clear-cut objectives".

Special squad

JOHANNESBURG City Council officials want a special squad, concentrating on combi-type taxis, to be established to police offences relating to them.

In a report, the officials say the city's 34 approved ranks cater for 3300 legal combi-taxis and this is expected to

treble within the next 18 months.

However, there is an "unknown number" of illegal combi-taxis as well as illegal taxi ranks, which are created where the drivers feel they can get away with it, the officials said. — Sapa.

M'Plain unhappy over bus service

AKG 13/7/88 332

Staff Reporter

MANY early morning commuters in Mitchell's Plain are still dissatisfied with the bus service offered by City Tramways.

To reach their destinations, some first have to travel to the Town Centre between 5am and 7.30am to catch buses there.

Miss Denise Klein of Woodlands said: "It is ridiculous having to make a double journey to get out of Mitchell's Plain. Besides, the Tramways has not kept its promises of no standing passengers, extra buses to Cape Town, a mini-bus service to far outlying areas and a generally faster service."

Even earlier

Mr Reginald February of Westridge said: "With the present system we have to get up even earlier. We already spend about 12 hours away from home and over two hours of that time is spent travelling."

Mr Ikraam Cornelius of Rocklands said: "We wait up to 40 minutes for a bus to Town Centre and then it still goes the long way around. We just about make our connection to Bellville. They are not doing us a service, we're doing them a great service."

A pamphlet from City Tramways earlier this year said the company had provided commuters with a five to 10-minute interval feeder service which was an efficient, hassle-free, faster service. It quoted figures of passenger increases from 197 000 in January to 241 732 in February.

However, a survey carried out by the Westridge Residents Association showed that 88,6 percent of the commuters were dissatisfied with the service and 11,4 percent were satisfied

Take longer

For 56-percent of the people questioned, getting up earlier was a big problem while 71,8-percent pointed out that the new routes took longer, often resulting in commuters losing their attendance bonuses by arriving late for work.

They proposed that the old system be reintroduced with improvements like direct routes with no change-over at Hanover Park, an increase in the frequency of the buses, and some buses to depart from Rocklands to prevent overcrowding.

Approached for comment, City Tramways said it intended keeping the present system in operation.

"The purpose of the change was to extend a quick, reliable service to many more Mitchell's Plain residents than had access to it before. The introduction of the service had absolutely nothing to do with the saving of fuel.

"The service is extremely well supported and is serving the purpose for which it was designed. We are carrying nearly five-percent more passengers than a year ago."

9701- 71005 13/7/88

Up to 300% rise in heavy licence fees

By PETER DENNEHY

HEAVY trucks and trailers will have their vehicle licence fees raised by up to 300% from November 1 this year, according to an announcement by Mr Gene Louw, the Administrator of the Cape.

However, motor car and motorcycle licences will remain at their present levels. Bike licences will still cost R18, while car licences will vary between R36 and R84, depending on how heavy the car is.

Mr Louw said yesterday that the envisaged increase for heavy vehicles was aimed at covering the cost of the damage they caused to the country's roads. R200 million will be recouped from heavy vehicle operators in this financial year.

New licence fees, which Mr Louw said would be implemented simultaneously in all four provinces from November 1, had been worked out according to "an exponential sliding scale compiled on the basis of an investigation by the CSIR".

The present and proposed licence fees for self-propelled heavy vehicles, above 4 000kg tare, are as follows:

Kilograms	Present fee per year	Proposed fee per year
4 001- 5 000	R420	R925
5 001- 6 000	R600	R1 465
6 001- 7 000	R780	R2 105
7 001- 8 000	R960	R2 743
8 001- 9 000	R1 200	R3 615
9 001-10 000	R1 440	R4 515
10 001-11 000	R1 680	R5 595
11 001-12 000	R1 980	R6 795

For every extra 500kg above that, the licence will cost R560 more.

Caravan licences will cost R30, as at present. Other trailers will also have their licence fees unchanged up to 3 000kg, and thereafter the fee jumps from R264 at present to R904 in the first category.

Trailers of over 12 000kg will have to pay R6 015 plus R500 for each extra 500kg. At present the maximum trailer fee is R1 200.

Mr Ian Moss, chief executive of the Public Carriers' Association, was not available for comment yesterday as he was busy in meetings.

Mr Ginger Johnston, Automobile Association area manager for the Western Cape, said his organization welcomed any step to redress the long-standing imbalance in the contributions heavy vehicles made towards road costs.

More ... old bar

MINISTER FORKS OUT R1 500

332

Soweto 14/7/88

THE Minister of Law and Order, Mr Adriaan Vlok, this week paid R1500 damages in an out of court settlement to a taxi queue marshall who was assaulted by two policemen in and outside a Pretoria police station last year.

Mr Lucas Moatlhodi of Zone 2, Garankuwa, initially claimed R5000 damages plus legal costs from the Minister after he was assaulted by two policemen on July 7 last year.

Mr Bryant Tansie, a spokesman for Mr Moatlhodi's lawyers yesterday confirmed that the Minister paid the money on Tuesday. The payment was without prejudice and without the Minister admitting any liability, he said.

Particulars

According to particulars of the claim, Mr Moatlhodi was on duty as a queue marshall near the Pretoria station when two policemen arrived. They approached a woman hawker and told her that she was trading illegally. The woman ran away. The two policemen asked Mr Moatlhodi if he knew her.

When he replied that he did not, he was "wrongly and unlawfully



Mr VLOK

and intentionally" assaulted by the policemen who dropped him to the ground thrice with punches. Mr Moatlhodi said he later went to the Jacaranda Police Station to lay a charge.

At the police station he was again assaulted by the same policemen. He was dragged into a room where "I lay bleeding for sometime before I lost consciousness."

He said he left the police station after regaining consciousness. His two assailants saw him and gave chase. "I outpaced them and ran to the Pretoria Central Police Station where I laid a charge," he said.

Sequel
to 'police
assault'

85 85 86 87 88

The industry remains on target for full-year sales of between 210 000 and 215 000 passenger cars and 110 000 light commercials.

Puchert takes over at Cargo Carriers

By Sven Forssman

No immediate additions are being made to the management team at Cargo Carriers, says Brian Puchert, who has been appointed the group's managing director with effect from August 1.

Currently chief executive officer and executive deputy chairman of the group, Mr Puchert says Cargo has already been strengthened by several new appointments in recent months.

"In particular, the group has just taken on a new technical director from a similar senior post in the transport industry and two operations managers.

Puchert has held a variety of executive positions within the Bolton Group since joining in 1980 to head up the Searles Holdings Group which had then been acquired by the late Des Bolton.

The consolidation of executive positions at Cargo follows the res-



BRIAN PUCHERT — Executive positions consolidated.

ignation of managing director Roy Marcus.

Professor Marcus has accepted a senior position in a group not related to the transport sector, but will remain on the board.

In another move, Sid Finlayson, previously chief executive of Futura/Bata, has been appointed managing director of Bolton Footwear.

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News in brief

Taximen protest again

Sowetan 14/1/88 232
ABOUT 60 Zamdela taxi operators yesterday staged another protest against fines imposed for using Sasolburg ranks "unlawfully."

Most of them are expected to appear in the Sasolburg Magistrate's Court from next week.

Yesterday they stopped working briefly and held a protest meeting.

Sasolburg's assistant chief of protection services, Mr A J Boshoff, yesterday confirmed that fines ranging from R50 to R100 were issued by the council. He did not understand why taxi owners refuse to pay the new fees because they were given ample time to

By JOSHUA
RABOROKO

prepare themselves.

The crackdown follows the refusal by many taxi operators to pay increased tariffs of R300 a year for the use of the taxi rank in the northern Free State town.

Lekoa Taxi Association secretary, Mr Marks Thebehali, said most of their members had been issued with tickets — in some instances two a day — for using the rank.

He said the increased fees were uncalled for, because facilities at the rank were inadequate and needed to be improved.

Sabta anger at fee hike

1978 THEO RAWANA 8/1 day
VAAL Triangle municipalities and black taximen are headed for confrontation over the increase of taxi rank fees from R100 a year to R300.

SA Bus and Taxi Association (Sabta) communications officer Knox Matjila said yesterday the taximen would ignore the increases and would see the councils in court when summonses came.

Sasolburg town clerk J. Jordaan said the increase to R300 was justified, while Meyerton town secretary B Poggenpoel said the council was planning to build a new R100 000 taxi rank and the increase would be implemented when it was completed.

A Vanderbijlpark town council spokesman said fees would go up to R354 a year and he had spoken to the Sebokeng Taxi Association.

A spokesman for the Johannesburg Metropolitan Planning department said Johannesburg did not charge fees for its two off-street taxi ranks.

Tolls and taxes

The recent opening of the first privatised tollroad followed hot on the heels of a new provision for such operations in the Income Tax Act. Once again, questions are being raised over why a new type of operation needs special treatment, complicating taxation where existing law seems adequate.

A new Section 24G, briefly, provides for tollroad operators to claim an annual allowance for expenditure on:

- ☐ Permanent works (bridges, tunnels and so on, as well as the cost of expropriated land);
- ☐ Ancillary services (roadside restaurants, hotels, garages and so on); and
- ☐ Road pavements (road surfaces, major rehabilitation, guardrails, lighting and so on).

For the first two, expenditure may be written off over the lesser of the period for which the concession has been granted and 25 years; for the last, "the lesser of the concession period and eight years."

The legislation further provides that the deduction in any year is to be limited to the amount of taxable income derived from operating that particular tollroad.

FSA Management Consultants' Joe Lynch asks; simply: is this legislation necessary and, if so, is it good?

It appears, he argues, that a tollroad operator is in a position similar to a lessee who might pay a lease premium, or be responsible for certain leasehold improvements. Sections 11(f) and (g) of the Act provide adequate general rules for write-offs of premiums and improvements.

"Alternatively, if the legislation is necessary, why should write-off periods for tollroad operators differ from similar assets in other industries?" For example, a roadside hotel will be written off over a maximum of 25 years; a hotel anywhere else is now written off over 20 years.

Another major feature is the application of the "ring fencing" principle, clearly seen in the annual deduction for any road being limited to income from that road. This, says Lynch, appears to be contrary to a Margo Commission recommendation accepted by government in its White Paper response.

Ring fencing is nothing new — it has been applied to the mining industry for several years — but its extension is not to be welcomed. If it is accepted that the company is the unit of taxation it is wrong to segment its business for tax purposes.

As Margo said: "... granting generous allowances and then having to restrict their application by ring fencing contains an element of the ridiculous, like depressing the brake and accelerator at the same time." ■

'Selective' tax increase on heavy trucks attacked

Transport deregulation proposals 'insincere'

Star 21/7/88

332

By Inga Molzen

The Witwatersrand Chamber of Commerce and Industry (WCCI) has questioned the Government's sincerity on transport deregulation.

The WCCI would make representations to the authorities on behalf of both business and the consumer on the Witwatersrand, said the organisation's transport committee chairman, Mr Peter Haines.

Referring to the proposed new licence fees for heavy duty vehicles published in recent provincial gazettes, Mr Haines said it was apparent the Government wanted to encourage decentralisation away from the Witwatersrand.

The proposed increase of up to 420 percent in licence fees on heavy trucks, which went hand in hand with the burgeoning toll road charges, "brings into question the Government's sincerity on transport deregulation".

In a white paper on national transport policy released last year, the Government said R253 million would have to be recovered annually from road users.

Mr Haines said road users should contribute to

wards the provision and maintenance of the road system, but he suggested that an increase in the levy on diesel fuel would be a more equitable way of applying the principle.

The proposed new tax increases as well as the impact of toll road charges — amounting to between R400 and R600 a load on a return trip to Durban from Johannesburg — would be borne by the consumer, thereby adding to inflation.

"The consumer in effect pays several times towards the maintenance of roads. He is taxed on the fuel he pays at the pump, he will end up paying the hauliers' toll road levy and he will ultimately pay for the proposed increase in licence fees.

"The Government has for the past four years reallocated increasing amounts from the existing fuel levy for other purposes.

"It should be noted that the current portion of the fuel levy of 8c a litre, originally intended for road construction and maintenance, is now no longer allocated for this purpose and there is no guarantee that adequate funds will be provided for future road development," said Mr Haines.

On the road

Activities: Transport of goods and equipment by road and rail.

Control: Directors hold 64%.

Chairman: R C Laurens; joint managing directors: M H O Els and T Edwards.

Capital structure: 60 797 100 ords of no par value. Market capitalisation: R1,95m.

Share market: Price: 32c. Yields: 9,4% on dividend; 19,1% on earnings; PE ratio, 5,2; cover, 2. 12-month high, 105c; low, 30c. Trading volume last quarter, 151 400 shares.

Financial: Year to end February.

	'86	'87
Debt:		
Short-term (Rm)	2,2	4,6
Long-term (Rm)	4,0	6,8
Debt:equity ratio	1,53	0,86
Shareholders' interest	0,28	0,36
Int & leasing cover	3,69	8,15
Debt cover	0,37	0,59

Performance:

	'86	'87
Return on cap (%)	21,3	26,7
Turnover (Index 1986 = 100)	137,9	194,6
Pre-int profit (Rm)	3,64	8,41
Taxed profit (Rm)	12	38
Earnings (c)	5,2	7,4
Dividends (c)	0,9	3
Net worth (c)	16,7	18,6

A turnaround in the fortunes of Longrail, formerly Long Distance, appears to be taking place after its shaky beginning as a listed company.

Shortly after listing in March last year, the Brokers Investment Company debacle broke. Brokers initially held 20% of Long Distance and Brokers directors Stephen Courtney and Archie de Jongh were also directors of Long Distance. The Brokers' shareholding was subsequently cut to 10% and the two directors resigned, but an unfavourable image is hard to shake off and reports of cash flow problems surfaced.

However, the group's fortunes improved considerably following the merger in September with Railit, which specialises in door-to-door transportation of part loads and small consignments by using the rail network. While the balance sheet of bulk transporter Long Distance was weak, that of Railit was strong. At the February year-end, total debt had increased by 182% (from R6,2m to R11,4m). Gearing improved from 1,53 at end-1987, but remained high at 0,86, although interest and leasing cover increased from 3,69 to 8,15 and return on capital was held at a healthy 26,7. Taxed profit rose by 208% and EPS improved by 42%.

Financial manager Andre Pretorius denies the company had cash flow problems and says it does not use an overdraft. He admits that gearing is still too high, but says it will be brought "well down" by the end of the current financial year. He says, conservatively, that business is "satisfactory," probably because of the economic upswing. A downswing might have the reverse effect, but Longrail appears to be consolidating its gains and no acquisitions are envisaged this

year.

Like other transport operators, Longrail is preparing for deregulation from 1991 onwards. Pretorius believes Longrail will benefit from deregulation through secured contracts, the freedom to transport anywhere and savings on permit costs. But American experience is that competition from "rats and mice" increases immediately after deregulation, though it subsides within a few years, so Longrail is seeking to increase medium-term contract work, which provides stable income, from the present figure of about 50% of turnover to 70%. Much of the R2,1m cash obtained from the listing was used to buy trucks, a wise move in view of the rand's decline.

At 32c (35c issue price), the share looks unlikely to go lower. Assuming gearing will be improved, it deserves a strong recovery.

Teigue Payne

FM 22/7/88

riding impression from the recent combined civil engineering and transport conference in Pretoria.

Transporters were disappointed at the result of combining the Annual Transportation Convention with the convention of the SA Institute of Civil Engineers. They complained that the main issues of the day had been "taken over" by the engineers.

"There were plenty of good intentions," said one transport delegate, "but a dreadful lack of understanding of what is really needed."

Certainly, most speakers who presented transport papers were either employees of government or engineering firms.

One delegate, a senior executive in a bus company, noted that this reflected a growing tendency.

One civil engineering firm has been assigned to develop a new air transport policy for SA, while another is involved with the Johannesburg City Council in experiments and discussion on desegregation and privatisation of buses.

Said the operator: "Neither of these exercises went out to tender. Precisely what do civil engineers know about air transport policy or running buses, anyway?"

Another transport executive agreed: "The problem is that civil engineers, like any engineers, are not lateral or original thinkers. They are trained and encouraged to implement straight-line solutions and get them

right first time.

"That approach cannot work on the transport front in SA today, where we have to be innovative and take risks. And we're never going to get it right first time."

One of the few non-engineering speakers at the conference, Lindile Lavitsa of the Southern African Black Taxi Association, confirmed this with his paper on the black transport entrepreneur.

He referred to proposals for competitive contracting for subsidised bus services (outlined by a member of the Department of Transport and an engineer in a previous presentation) which have been broadened to include combis.

Said Lavitsa: "The bus companies have for years been protected by permits and supported by subsidy. In the process, they acquired big head offices, expert staff and all that is necessary to compile the many forms needed by the tendering system."

"A typical taxi association is lucky if it has a phone and exceptionally lucky if it has an office. Its officers are almost always volunteers with a busy full-time job. They have little or no knowledge of how official systems work. They could employ consultants, but where will they find the money to pay these expensive people?"

"For these reasons and many more, the competitive contracting process will, in practice, perpetuate inequalities."

That contracting system was designed by

TRANSPORT (332)

Surfeit of engineers

Engineers are hijacking SA's transport policy-making role from professional operators and transport consultants. That is the over-

engineers who did not communicate with real transport operators — bus or combi — to find out what the actual results of their work might be.

Overall, the combined conference failed to attract those working in the transport sector or to convince those few who did attend that future changes will solve many of their problems.

22/7/88 PM

GIVING BERTH

332

Sappi and Mondi are negotiating with SA Harbours over the export of paper products and pulp through Richards Bay.

Port authorities hope to develop one of Richards Bay's three new clean cargo berths primarily as a paper berth. But no decision will be taken until a committee has completed its visit to Europe next month to study terminals at Rotterdam, Antwerp, Hamburg and Bremen.

The port's chief director of harbour operations, Neil Oosthuizen, says the two paper companies are doing their own feasibility studies.

He adds that Richards Bay continues to experience problems in coping with export volumes. He expects no respite until the harbour's second clean cargo loader is commissioned in September.

RICHARDS BAY

Good times ahead

The wheel seems to have turned full circle at Richards Bay. Industrialists who fled during the recession of the early Eighties are moving back — and boosting property prices in the process.

Less than 18 months ago, there were "to let" and "for sale" signs up all over the town. Now there's a severe shortage of industrial and residential properties and virtually no

retail property.

Town Clerk Theo Tolmay says the council is currently dealing with inquiries from three major industrialists, all of whom are considering investments of around R100m.

Apart from Richards Bay's deep water harbour, it also has a marine effluent disposal pipeline and good infrastructure.

The council has also had inquiries from five companies, mainly in the clothing sector, who want to establish smaller, labour-intensive factories in the town.

The council is currently offering stands in its industrial township of Alton at R12,50/m² for sites without potential for rail sidings and R18,50/m² for those with rail potential.

Residential stands are also selling well, according to Tolmay, who claims: "Sales increased by 150% in our financial year to the end of June, compared with 1987."

The House of Delegates, for example, is building 400 houses for Indians.

Johan Fisher, a director of local estate agents Heine and Fisher, says there isn't a shop to let in the town and that only a few small factories are available at R4,50/m²-R5/m².

Two years ago, he says, he had difficulty finding tenants for rented houses. Now he can't find enough houses for rent or for sale. Owners are, not surprisingly, asking inflated prices for the few which are available.

He points out that only about 20% of the houses in Richards Bay are privately owned. The rest are owned by Sats or large companies operating in the area, who keep them off the market, even when empty.

"People are asking R110 000-R120 000 for houses and it's very difficult to move them at that price. We can't even sell them to Sats personnel, because Sats believes that if it grants a local employee a 100% bond of R86 000, that's enough to buy a house in Richards Bay."

JAMES CLARKE and SARA MARTIN

BLACK taxi owners have offered Sandton a "go-anywhere" public transport service — providing it is non-racial.

The offer was announced this week by the Sandton Civic Foundation's new chairman, Mr Colin Adcock, at the foundation's annual general meeting on Thursday night.

The SA Black Taxi Association has told Mr Adcock it could and would create a bus service if it were given the pick-up points.

This was confirmed last night by Mr James Chapman, national advisor of SABTA, who said negotiations over the issue had been conducted for some time.

The mayor of Sandton, Mr Peter Gardiner, said after Thursday's meeting: "I think it's a marvellous idea."

He had suggested some time ago that combi-taxis be used along the lines of Durban city's "Mynah" service. This service uses brightly coloured minibuses which ply set routes.

The black taxi offer is seen by some in the Sandton foundation as part of the solution to their town's biggest dilemma: its roads are becoming clogged at rush hour but there's opposition to road-building.

The guest speaker at the meeting, Mr Cliff McMillan, president of the SA Institute of Civil Engineers and a Sandton resident, warned that ill-considered development could compromise Sandton's main strength — its semi-rural, well-heeled image, which has given rise to high-quality housing and an explosion of office park development.

Because it has no internal bus service, almost all its residents and workers use their own cars.

The morning and afternoon confusion has led some town councillors to call for a new relief road across existing suburbs and through the town's biggest park.

Mr Adcock, who retired last month as chief executive of Toyota and is now a consultant with Escom, said the public might not realise that black-owned combi-taxis were having a profound impact on the national transport scene.

"In 1979," he said, "there were about 360 black-owned minibus taxis countrywide — now there are 45 000 licensed and more than 50 000 waiting for licences, and they provide employment for 750 000 people".

The Sandton Council, some time ago, made a decision to build a large combi-taxi station, as part of its new town centre plan abutting Sandton City.

Scores of the bus taxis enter the town daily and charge a uniform rate — R1 a time (if the bus is a "de luxe" model) whether the journey is just up the road or across town.

Sandton residents' and ratepayers' associations have welcomed the suggestion that a black taxi service be introduced in Sandton.

"If it will reduce the traffic problem in Sandton, we welcome it, but if it will result in further aggravations and further congestion, we will fight it to the bitter end," said Mr John Brett, chairman of the Parkmore Residents Association.

Commenting on the issue, Mr Richard Cheary, chairman of Fourways Residents and Ratepayers Association, said the days of big buses were gone.

"They are presently being subsidised by council at the cost of over R300 000 of ratepayers' money," he said.

He pointed out, however, that the taxi's road manners should be carefully monitored.

Mr Tony Leftwich, of the Rivonia Ratepayers and Residents Association, said though he welcomed the idea, taxis should be carefully controlled.

Whites hail taximen

Sabta has non-racial plan to help Sandton out of

traffic chaos

332
Softer

Stev 23/7/82

Black taxis the miracle of the 80s, says Sunter

ARGUS 28/7/88 332
The Argus Correspondent

JOHANNESBURG. — The vast expansion of black taxi fleets had proved the miracle of the mid-1980s in setting an example of the potential of black/white business alliances, Mr Clem Sunter, scenario planner at the Anglo American Corporation, said in Johannesburg.

He told a top-level conference called to review "SA Megatrends" that the growth of the informal sector, taxi operators, hawkers and mini-builders had underscored the importance of establishing new relations between big business and small business with mutual benefits.

R3-billion

Investment in taxi fleets alone was now running at R3-billion and the number of jobs created, directly and indirectly, was as high as 300 000, equal to 60 percent of the labour force of the entire gold mining industry.

"Without car manufacturers on one hand and black entrepreneurs on the other, nothing would have happened. The formal and informal sectors combined very effectively to produce this miracle, which has also destroyed the myth about blacks not being creative and demonstrated the power of deregulation," Mr Sunter said yesterday.

Mr Sunter's best-seller, *The World and South Africa in the 1990s*, was behind a radical rethink about the economic future when first published last year and sparked debate on the choice between a "High Road or Low Road".

Mr Sunter said "social harmony, of course, remains South Africa's most crying need."

Referring to the dangers of political and economic isolation, he added: "It cannot be said too often that 'Fortress South Africa', a tempting scenario to some, will ensure that the decline in real income per head which we have experienced since the mid-1970s will extend into the next century."

Living standards

The two basic options open to South Africa remained unchanged: either the High Road to a shared future with high economic growth and improved standards of living for all, or the Low Road, where each side wanted the future all to itself, leading to conflict, a military fortress and ultimately a wasteland.

"We still have the cross-roads ahead of us," said Mr Sunter.

"On the one hand, the rise of the small business/informal sector has shown what unbelievable latent talent there is in the black community if only it is released.

"On the other hand, sanctions and the hardening of attitudes have made reconciliation and the attainment of a high standard of living for everyone here that much harder to achieve.

"The need for a common vision which spurs reasonable people of all colours in the centre to stand up and be counted is more vital than ever."

Judge acts to stop taxi war

332
THE Bara-City and Bara Meadowlands Taxi Associations were ordered by the Rand Supreme Court yesterday not to assault, molest or interfere with members of the Johannesburg Taxi Association (JTA).

Mr Justice Weyers also interdicted the two associations from preventing members of the JTA from using various ranks in Soweto.

In papers before the court, the JTA said a representative of the Johannesburg region of Soweto Taxi owners, Pat Mbatha, announced in August 1987 the JTA had disbanded and its members no longer had the right to use Soweto ranks.

3/8/88
B/Day
SUSAN RUSSELL

The JTA said this announcement was false, but as a result members of the Bara-City and Bara Meadowlands associations had tried to stop JTA members operating from Soweto ranks.

According to the JTA, the two associations barricaded routes and ranks traditionally used by JTA members, damaged vehicles and assaulted members.

Despite an undertaking by the associations to stop the harassment — which was made an order of court on February 10 — the unlawful conduct had not stopped, the JTA said.

Sabta calls on state to train drivers

3/8/88
PATRICK MAFARO 232

THE SA Bus and Taxi Association (Sabta) has called for the proposed "black marks" points system being drawn by the Transport Department to be applied with state-sponsored driver-training.

The demerit system, announced last week, aims to root out reckless drivers who persistently flout traffic regulations and to have offenders taken off the roads for long periods. It will initially apply to drivers of vehicles of more than 3 500kg and carrying more than 12 passengers.

"Sabta is aware of reckless drivers employed by our members, but we have no funds to train these drivers," said a Sabta spokesman.

National Road Safety Council (NRSC) figures show minibuses caused 33 624 accidents resulting in 218 deaths and 5 679 injuries in 1987. NRSC attributes the high rate of accidents to lack of driving knowledge.

Transport director-general Ronnie Meyer said a similar points system was on the drawing boards to apply to all motorists by 1993.

A computerised register of all vehicles and their owners was being compiled by the Central Roads Traffic Bureau in Pretoria, and a register of traffic accidents and offences was being fed into the bank.

Explosives destroyed plane in air

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4/8/88
332

PRETORIA. — The mid-air destruction of a Comair aircraft near Jan Smuts Airport in March was caused by an explosion of nitro-glycerine and ammonium nitrate in the passenger cabin, the Minister of Transport Affairs, Mr Eli Louw, said yesterday.

Two Bopair pilots and 15 passengers were killed.

Announcing the findings of an inquiry into the air crash, he said the investigation as to how the explosives were taken on board Flight SAW 206 "came to nothing".

"No conclusive proof could be found," he said. "The conclusion is that the accident was caused because a passenger took some explosives on board in hand luggage."

The Embraer Bandeirante aircraft was on its way from Phalaborwa to Jan Smuts on March 1.

While it was on final approach to

Jan Smuts, eyewitnesses in the Wadeville industrial area heard an explosion and saw pieces of the aircraft fall out of the sky. The main portion of the debris fell on a factory access gate and ignited. Smaller pieces and the bodies of passengers fell on buildings.

Mr Louw said that accident investigators of the Department of Transport realized soon after arrival at the scene that explosives had exploded in the passenger cabin of the aircraft.

A police forensic scientist determined the explosive as nitro-glycerine and ammonium nitrate.

"It is commercially used, for example in mines, and can become unstable with ageing when even the slightest jolt can detonate it," he said.

He said there was no indication of any non-adherence to safety requirements, as the approved aviation safety plans of the operators, Commercial Airways, did not require the searching and inspection by X-ray equipment of passengers' luggage at non-state airports. — Sapa

The roads that will carry levies

OPERATIONAL

Tsitsikamma (Plettenberg Bay — Port Elizabeth at Craggs) N2 27 km.
 Mariannhill (Maritzburg — Durban, bypasses Pinetown) N3 19,6 km.
 Kranskop (Pretoria — Naboomspruit, section bypassing Warmbaths and Nylstroom in the northern Transvaal) N1 33 km.
 Huguenot Tunnel (Du Toits Kloof, Paarl — Worcester) N1 10 km.
 Vaal River (Kroonvaal, Vergenoeg — Kroonstad, bypassing Parys and Vredefort) N1 95 km.
 Tugela (Frere — Keeversfontein, bypassing Colenso and Ladysmith) N3 52,8 km.

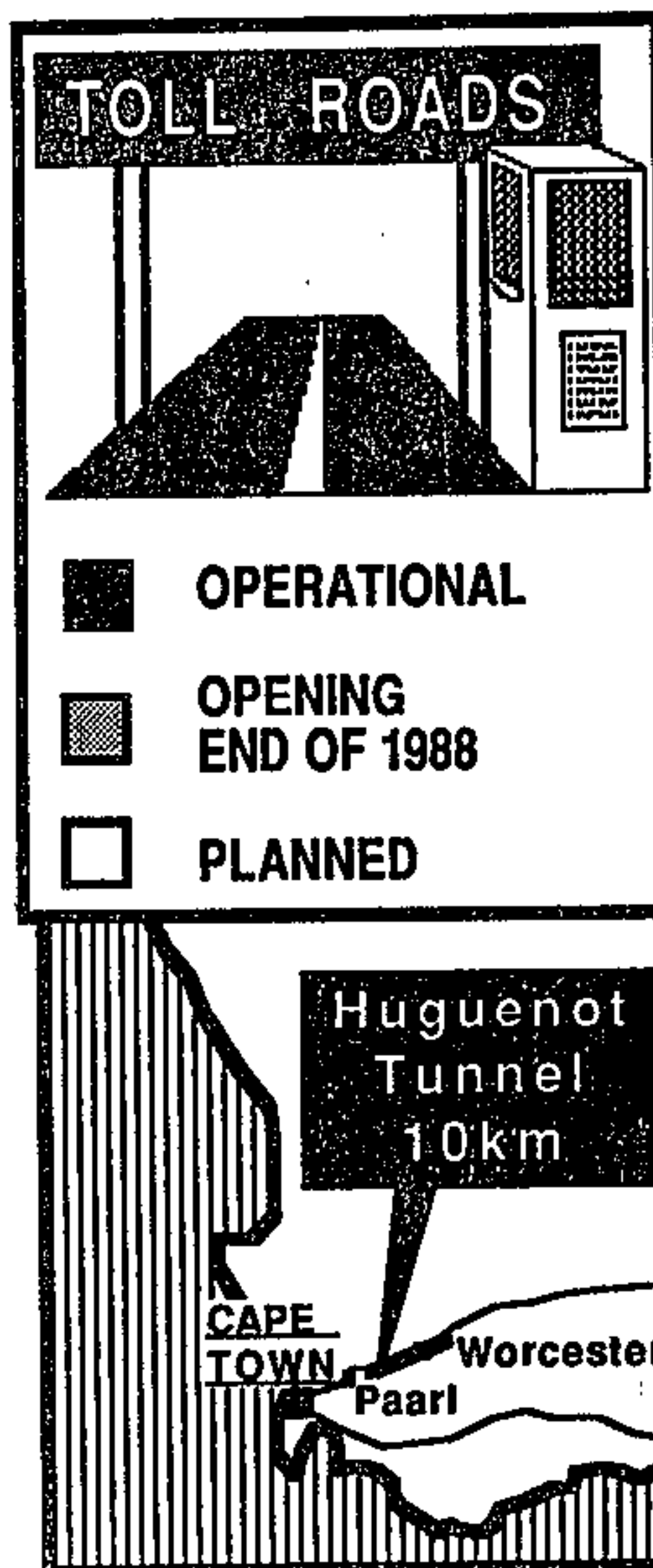
OPENING END OF 1988

Vaal River (Kroonvaal, extension Vergenoeg — Johannesburg) N1 77 km.
 Tugela (Frere — Cedara) N3 94,2 km.

PLANNED

Tugela (extension from Keeversfontein to Johannesburg) N3 187,8 km.
 Hendrik Schoeman (Springs — Krugersdorp) N17 85 km.

● Information supplied by the Automobile Association and Department of Transport.



More motorists to pay a fee

Privatising roads is taking its toll in SA

By Paula Fray

As government privatisation of roads gains momentum, more and more motorists are finding they may have to pay toll fees on a daily basis as they commute to work.

When the toll plazas open at Ennerdale and Winchester Hills, south of Johannesburg, residents may have to pay a fee or take the Golden Highway.

Many Transvaalers who travel by car between Johannesburg and Durban — a journey of about 583 km — may find nearly 437 km of the N3 tolled by 1995.

Motorists could then pay up to R30 extra for travelling on the toll roads alone.

If all the roads under investigation and construction are completed by 1995, at least 793 km of the country's roads will be tolled. This includes some existing roads.

The latest toll road is on the N3 between the foot of Van Reenen's Pass and Frere. It is said to save the motorist about 30 minutes driving time. About 4 000 cars use the N3 each day and each will pay at least R6,50 — the cost for light two-axle vehicles.

Motorists will pay R8 for more than two axles, including those towing trailers or caravans; R12 for heavy vehicles with two axles; R15 for five or six axles; and R20 for seven or more axles. The

4/08/88

332

Since the opening of the first toll road in 1986 a network of these roads has spread throughout the country with the sixth one opening in Natal this week.

Only two companies have survived to control South Africa's toll roads since the Government embarked on privatisation.

Toll Highway Development Company (Tollway), which consists of LTA, Concor, Basil Read, Grinaker, Finansbank and Standard Merchant Bank, has been given the Krugersdorp to Springs contract.

Tollroad Concessionaries (Tolcon) which is made up Group Five, Murray and Roberts, Grinaker, Kieve Steyn, Senbank and Sanlam has been given an agreement to toll the N3 from Alberton to Cedara (near Hilton Road) and the N1 from just south of Uncle Charlies to Kroonstad.

Toll concessions are for a 25-year period initially but with the option of renewing by purchase for a further 25 years. Ownership remains with the state, says the Department of Transport (DOT).

All the toll roads offer alternative routes. Some of them are the old roads used before the highway was built. The maximum toll tariff for the route is governed by a fixed formula.

Tolcon says the existing roads make up only 35 percent of the total toll road.

Hauliers grumble as Government counts blessings

A motorist travelling to Durban from Johannesburg in 1995 could stop at about five toll plazas. . . and pay up to an additional R30 for using the toll roads. Is this the scenario toll roads paint? PAULA FRAY investigated.

And if motorists are paying to drive on these existing roads?

The DOT has already said it was not "iniquitous" for motorists to pay for existing sections of the freeway as these were upgraded and new sections added.

The advantages seen by the state in privatising the roads are numerous and includes "the State not having to find the money to build and maintain roads; urgently required improvements will be provided earlier than otherwise possible, and as Government does not

have to finance these projects, a reduction in income tax levels can be expected", a spokesman for DOT said.

Although toll roads seemed to be the ideal way to solve the country's need for new and better maintained roads the possibility exists that the public could be tolled for the use of roads it had already paid for.

The Transport Consultative Committee (TCC) which comprises major employer organisations including Assocom has come out against tolls on existing roads.

The Automobile Association (AA), initially against the toll road system, then came out with qualified support — supporting the principle of toll roads but according to a set of criteria.

According to Mrs Iona Reed, assistant general manager, public affairs, they believe that as far as possible only new projects should be developed as toll roads. They are, however, questioning whether the criteria set down are being met in the case of the N13 particularly.

However, those hardest hit are road hauliers who are now facing three-pronged "punishment" for the damage their heavy vehicles allegedly cause to the roads: their licensing fees recently went up by 300 percent, they pay a much higher fee to use the toll roads and they use a lot of petrol on which there is a government levy.

Road hauliers claimed they were "being held to ransom by the Government's toll road policy" which would force them to pay for roads to which they had already contributed millions.

"We are against toll roads," said Mr Phil Erasmus, chairman of the Public Carriers' Association (PCA) which represents about 400 private hauliers.

"We have already paid our dues for the roads already built. It is an absolutely appalling situation now that the licence fees have gone up as well. We estimate the government will get between R600 million to

toll is tax-deductible for commercial users.

Work has also started on a toll plaza on the outskirts of Mooi River. Local Nottingham residents not only face paying tolls on a daily basis but also increased traffic on the alternative road in their town.

The residents are complaining that the Government has ignored them after they collected 1 000 signatures asking the Government to look at the state of an alternative road through Nottingham.

They are concerned that the winding road is unsuitable for heavy vehicles and they fear for schoolchildren who walk along the road. Some residents travel both ways between Mooi River and Maritzburg to work each day, and they too will have to pay R6,50 each way to use the 55 km long concrete highway which is 16 km shorter than the alternative route.

The toll road between the Vanderbijlpark interchange and Kroonstad is said to have cut the travelling time between Bloemfontein and Johannesburg by 30 minutes.

The prices are R8 for light vehicles and motorcycles; R10 for light vehicles with more than 2 axles; two-axled heavy vehicles pay R13; three and four-axled vehicles pay R15; five and six-axle vehicles pay R18 while heavy vehicles with seven and more axles pay R21.

1000 million in licence fees. My fees alone have gone up to R3 million a year," he said.

"They say the reason for the extra fees is the damage trucks cause to the roads. Only 16 percent of the truckers are overloading, the rest are within the law. Why don't they punish those few?"

Mr Erasmus said they were unhappy about the tolling of existing roads. If roads were tolled, there had to be a reasonable alternative, he added.

NRSC report blames Sabta for 218 road deaths, 5 679 injuries

By STAN MHLONGO

THE South African Black Taxi Association was responsible for claiming 218 lives and causing 5 679 injuries on South African roads last year, according to the National Road Safety Council.

This figure is out of a total of 36 000 road accidents on SA roads last year.

However, Sabta president James Ngcoya believes the number of road accidents the NRSC alleges Sabta members committed, may be exaggerated.

Ngcoya said his organisation was aware of the importance of road safety and has established disciplinary committees to deal

with reckless drivers.

He said Sabta has joined the AA in a campaign to fight road accidents and has poured thousands of rands in the past year into safety education.

The NRSC claims comes as the giant black taxi organisation continues to grow and is to extend beyond South Africa's borders.

Ngcoya said he was delighted by the recognition of Sabta by the government last year.

"It was a remarkable achievement for Sabta to become a recognised mouthpiece for black taxi operators," said Ngcoya.

332 C/Doc 7/8/88
The continuing growth of Sabta is believed to have changed the face of township travel.

It could not be disputed, said Sabta critics, that the NRSC statistics on the accidents attributed to Sabta were correct and that the growth of Sabta had also brought mayhem and chaos to the roads.

A Sabta official in Pretoria confirmed a recent report that its fleet consumed 800-million litres of fuel and 3,5-million litres of oil a year and contributed R800-million annually to the SA economy.

Sabta, established in 1979, has 60 000 taxis operating on the roads countrywide.

Big business won't help, complain taxis

THE Southern African Black Taxi Association has slammed big business for its failure to support black business, following unsuccessful attempts by the taxi drivers to raise sponsorship for all of their projects.

But at least one South African big business fund has said Sabta is not a charity but a commercial organisation and has refused sponsorship for that reason.

Sabta's national organiser, James Chapman, says the association sought sponsorship for three campaigns and two trusts but the response from big companies, including the giant Anglo American Corporation, has not been positive.

Two campaigns — the Driver of the Year competition and an anti-accident campaign — had received some sponsorship but, said Chapman, the grants were too low.

The chairman of the Anglo American De Beers Chairman's Fund, Michael O'Dowd, confirmed that Sabta had approached them for sponsorship. "The idea which was discussed with us was to sponsor a publicity campaign to promote road safety," he said.

"But when we saw the details of the campaign we discovered that it was an advertising campaign for Sabta and that is simply something the Chairman's Fund cannot fund."

Sabta is also seeking sponsorship to bring members together from all over the region for an annual general meet-

BY MZIMKULU MALUNGA

ing. The group has members in Botswana, Lesotho and Swaziland as well as in South Africa.

The trusts are the Black Transport Development Trust and the Sabta Bridge Trust.

Chapman said Sabta had received sponsorship from Shell, Nissan, Checkers and the National Road Safety Council for their Driver of the Year competition. Sponsorship, he said, ranged from R10 000 to R20 000.

Shell had donated R50 000 to the anti-accident campaign but no other company had responded positively. He said Shell was also helping the association with a sponsorship amounting to R300 000 per year.

He said neither the government nor the private sector had shown much interest in the anti-accident campaign because the majority of people dying on the road were black.

"I believe that if they were white, the government and the private sector would be competing with each other to do something about it. Then money would not be an object. But because they are black the only interesting thing is their total disinterest."

He said out of Sabta's total budget, "we have received four percent sponsorship and that comes from a small group of South African companies". Those who have shown interest in sponsoring Sabta's campaigns are

motor industry and fuel companies such as Goodyear, Nissan, Firestone and Sasol, Chapman said.

The Sabta adviser said if the private sector were serious about redressing the imbalance between black and white business, they would support black business associations "generously with money, manpower and infrastructure but unfortunately it seems as if big business in South Africa is more interested in maintaining the status quo".

Chapman said there was talk of big business sponsoring small business, "but this does not mean money". He said giant companies "thought that Sabta was big enough to carry itself. Black business will need sponsorship to make up the years lost by unfair legislation."

"Unless white business wakes up to the fact that black business is impoverished and does something about it, then black business is going nowhere," he said. If black business could "get together it can use its power to negotiate for its growth".

The senior manager of public affairs of the Small Business Development Corporation, Johan Naude, said the taxi industry was one of the "biggest black success stories" but was suffering "negative publicity in the way which accidents involving minibus taxis has been highlighted". He said "It would be in the interest of the taxi industry if the programmes which Sabta is considering are implemented effectively."

352 W/Mail 22-28/7/88

Taxi war: court to decide today

By SIBUSISO MABASO

THE outcome of an urgent application to restrain Bara City Taxi Association members from assaulting or preventing Johannesburg Taxi Association members from using various taxi ranks is due to be handed down in the Rand Supreme Court today.

The hearing was earlier postponed by Judge Flemming after an opposing application was submitted to the court by the respondents' legal team.

The respondents are Bara City Taxi Association chairman Joshua Simelane and executive member Jabu Nkosi.

The applicant asked the court to declare both Simelane and Nkosi in contempt of a February order granted by the Supreme Court.

Judge Flemming said it was not possible for the court to put the "whole association in jail". He pointed out that according to papers before the court, Nkosi was alleged to have been involved in previous fighting between the two groups.

Before he postponed the case, the judge said it would be difficult for him to fine or jail the association as it was not yet clear who did what, where and why.

According to court documents, members of the Bara City Taxi Association allegedly barricaded routes traditionally used by members of the Johannesburg Taxi Association, maliciously damaged JTA vehicles and assaulted or molested members. The association's members were also accused of preventing commuters from boarding JTA taxis.

Outcry over tollroads puts spotlight on privatisation

CONTROVERSY surrounding the new private tollroads has raised questions about government's whole privatisation campaign, but the Privatisation Ministry and business leaders say they are not alarmed.

The Transport Department's plans to place much of the national road system in private hands and permit toll plazas — like the one opened by Tolcon this month on the N3 to Durban or the one Tollway intends for the N13 in southern Johannesburg — have drawn criticism and legal threats from MPs, Johannesburg councillors and the Automobile Association.

Fuel levy

Given the shortage of funds for road-building, most agree on the merits of privatised tollroads.

The debate, however, stems from government's indirect subsidy to private road-builders — indirect, because it has allowed them to finance their construction by tolling existing roads like the N13. These are roads already paid for through the 24c/litre fuel levy motorists contribute to the National Road Fund.

"The Transport Department is handing out existing roads to private companies to help them raise capital," says Johannesburg Transport Consultative Committee vice-chairman Pat Corbin.

That may be the lesser of two evils. "We either put up cash subsidies or use existing roads to finance new ones," explains Transport director-general Ronnie Meyer.

"That is not privatisation at all," responds Corbin. "If companies are not prepared to take on a venture without subsidies, then the state shouldn't privatise it."

CHRISTOPHER TUCHER

Is the private sector incapable of operating state enterprises for profit? Will the tollroad controversy sour public opinion and set a bad precedent for future privatisations?

Privatisation forms an important pillar of government's economic policy. The Free Enterprise Foundation predicts the campaign will raise R300bn for government coffers.

"The national roads are an obvious first candidate for privatisation," says Ronnie Bethlehem, JCI economist and a leading exponent of privatisation.

"They are easy to administer. Their upkeep is assured, because the toll plaza brings the provider of a service into direct contact with his customer."

The challenge is to attract private investment to an unproven enterprise. "The tollroad concept is untested, so it will first be necessary to create investor confidence," says Finansbank MD Hennie van der Merwe.

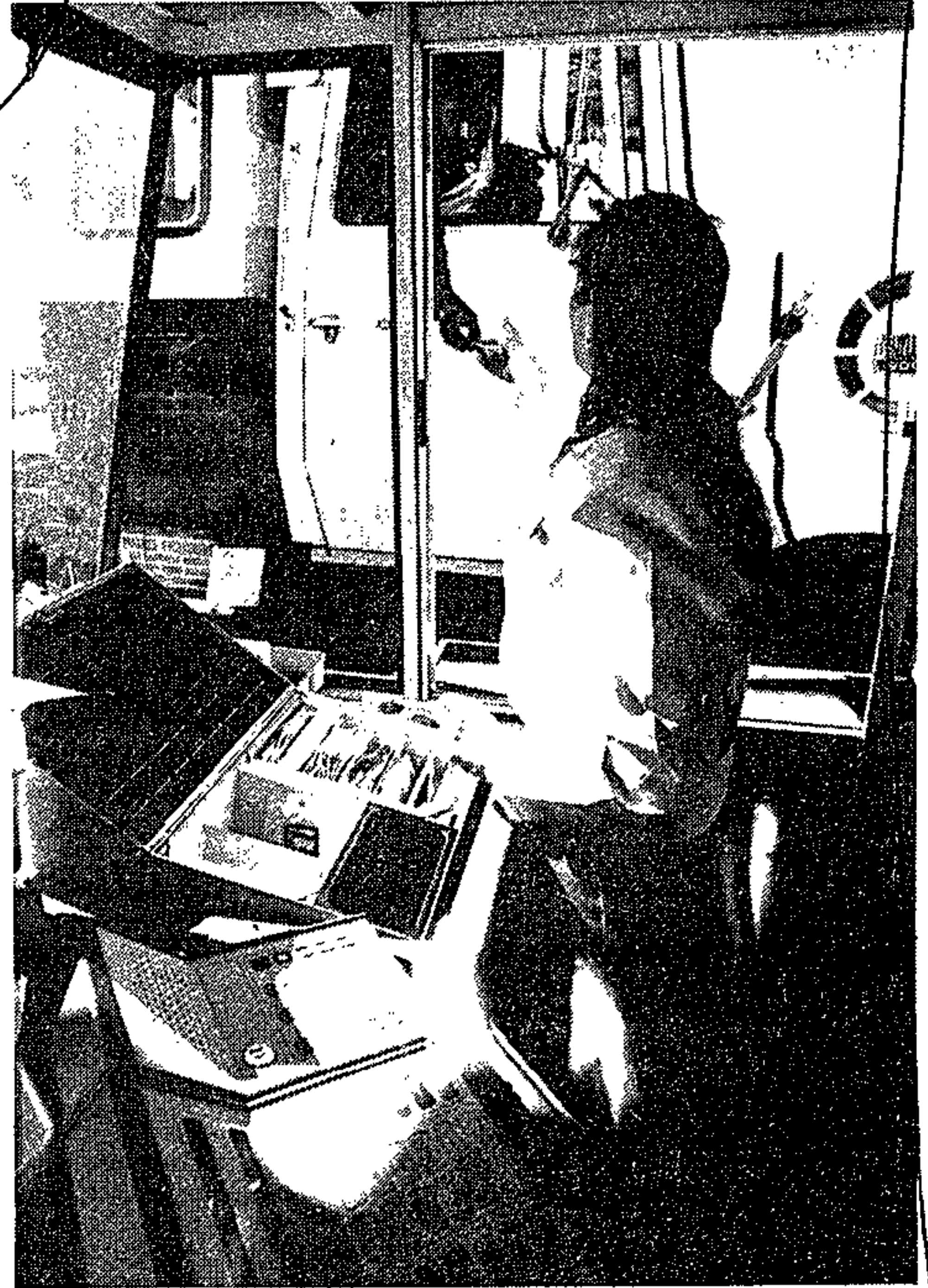
"Kilometre for kilometre, no road in SA has the traffic density to be economically viable, and we have said this to government all along," says Tolcon CE Ron McLennan.

Proposition

He thinks traffic levels on roads like the N3 must double before a private tollroad becomes an attractive proposition.

"Our 25-year traffic assumptions will determine the success of the venture," says McLennan. "That makes it very risky and unattractive to investors. Tollroads are no easy way to make money."

Tollway CE Horst Kohlberg, embroiled in the dispute over the N13, says the issue is the timing of



Paying for privatisation

cash-flow. Tollway's M4, planned for southern Johannesburg, will not begin generating toll revenue until its completion in eight years.

"If government wants to go to market with the roads, it must prove they are viable," he says.

Bridging

The tolling of existing roads to finance new ones, McLennan thinks, is "an elegant solution".

Van der Merwe also believes it is incumbent on the state to prove the attractiveness of a privatised venture.

"In any sector, there is a necessary bridging phase in which economic viability must be established. In other areas, this may take the form of higher rates. At least such a temporary subsidy is borne by the user, not the taxpayer."

The "elegant solution" found for the tollroads may set a precedent for co-operation between the public and private sectors in future privatisations.

"Privatisation can never be a

complete sell-off to private enterprise," says Meyer. "In most models throughout the world, privatisation takes the form of joint participation. Government remains as a minor shareholder."

The key to success of the privatisation campaign may lie in the "marketing".

A major grievance of the Johannesburg council, for instance, has been the inadequate way in which government informed and involved the city in the tollroad planning.

Lesson

For Peter van Huysteen, consultant in the Privatisation Ministry, the debate shows the importance of educating the public about privatisation. Better public relation could have averted several misperceptions.

The final lesson Van Huysteen draws from the tollroad debate is the importance of a long-term perspective. "We have to be careful not to shoot things down prematurely."

He leaves his wife, Xandra, and three sons.

calls in the first six months of this year, according to a Mozambican frontier guards' spokesman.

Swiftsure provisionally liquidated (332)

CAPE TOWN — Swiftsure, the high-profile company which claimed it would turn Cape Town into a luxury yacht-building mecca, has been provisionally liquidated — with debts totalling R1,5 million.

Mr Acting Justice Douglas Scott of the Cape Town Supreme Court granted the provisional liquidation order late on Friday to the managing director of Murray and Roberts Properties South, Mr Robert Pomario, for unpaid rent and outstanding accounts worth R35 175.

Contacted about weekend reports that Swiftsure sports sponsorships and other deals totalling R8,5 million had been cancelled or were in the balance, co-director Mr Edmund "Fingers" van der Merwe admitted to debts of "perhaps R1,5 million, no more".

Mr Pomario said in papers that in spite of his company having issued court summonses, Swiftsure had still not paid more than R34 000 in rentals for the past two months for leasing the Island Centre building in Paarden Eiland. Swiftsure had also run up an outstanding electricity account of R952,25.

He said in papers that the "jet set" yachts were first touted amid much fanfare in the media last year

by "international financier" Mr James Edmund van der Merwe junior.

Mr Pomario said he did not know whether this money had been raised but submitted that it was of concern that public money may have been dissipated.

The matter cried out for investigation by a provisional liquidator, he said.

Mr Alan Rennie of Syfrets Trust, Cape Town, has been appointed provisional liquidator.

Contacted at his Paarl home last night Mr "Fingers" van der Merwe described as ridiculous weekend reports that Swiftsure deals worth R8,5 million had been cancelled.

Several contracts specified in the report had never existed, he said.

"We'll definitely have it all turned around by the end of the week," he said, adding that several major local businesses, which he declined to specify, would be injecting cash into the business so local debts could be paid.

He said confirmed orders for yachts totalled R22 million, not R70 million as reported. — Sapa.

Beer-loaders stop work

Labour Reporter

ARGUS 17/8/88 (332) (332) (332)
ABOUT 30 labourers at the South African Breweries depot at Bellville have stopped work over employment conditions.

They are employed by drivers contracted to SAB for deliveries under a scheme in which the company helps the drivers to become small businessmen.

After a specified period the drivers get ownership of the trucks.

WORKING AS CASUALS

Workers said they had been promised permanent employment, but had been working since October 1987 as casuals and paid R25 a day with no benefits or overtime.

They stopped work on Monday in protest at this and other working conditions and, though not members, consulted the Food and Allied Workers' Union.

Union officials were understood to have approached the breweries.

332

AA bid for higher speed limit slammed

Staff Reporter

AN Automobile Association call for higher speed limits on some roads yesterday drew a strong reaction from a leading trauma expert, who said speed was a major aggravating factor in road injuries and deaths.

Dr Johan van der Spuy, head of trauma research at the Medical Research Council, said he felt "strongly negative" about an AA suggestion that the speed limit on toll roads in Natal be increased beyond 120km/h.

"Whatever the cause of an accident, speed undoubtedly amplifies its effects," he said.

Dr Van der Spuy — former head of the Groote Schuur Hospital trauma unit — was commenting on remarks by AA chief executive Mr Peter Elliot, who said that an AA survey on speed limits could be a strong factor in urging for an increase beyond 120km/h on some roads.

Mr Elliot said yesterday at a press conference in Durban that it was "undeniably ridiculous" to travel at 120km/h along the new "superways" — which were of international standards

— while the limit on secondary roads stayed at 120km/h.

Accidents had virtually been eliminated on toll roads because of the high standards, he added.

Dr Van der Spuy, however, said it was "largely inappropriate" to compare South African road conditions with international standards, since local drivers were "far less sophisticated" than, for example, their German counterparts.

Noting that in May this year the maximum speed limit on American roads was 90km/h, he said there was an increase in risk as speed increased.

"Though speed itself is a minimal cause of accidents, high speed is irrefutably associated with causal factors such as alcohol abuse, errors of judgment, aggression and an inadequate following distance," he said.

High speeds were also a major contributing factor to the pedestrian death toll, which represented almost 50% of all road deaths.

City assistant traffic chief Mr Jan Minnie said yesterday that it was highly unlikely that municipal speed limits would be increased.

cramped trains and jammed intersections. Is anything being done to make life more comfortable? Now read on ...

And as the Foreshore becomes more built up, much of the relatively cheap council-owned parking there will disappear.

There is nothing to stop private enterprise from providing all-day parking, but with prices around R8 a day, or R140 a month, this is beyond the reach of most drivers.

The converse of this policy is that the council encourages parking at what it calls "transport interchanges" — stations, bus terminals and taxi ranks. It also encourages short-term parking, hence the recent rash of pay-and-display areas, because the users of short-term parking are usually shoppers or people visiting commercial businesses, and this keeps the money flowing around town.

ANOTHER way to encourage public transport is to improve the service. "We have to make sure it is provided or the city's economy will suffer," says Mr Speed.

"I am opposed to aspects of deregulation when it comes to transport. It has to be accepted that public transport may have to be run partly at a loss, because the overall economy of the city must be the priority."

He uses the analogy of lifts in a building. The lifts themselves do not generate money, but make it easier for the com-

structure takes a long time to implement, and urbanisation is happening so fast we're being overtaken.

"I worry that we may not be investing our money in the areas most urgently requiring it. We need the staff to identify the priorities."

LIFE would be made simpler for Cape Town's transport planners — and, it is hoped, Cape Town's transport users — if there were a Metropolitan Transport Authority, one central controlling board which could deal with overall planning and co-ordinate public transport.

The transport planners would like such a board to be representative of all the local authorities in the region and be provided with legal teeth. They are hoping this ideal will be made possible by the proposed passenger transport bill which enables the Administrator to set up regional passenger transport authorities.

"An authority like this could look at transport planners' data on where people need to go, and work out the safest, quickest, cheapest way to get there, so there would not be a waste of resources," said Mr Speed.

"For instance, the railways are interested in people only once they are boarding a train, but an authority with an overview could decide how best those passengers were going to get to the station, where they would park their cars, leave their bicycles, where buses and taxis could stop, and so on.

"There are fine people in the railways and at City Tramways, I'm not knocking them. What I would like to see, though, is an organisation taking an overview of all transport, with some of those fine people on it, looking to Cape Town's needs.

"Then perhaps we could have a better system than we have now."

panies in the building to conduct their business. So the lifts are a worthwhile investment.

There must be buses and trains at unpopular hours as well as peak hours, catering to perhaps just a handful of users. Security must also be improved.

Expansion of the rail network is planned, with a rail link between Mitchell's Plain, Khayelitsha and Blue Downs rejoining the mainline at Kuil's River. This line will be sunk to run through a cut, with stations at ground level and roads running across bridges above it. A mathematical model has indicated that eventually 60 000 people will use this line daily in each direction.

The two transport planners dismissed the idea of an underground railway system, similar to London's Tube or the New York subway, as unnecessary and unfeasible. Underground railways were needed when you were building across established areas, while new rail links in the Cape Town area were across land only now being developed. Another problem was the terrain: sandy with a high water table.

What was needed was a form of transport to fill the gap between the bus service, which could bring about 5 000 people

SINCE 1980, the commuter picture in Cape Town has changed, although the actual numbers of people travelling to or through the central business district (CBD) in the peak hours every day have increased by about six percent — 98 500 in 1980, 105 000 last year, according to the council's annual commuter study.

But how they travel has changed sharply — more and more people are coming to work by car. In 1980, 49 000 people drove to town, 11 500 came in by bus and 38 000 came in by train.

But in 1987, 64 500 drove in, only 6 000 travelled by bus and 35 000 by train. And of the 15 000 new car commuters, about 10 500 were black and coloured people. But not all were in private cars — last year's survey counted combi-taxis as cars.

So use of buses and trains dropped, with about 3 000 fewer people catching trains (or an eight percent drop), 5 500 fewer catching buses (a whopping 48 percent drop) and 15 000 more travelling in by car and combi-taxi, an increase of 30 percent on the 1980 figure.

All of which means that the council's principal transport aim — "public transport must be the prime mover of people in the metropolitan area" — is "failing dismally", in the words of Mr Ivan Speed, the aptly named director of Metropolitan Transport Planning.

■ **SO what are they doing about that?**

Well, the bad news for drivers is that one of the main ways of discouraging use of private cars is to make all-day parking as difficult as possible. So the council policy is that it will not provide any further all-day parking areas in the CBD.

TRAFFIC JA



YOU'RE sitting in your car on the freeway and no-one's going anywhere because there's some bottleneck up ahead, and you think, Hey! This isn't good enough.

Or you're crammed into a rush-hour train, or waiting for a bus in the rain, or driving round town on a Saturday morning looking for parking and shout: Why ?\$%\$?● don't they %\$%\$?● do something about ALL this?"

Well, they're trying.

Take the freeways.

Cape Town's transport planners are about to commission a study to find out our roads' volume-capacity ratio — that is, how busy are the roads now and can they take more traffic?

The study will start with the freeways, and a first report is expected within six months. The report will then be used to work out a management policy. For instance, it might be decided to do nothing to ease a particular bottleneck because it acts as a brake on the traffic at a place where public transport is easily available.

The study should also provide information about potential problems, for instance, the "drowned bottleneck syndrome". Coming from town, the Hospital Bend weave (where De Waal Drive and Eastern Boulevard join) might not be a bottleneck at all if the congestion at the difficult Main Road-Settler's Way-Liesbeeck Parkway ramps were eased.

And Hospital Bend heading towards town might be clear now, but it could turn into a bottleneck if the flow of traffic heading up Settler's Way increased dramatically.

"We don't want to just move the problems around," says Ron Haiden, principal transport engineer/planner. "We have to strike a balance, strive for reasonably consistent levels of service."

IN 1980 the City Council adopted a five-year Metropolitan Transport Plan which covered the Cape Peninsula from just south of Melkbos to Swartklip on False Bay, and included Bellville, Brackenfell, Cape Town, Durbanville, Fish Hoek, Goodwood, Kraaifontein, Kuils River, Milnerton, Parow, Pinelands, Simon's Town as well as parts of the Western Cape Regional Services Council area.

It was decided that each year the plan would be reviewed and revised to transform it into a new five-year plan, so the next one would be 1981-1986, 1982-1987 and so on.

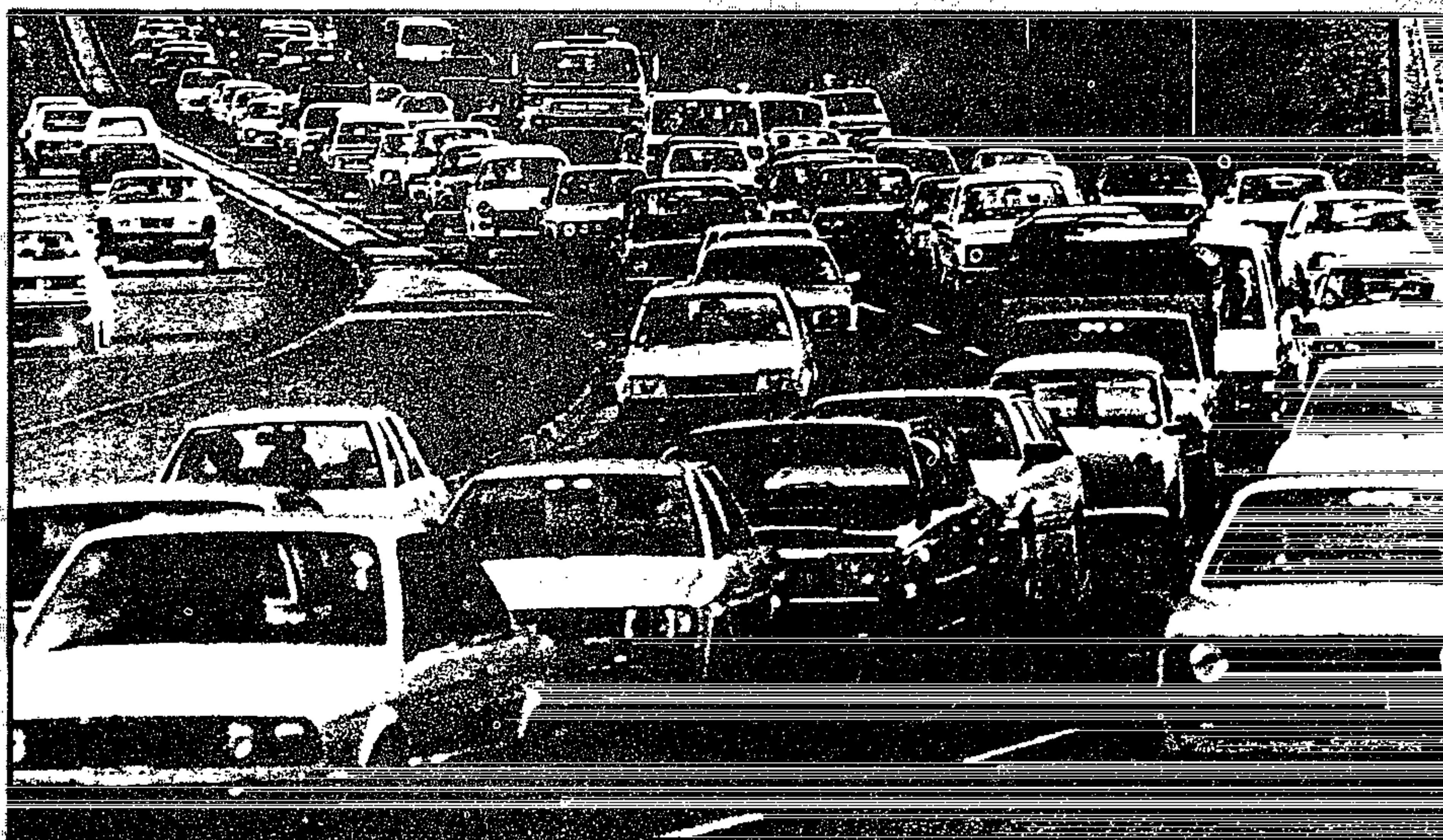
According to the thinking at the time, this "rolling plan process ensures that policies and projects are kept under review to meet the rapidly changing technologies, socio-economic conditions and the fuel availability/price position.

"In these days of rapid change it would be unwise to work on a fixed 20 or 25-year long-term plan as in the past. The proposed process, therefore, while not making it impossible to achieve long-term aims, does ensure that the necessary flexibility is achieved."

20/08/88

332

WELCOME TO THE DROWNED BOTTLENECK SYNDROME



THE city council's main transport aim — that public transport should be the prime mover of people — is "failing dismally". Meanwhile harassed commuters complain about crowded freeways,

MS



332

WEEKEND
ARGUS
SPECIAL
REPORT

by VIVIEN HORLER

into the city in the peak hours, and the railways, which carried about 50 000 people a line.

Mr Haiden referred to "light rail" transport, which could include mono-rail trains, trams or specially built railway coaches which could be linked into shorter trains than the standard eight and 14-coach suburban trains and run more frequently.

All of which does not mean road users are going to be ignored. For a start, many road users are also public transport passengers — the council sees combi-taxis as part of the public transport system — and there are plans for special bus and taxi lanes on certain roads, for example on Klipfontein Road between Duinefonten Road and Jan Smuts Drive in Athlone. The shoulder will be converted into a bus and possibly a taxi lane between Jan Smuts Drive and Milner Road.

CAPE Town's roads are the most congested in the country after Johannesburg, and some local congestion is "horrendous", according to Mr Haiden.

■ **SOME** of the worst spots include the infamous Koeberg interchange at Section Street, Paarden Eiland, the junction where the Kromboom Freeway joins the Black River Parkway and Settler's Way, the junction of Voortrekker Road and Vanguard Drive ("Consultants are working on a final design for that interchange that will take Vanguard Drive over Voortrekker Road"), and the freeway junction at Bosmansdam Road near Montagu Gardens.

But the local authorities are working on the roads, and the list of current projects in the 1987-88 amendment to the Transport Plan runs to 10 pages.

The city's transport planners face certain problems, however. In his office with its magnificent view of Devil's Peak, Table Mountain, and, appropriately, an impressive collection of freeways, cloverleaves, railway lines and parking areas, Mr Speed says: "Our biggest problem is to get qualified staff. There is a shortage of civil engineers and transport planners, and council salaries are poor compared with the private sector." He grins. "A beautiful view counts for only a few thousand rands — I don't have time to look at it."

Mr Haiden said: "So often it seems we are not leading the planning process but lagging behind, losing opportunities to influence development. Of course you can't always lead with the transport supply, you have to respond to demand."

"But we need to anticipate demand. The road and rail infra-

For fifth successive year . . .

Trencor hits record profits

CAR Tires
23/8/88

By AUDREY D'ANGELO
Financial Editor

C A P E
T O W N -
based Tren-
cor, the
transport,
tyre and
manufac-
turing com-
pany which
did well
even in the
recession,
has
achieved
record
profits for
the fifth
successive
year.

Turnover
for the year
to June 30
is up by 29%
to R514m,

and attributable income has risen by
an impressive 64% to R36m (R22m).

Earnings rose to 253,7c (154,3c) a
share and the final dividend is 40c
(22c) a share. This makes a total of 50c
(30c) for the year, an increase of 67%,
with the cover an unchanged 5,1 times.

Chairman Neil Jowell, whose com-
ments are always cautious, said that
what he had identified a year ago as "a
modest upturn" in the economy had
proved much stronger.

And although he warned that do-
mestic prospects were uncertain he
said that the international container



Neil Jowell

market, which made a larger contribu-
tion than expected to export earnings,
"is expected to remain buoyant in the
year ahead".

Jowell said that although the divi-
dend cover remained high "the board
feels it is appropriate bearing in mind
the large increase in dividend this
year and the stage we are at in the
business cycle."

He said the ratio of interest bearing
debt to equity had increased to 33%
from 24% the previous year, largely as
a result of increased working capital
requirements and expenditure on
fixed assets. But it was nevertheless at
a satisfactory level.

"Our strong financial position will
enable us to capitalize on growth op-
portunities likely to occur in the pre-
sent financial year."

● Mobile, which owns 48% of Tren-
cor, has also achieved record results.

The directors say its 74% subsidiary
Mobile Acceptances, which is engaged
in financial and leasing activities,
"had a good year in the face of strong
competition".

Mobile lifted pre-tax income to
R4,7m (R3,3m) and after-tax income to
R4,1m (R2,8m).

Its share of Trencor profits rose to
R14m (R8,5m) and attributable income
to shareholders was R17,9m (R11,1m).

The final dividend was 11,40c (6,70c)
a share, making a total of 13,75c (8,57c)
with a slightly higher cover of 4,6
times (4,5 times).

New trend in property development Closing gold

Putco bus fares go up from October 1

PUTCO is increasing its fares in the PWV area from October 1 from a minimum of five cents a single trip to a maximum of R2,20 a 10-trip ticket.

Putco's public relations manager, RK Duff, said in Johannesburg that initially Putco had hoped to stave off further fare increases until December this year, but had now been forced by rising fuel costs and licence fees "to undertake an immediate and urgent review of its fare structures".

"The original application to the Department of

Transport for a fare increase from December 1988 has had to be brought forward to October 1, 1988. Approval has now been received for us to introduce new fares from this date for Putco's services in the PWV area.

"We have battled to avoid the necessity to increase our bus fares and since December 1987 have been able to maintain our current fares, and in fact we are one of the few organisations in South Africa that passed on the last fuel decrease to our commuters," Duff said.

Sapa

332

SUNDAY TIMES, Business Times, September 25, 1988

5

By Roger Makings

COMAIR and Air Cape have joined forces in the race for authority to operate a scheduled Bloemfontein-Kimberley-Port Elizabeth service.

The airlines, the two main contenders among several private companies applying to the National Transport Commission for the route, say they have decided on a joint operation.

Comair, Air Cape in joint route bid

Air Cape operates services to Port Elizabeth from Cape Town. The airline has applied to extend them from Port Elizabeth to Kimberley and Bloemfontein. This application will be

supported by Comair. Comair, however, will shortly introduce a scheduled service from Durban to Bloemfontein. It will connect with the proposed Air Cape service to Kimber-

ley and Port Elizabeth — giving Durban travellers access to Kimberley. Pieter van Hoven, managing director of Comair, and P J van Aswegen, chairman of Air Cape, say that

in order not to complicate the hearing before the NTC, Comair will withdraw its application for the route and support Air Cape.

The two carriers are confident that satisfactory terms will be negotiated with SA Airways and that the services will be introduced as soon as the formalities have been met.

The joint operation, for which authority will be shared, will begin with Convair CV580 turbo-prop aircraft each seating 48 passengers.

26/8/88 232 B Pay

Bus, taxi men meet head on

SABTA, the black taxi association, had no reason to expect the same subsidies as bus companies because mini-taxis could raise fares, Putco PRO Robin Duff said yesterday.

He was reacting to a report that Sabta national adviser James Chapman had found it disconcerting government was increasing bus subsidies by R100m.

"It is our opinion that the Kombi fare should be 25% higher than the bus cash fare and that their upper-income, white-collar patrons can well afford and will be willing to pay this rate," he said, explaining that it reflected the quality of service offered by the taxi operator.

"If Chapman wants to help Sabta members he must address the problems

THEO RAWANA

of product costing, cash-flow and replacement financing," Duff said.

Duff said the bus sector was concerned at the position of public passenger transport operators and believed that the two sectors should co-operate to ensure travellers got the best possible service.

Chapman replied that, if what the bus industry said were true, why was it against changing the system to let passengers get the subsidy and decide what mode of transport to use?

"As it is now he does not have a choice. The mode of transport to use is chosen for him," he said.

Sabta's R88-m plan ³³² to improve its lot

THE South African Black Taxi Association's (Sabta) tenth annual general meeting over two days at Sun City last week, had one cardinal message for the more than 3 000 delegates: "the black taxi operator of today must become the black transport businessman of the 1990s."

In line with this idea, was the announcement of a ten-year strategic plan to improve standards of taxi operation and to develop skills which will enable the taxi business to move from the

By ALI MPHAKI

informal sector to the semi-formal sector. The plan will cost R88 million.

Though the black taxi operation has been an undoubted success story — the industry is worth R1 000 million and runs 100 000 vehicles — it became clear at the meeting that its problems are growing.

Chief among these is the Government's intention to deregulate the passenger transport industry. Sabta's president, Mr James Ngcoya

in his presidential address put it this way:

"We are suspicious of the Government's plan to deregulate the passenger transport industry. The taxi business has made itself into a success by its own efforts against a bus industry which gets no less than R470 million a year in Government subsidies.

"As the Government cannot control the taxi industry, it wants to give the subsidised bus companies the chance to get

into the taxi business using Government subsidy to do so.

"Until the black taxi operator has been given the education and training needed to compete in this new situation, Sabta cannot sell the industry down the river by agreeing to deregulation," he said.

The theme of the two-day meeting: "Unity in Purpose; Taking the Taxi to the year 2000", saw Sabta resolving to strengthen its relations with community based organisations and the community at large.

It was also no wonder that the issue of black economic empowerment featured prominently in the deliberations.

Sabta has more than 40 000 members — although the majority is semi-literate or illiterate — the delegates appreciated the hurdles lying ahead in their way towards becoming an enterprising outfit.

The delegates also noted that despite having gathered enough knowledge about taxi business in the past years, an unstable relationship prevails between them and the passengers, who are the life blood of the industry.

The delegates were told to take a critical look at their relationship with others, not forgetting that they are taking the taxi industry to the year 2000.

Addressing the meeting Mr Aggrey Klaaste, editor of the *Sowetan*, said:

"We have made mistakes, political and otherwise in the past. But you are a fact of life, indeed a powerful fact of life. So you will perhaps have to move out of the protective skirts of white leadership, as some people assume the State's protection. You will have to be reckoned with as time moves on."



SABTA president Mr James Ngcoya.

Putco bus fares to go up by 20 percent

Pretoria Bureau

Putco bus fares are to rise by an average of about 20 percent next Saturday.

Although Putco was unable to give the overall extent of the increases, a study of random fares supplied by a spokesman for the company showed increases of between 15 and 30 percent on these routes.

Single cash fares on selected main routes are as follows:

EASTERN AREA.

Siluma View to Germiston: from R1,45 to R1,80.

Natalspruit to Faraday: from R1,45 to R1,70.

Vosloorus to Boksburg Industries: from R1,85 to R2,15.

WESTERN AREA.

Croesus station to Blackheath: from R1 to R1,20.

Ennerdale to City: from R2,75 to R3,50.

Naledi to City: from R2 to R2,60.

Ikwezi to Steeldale: from R1,85 to R2,30.

PRETORIA AREA.

Soshanguve BB to Iscor: from R3 to R3,50.

Soshanguve FW to Lynwood Ridge: from R1 to R1,20.

Atteridgeville to Suderland Ridge: from R1 to R1,20.

FORCED

Mamelodi West to the CBD: from R1,65 to R1,90.

A spokesman for Putco said the company had hoped to avoid further price increases this year but had "been forced by rising fuel costs and licence fees to undertake an immediate and urgent review of its fare structures".

He said no resistance to the fare increase had been noticed since it was announced several weeks ago.

provisions are summonses issued and (ii) what is the purport of the (aa) summonses and (bb) written notices so issued and (b) (i) who conducts the negotiations referred to in the above reply, (ii) what are the guidelines followed in such negotiations and (iii) who was responsible for the drafting of these guidelines?

proceedings and they may perform all functions relating to the exercise of such authority. The Honourable Member is also referred to my reply to Oral Question No 25 of 17 May 1988 in which the position of attorneys-general in this regard is set out.

The MINISTER OF JUSTICE:

Where the prosecution intends prosecuting an accused in respect of any offence the accused can, in terms of section 54 of the Criminal Procedure Act, 1977 (Act 51 of 1977), be summoned to secure his attendance in court. In this regard the Honourable Member is referred to the provisions of section 3(1) of the aforementioned Act in terms of which attorneys-general have the authority to prosecute any person in the name of the Republic in criminal

Group Areas Act: prosecutions

1473. Mr S S VAN DER MERWE asked the Minister of Justice:

(a) How many persons were prosecuted for contraventions in terms of the Group Areas Act during the period 1 January 1988 up to the latest specified date for which information is available and (b) (i) what was the outcome and (ii) which magisterial districts were involved, in each case?

The MINISTER OF JUSTICE:

(a) (Persons)	(b) (i) (Outcome)	(b) (ii) (Magisterial district)
1	R80 admission of guilt paid	Bloemfontein
1	Guilty. Sentenced to R200 or 60 days' imprisonment suspended for 3 years.	Randburg
2	Guilty. Cautioned and discharged.	Johannesburg
2	Pending	Roodepoot
2	Pending	Kemptonpark
2	Pending	Johannesburg
2	Pending	Johannesburg
3	Pending	Johannesburg
1	Pending	Pretoria
1	Pending	Benoni
1	Withdrawn	Boksburg
1	Withdrawn	Vereeniging
23		

The period for which the information is given, is from 1 January 1988 until 31 August 1988.

SAP: group areas investigations

1474. Mr S S VAN DER MERWE asked the Minister of Justice:

Whether any attorneys-general have provided members of the South African Police Force with documents, letters and/or guidelines for dealing with group areas investigations; if so, (a) when, (b) why, (c) what is the nature of these documents, letters and/or guidelines and (d) by which attorneys-general were they provided in each case?

The MINISTER OF JUSTICE:

The Honourable Member is referred to my reply to Oral Question No 25 of 17 May 1988.

Own Affairs:

Bus subsidies: amount paid

181. Mr C J DERBY-LEWIS asked the Minister of Education and Culture:

Whether any bus subsidies in respect of school

bus services in (a) the Transvaal, (b) the Orange Free State, (c) Natal and (d) the Cape Province were paid over by his Department over the latest specified 10-year period for which figures are available; if so, what amount in each province in each of these years?

The MINISTER OF EDUCATION AND CULTURE:

	(a) Transvaal	(b) OFS	(c) Natal	(d) Cape
1979	*	R682 000,00	R1 421 347,00	*
1980	R8 260 399,00	R881 000,00	R1 598 648,00	*
1981	R7 732 780,00	R1 000 000,00	R1 848 712,00	R2 727 302,00
1982	R8 992 144,00	R1 128 000,00	R2 035 985,00	R2 450 834,00
1983	R9 363 557,00	R1 388 000,00	R2 302 968,00	R2 809 352,00
1984	R11 159 962,00	R1 396 000,00	R2 444 023,00	R2 740 885,00
1985	R13 772 893,00	R1 376 000,00	R2 561 738,00	R3 166 924,00
1986	R17 813 043,00	R1 384 000,00	R3 137 477,00	R4 445 177,00
1987	R18 959 978,00	R1 414 000,00	R3 958 700,00	R4 931 109,00
1988	R19 321 421,00	R1 988 000,00	R5 274 528,00	R5 539 764,00

* The information is not readily available.

Sabta AGM booked at Sun City

By SIBUSISO MABASO

PROMINENT Soweto personality Dr Ellen Khuzwayo will be a guest speaker at the Southern African Black Taxi Association's annual general meeting at Sun City next month.

The meeting - expected to draw thousands of Sabta delegates - will also be addressed by the editor of the *Sowetan* newspaper, Aggrey Klaaste, president of the Black Management Forum, Don Mkhwanazi, and the Sabta president, James Ngcoya.

A Sabta spokesman said the meeting would focus on strides taken by Sabta since in its inception nine years ago.

It would also look at ways of improving taxi services throughout the country.

He said deregulation of the transport industry would also be spotlighted.

The issue of pirate taxis would also be examined, he said.

Brenda Fassie, will entertain the Sabta delegates and a Miss Sabta beauty contest will be held.

332

Pres

28/8/87

Black taxis could 'dial and ride' to Randburg's rescue

332

By Lloyd Coutts

The Randburg Town Council and the South African Black Taxi Association (Sabta) are holding discussions in an attempt to solve Randburg's public transport problem, which is expected to cost the council R1,9 million in the forthcoming financial year.

The town's projected transport deficit for the forthcoming financial year was R1,9 million and the current deficit R1,6 million, the chairman of the management committee, Mr Frans Lourens, said yesterday.

Last night the council approved a 7 percent increase in fares. The bus service is operated by the Johannesburg City Council.

Mr Lourens said the Randburg council had received an R800 000 transport subsidy from the Witwatersrand Regional Services Council and was hoping for a similar contribution next year.

After the meeting Mr Lourens said it was hoped the council and Sabta would reach an agreement which would be implemented within six months.

The taxi buses would hopefully operate on a "dial and ride" system where a commuter would telephone a driver

and ask to be picked up at a specific address. Sabta is negotiating a similar deal with the Sandton Town Council.

The council accepted in principle that informal trading in Randburg be expanded by the possible provision of hawking pitches at strategic points.

The town planner was requested to identify areas where street traders could be allowed to operate and the town secretary to submit a report dealing with all aspects of deregulation to stimulate the informal sector.

The measures would first be discussed with organised commerce before final decisions are taken.

The council resolved to thank the Randburg Foundation for its offer to operate an information office in offices provided by the council. However it could not assist with the running costs of the office.

A request to extend the activities of the Randburg Farmers' Market was denied. Councillors resolved that an informal meeting between members of the Mall Association, the Randburg Boeremark and council officials be arranged to discuss the issue.

Sabta to hold annual meeting

THE Southern African Black Taxi Association will hold its two-day annual general meeting at Sun City from September 20-21.

Reservation desks at the multi-million-rand hotel are buzzing with activity and accommodation is slowly filled to capacity by Sabta delegates.

There is no entrance fee and special rates have been offered by Sun City for a two-night package. The usual parking fee of R5 at the Sun City toll will be payable.

Reduced

Air fares have been negotiated at a reduced price by Sabta — who also secured reduced rates for outlying hotels.

The meeting opens with choir singing, followed by business intermixed with prizes worth hundreds of rands being presented to lucky winners.

A brand-new Nissan worth thousands of rands is to be won.

Guest speakers at the meeting are Dr Ellen Khuzwayo, Mr Don Mkhwanazi and Mr Aggrey Klaaste, editor of the *Sowetan*.

332

29/8/88 Sowetan

Long-distance taxi drivers organise

AN independent long-distance taxi association has been launched in Johannesburg.

In its first newsletter, SA Long Distance Taxi Association (Saldta) chairman P Rabali says the body aims to join together long-distance operators to facilitate taxi-ranks in Johannesburg and other centres. It will also act as a financing and

HELOISE HENNING

buying association for collective bargaining.

Saldta, which is not part of the SA Bus and Taxi Association, finalised its constitution in consultation with the CSIR and the National Transport Commission.

Training needed to raise standards

Sabta calls for R20m financing

THE SA Bus and Taxi Association (Sabta) has called on government to make available about R20m a year to educate taxi-owners to raise the standard of their business.

Sabta consultant executive Paul Browning says the money could be "lobbed off the annual bus subsidy account without pain". However, the bill could thereafter be borne by the big businesses that benefit from the taxi industry.

Disenchanted Sabta members are waiting for a sign from government that they are regarded as integral to the economy.

Browning argues that large bus companies have had the advantage of subsidies to keep their standards high by means of ongoing training of their operators and the ability to employ

HELOISE HENNING

highly qualified officials. The unsubsidised taxis have managed to rival the bus companies in a business that is said to have fixed investment of up to R3bn.

Sabta, which is now a decade old, believes it can take the lead in educating its members in terms of business standards. It represents 45 000 taxi-owners in the industry that is said to have 100 000 taxi-owners, employing 200 000 people.

Sabta is now poised to enter the "semi-formal" sector, moving toward an improved organisational structure and contributing more formally to the GDP, but it needs money for development, says Browning.

He says taxi standards have dropped drastically since 1987 when, amidst the mood for deregulation, permits were made freely available to any applicant.

Reports on Pope's visit 'inaccurate'

PRETORIA — Reports that the Southern African Catholic Bishops' Conference (SACBC) had advised the Pope not to visit SA were inaccurate, SACBC general secretary Jude Pieterse said yesterday.

Pieterse said the SACBC had ex-

tended an "ongoing invitation" for the Pope to visit SA, but that there had been a mutual agreement the present time was not right.

A visit by the Pope to SA during his tour of southern African states in September was, therefore, not on. — Sapa.

TAXI FARES GO UP

332

THE Thokoza Taxi Organisation yesterday decided to increase its fares by 15 cents and 20 cents per single trip on all its routes on the East Rand as from next month.

This was announced by TTO public relations

officer, Mr Paul Ngubeni, who also said they had decided to extend their routes on some areas.

The decisions were taken by more than 200 taxi operators at the organisation's annual general meeting held in

Alrode, near Alberton.

This means that commuters will now be expected to pay 70 cents and 90 cents from Thokoza to Alberton and Alrode. They previously paid 50 and 70 cents.

Sowetan

The local taxi fares will be raised from 35 cents to 50 cents per trip. The extended routes are from Thokoza to Verwoerdpark, Meyets and Brackenhurst.

Mr Ngubeni said they decided to raise fares because of the increase in the running costs of their vehicles.

48/88



Warring taxi groups in move to unite operation

By VUYO BAVUMA
Staff Reporter

A MOVE is underway to reconcile two warring taxi groups which control about 600 taxis plying the Peninsula.

The Western Province Black Taxi Association (WPBTA) and Western Cape Taxist Association (WCTA), have been holding talks to sort out their differences.

The WPBTA is an affiliate of the South African Black Taxi Association (Sabta).

Since early 1986 the taxi service has become popular with thousands of commuters but intense competition between the groups has resulted in violent clashes. Two people have been killed and several injured.

Unite taxi owners

WPBTA chairman Mr Lawrence Memani said: "We are trying hard to unite the taxi owners in our region. The residents would also like to see us operating as one organisation."

The president of the WCTA, Mr George Langalibalele, confirmed that his organisation was discussing unity with the WPBTA.

"Recently our members discussed the benefits of joining Sabta. Some were not even aware of Sabta's existence. But we are still examining the constitution and will make a decision soon."

Since deregulation, taxis have been able to operate between the townships and areas such as Bellville, Wynberg, Mowbray and the city.

They charge R1,20 a ride from Nyanga to Cape Town. The fare between Nyanga and Bellville is 70c.

Cleanliness

The condition of the minibus taxis varies. Some, dubbed "Zola Budds" and "Mary Deckers" are flashy. A modest taxi has a tape recorder which blares out pop music.

Cleanliness is important to most taxi owners. Some have



stickers warning commuters with greasy hair to "mind your perm I like my windows".

Others have stickers prohibiting eating or smoking.

The pirate taxis operate mostly in Nyanga and Khayelitsha, although they do use the same routes as the "legal" taxis.

An average taxi operates from 6am to about 10pm.

Reliable, fast

Commuters say they like using taxis because they are reliable and fast.

Miss Beatrice Mathe, who travels by taxi every day said: "I seldom get to work late because the taxi travels reasonably fast. It seldom stops and this saves a lot of time".

However, some commuters complained about overloading and ill-disciplined drivers.

"Although it is understandable that the taxi driver has to make a living, it is unacceptable to cram lots of people in a small combi. This becomes unbearable on hot days," said a

CITY BOUND: Cheerful passengers, above, pile into a taxi at Nyanga terminus for a trip to Cape Town.

TAXI TERMINUS: Scores of taxis, right, waiting for fares at the busy Nyanga terminus.

Nyanga woman who works in Bellville.

Another said: "We are paying fares and it's imperative that we must be comfortably seated."

Complaints

Both Mr Memani and Mr Langalibalele admitted that they had had many complaints from commuters about ill-disciplined drivers.

"We are trying our best to solve the problem," Mr Memani said.

Sabta was to set up a school for the taxi drivers in Johannesburg.

"Only drivers who obtain certificates from the school will be allowed to drive taxis," he said.



Mr Lawrence Memani, chairman of the Western Province Black Taxi Association.



Mr George Langalibalele, president of the Western Cape Black Taxi Association.



Kruger Park timeshare plan

The Argus Correspondent

JOHANNESBURG. — Members of the public can now build huts inside Kruger National Park and in Natal's rest camps, according to the National Parks Board and Natal Parks Board.

The scheme is a form of timesharing but without levies or maintenance costs.

Kruger Park is to allow the public to build a large camp in the north with family cottages and smaller huts.

It also plans to launch "wilderness camps" where huts can be built by private individuals.

Bus fares may go up again

CARE TIMES
1/9/88

332

Staff Reporter

HIGHER bus tariffs coming into effect on Sunday, September 4, do not include the recent fuel increase and City Tramways cannot give any indication as to when the public can expect the fuel cost adjustment to hit them.

Yesterday a City Tramways spokesman said the amended bus fares, which increased the cash fare price by an average 12.2%, had been approved by the local Road Transportation Board well before the new fuel increase had been announced.

However, 66% of passengers at present paying cash fares will pay no more than 10 cents more per ride, he said.

Another 30% face an increase of between 11 cents and 20 cents, while the remaining 4% of passengers, of whom

most use very long routes, face increases to a maximum of 15%.

Increases to 10-trip clipcards vary according to distance. For trips up to 50km the increases range from three cents to 19 cents a trip while those for longer trips increase by an average of 21 cents per trip.

Scholars under 13 will pay R4.30 for a 10-ride clipcard while scholars under 17 will pay R6.50. A special 12-ride senior citizen clipcard will now cost R2.50.

Concessions for citizens over 65 have been extended to Saturday afternoons when they can use the standard 12-ride pensioners' clipcard, together with the company's photopass, after 2pm.

Used on its own without the photopass, the pensioners' clipcard will enable people over 60 but under 65 to use it between 8am and 3.30pm from Monday to Friday during pension week.

TAXI FARES TO RISE BY 30%

THEO RAWANA

THE 45 000-members of the SA Bus and Taxi Association (Sabta) are to increase their fares by 30% after yesterday's fuel price rise.

Sabta president James Ngcoya said yesterday the increase was unavoidable. Some taxi owners had last increased fares about four years ago.

"Vehicle prices in the last four years have nearly doubled. All other costs such as tyres, oil and servicing have increased greatly and the single largest component of the taxi industry, petrol, has now increased sharply," Ngcoya said.

He hoped an increase in profitability would lead to less overloading and less dangerous driving.

Ngcoya recommended government introduce a user "side subsidy system" where the commuter could decide which transport to use. If government agreed to this, Sabta would be able to contain fares at their present level.

632 Bida 2/10/88

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B/day 5/9/88.

Blacks need economic power, says Klaaste (332)

THEO RAWANA

THE taxi business, the fastest growing sector in black business, was an important area where black economic power could be created, Sowetan editor Aggrey Klaaste said at the weekend.

He said: "It is important that blacks should address this area before thinking of running the country politically."

Klaaste will address the subject of black economic empowerment when he speaks at the SA Bus and Taxi Association (Sabta) AGM at Sun City on September 20-21. Other speakers include author Ellen Kuzwayo, Black Management Forum (BMF) president Don Mkhwanazi and Transvaal Taxi Association (TTA) chairman Paradise Mahlangu.

A Sabta spokesman said some of the issues to be addressed at the conference would be deregulation and the high rate of accidents on the road.

BUS, TAXI RISES WILL HIT POCKETS

By SY MAKARINGE

PEOPLE who travel by bus and taxi will soon have to dig deeper into their pockets following the recent 15 percent increase in the price of petrol.

Putco is expected to increase its bus fares in the Transvaal by an average of 16 percent from the beginning of next month, while the South African Black Taxi Association (Sabta) has recommended a taxi fare increase of between 20 and 30 percent.

A spokesman for the giant bus corporation said this week the company was forced to increase its fares following an increase in bus licence fees and the recent fuel price hike.

He said the company had earlier applied to the Local Transportation Board for a 15 percent fare increase which was to come into effect in December. He said the recent fuel increase necessitated an immediate hike.

Mr Jabu Mabuza, communications manager of Sabta, said from Pretoria yesterday that the association was "dismayed and disappointed" at the increase in the price of petrol.

Mr Mabuza said members of the association would not be able to absorb the recent increase. He said they would not have any option but to pass the increase on to the commuter.

For the last two years taxi men managed to absorb increases in the price of vehicles, spares and fuel, he said.

"We won't be able to absorb this increase. Most of our commuters are mainly blacks who live far from their places of work not by choice, but by design of the law. We would, therefore, like to call upon the Government to increase its assistance to taxi operators," Mr Mabuza said.

**Sabta dismayed, disappointed
by increase in petrol price**



MR JAMES Ngcoya ...
Sabta president.

He said Sabta would not decide on a blanket increase as it was against the law. He said the association had only recommended that member associations increase their fares by between 20 and 30 percent.

Meanwhile, Bophuthatswana Transport Holdings announced yesterday that it would not increase its fares as a result of the increase in the price of fuel.

A spokesman for the company said this was despite the fact that the fuel price increase would result in a cost escalation of about R5-million a year for the company.

"In view of the economic situation of its loyal customers, the company has decided to absorb this additional cost and not to increase fares until its normal general increase in 1989," the spokesman said.

Putco fares set to go up

Business Day Reporter

PUTCO was to increase its fares from October 1 as a result of increases in bus licences and petrol prices, Putco's PR manager, Robin Duff, said yesterday.

He said the increases were expected to be between 15% and 16%.

Putco's application for fare increases had been approved by the Department of Transport and the increase had been brought forward to October 1.

By building in the increases early, Duff said the company could account for the licence and

petrol increases and, hopefully, not need another increase until the end of 1989. However, there could be no guarantee that more price hikes would not occur.

Putco was working on the effects the petrol and licence increases would have on fares and routes.

Duff said Putco faced heavy increases in its operating costs and the company had no alternative but to up fares.

332

7/9/88 B. L. Duff

Taxis are back

332
Smeethun
8/9/88

ABOUT 200 taxi operators yesterday returned to work after downing tools in protest against a misunderstanding between two rival taxi associations in Kagiso near Krugersdorp.

The Krugersdorp and District Taxi Association and the Krugersdorp Black Taxi Association, had introduced new fare increases on their routes effective on September 3 which resulted in protest from operators.

Many commuters were left stranded without transport while others managed to hike lifts from other vehicles on Monday and Tuesday when the operators stopped work.

Several taxis were damaged when stranded commuters threw stones and threatened to assault the operators for charging different fares.

The chairman of the KDTA, Mr Joe Sibiya, yesterday said the two associations have "amicably" resolved their differences and "everything was back to normal on all our routes."

They have also agreed that fares will be as follows: Kagiso One to Krugersdorp 70c; Kagiso One to Luipaardsvlei Station 60c; Kagiso to Leratong Hospital 70c; Riverside to Krugersdorp 90c and Kagiso Two to Bull Brand 80c.

He said local trips will be 50c, while scholars will be given a concession of half price between 7am and 8am and around 5pm. Delivery will cost an extra R1.

9/9/98

BLACK TAXIS

No easy ride

The black taxi movement is starting to confront a negative image problem. The growth of the combi-taxi has been huge but it has not been accompanied by an improvement in safety standards.

Says Sabta marketing manager Lindile Lavisa: "The problems of the informal sector are beginning to show. There are too many accidents. Many taxi owners find it difficult to stay in business; their grounding in the informal sector has not prepared them to meet the challenges of inflation and increased competition."

Determined to meet the problems before they get out of hand, the association has introduced a plan, Sabta 2000, to improve service and business skills. It has also appointed the CSIR's Roads and Roads Transport division as research adviser.

Says Ove Arup consulting engineer Terry Markman: "There are very few operators who own more than six taxis. Running more seems to require a quantum leap in business skills."

Lavisa adds the next major expansion opportunity, as the petrol price increases and parking becomes more difficult to find, could be in white areas.

But transport consultant Paul Browning warns: "Unless operational standards improve, there will be strong resistance to this and a valuable opportunity to increase racial understanding and interaction will be lost."

Markman says a few whites are already taking combi-taxis, but the rush-hour traffic and pressure on parking is still insufficient to attract whites in large numbers. He adds: "There are people on the margin, using the bus who might use the service. Schools are already contracting combi services."

Browning warns that black taxi operators shouldn't take their core black market for granted: "Some have experienced poor ser-

vice and they will not return. They will move more rapidly to the use of private cars, with all the implications this has for pressure on road space and parking facilities."

The CSIR will be responsible for developing training manuals, in languages and terminology that drivers and owners can understand. It will look at ways of improving safety standards and conduct attitude surveys to see where improvements need to be made.

"There are negative attitudes," says CSIR roads director Charles Freeme, "but often the public doesn't realise the positive aspects of combi taxis as an efficient method of transport."

The CSIR has also been asked to find out if the combi taxi is actually the most suitable vehicle. Markman believes there could be a place for the 25-seater bus on certain routes but adds: "To ask what the ideal size for a taxi should be, is like asking what is the ideal size of a shop." ■

Minibus shortage slows black taxis

14/9/88
332 CHRISTOPHER TUCHER 8/day

BLACK taxi drivers faced a backlog of more than 300 taxis, perhaps because Japanese minibus manufacturers were focussing their sales efforts on the more lucrative non-taxi sector, said Sabta chairman James Chapmann.

The shortage of vehicles is a problem for those entering the market and for operators upgrading their fleets.

Black taxi sales represented one-third of the 18 347 minibuses sold in 1987, Naamsa statistics said. Chapmann predicted this year's sales could top 8 000.

While the rest of the motor industry faced a downturn, black taxis remained a lucrative market segment, said Nissan marketing manager Peter Cotzee.

Toyota national sales manager Eric Scoble agreed, but said: "We are unable to supply the demand, and we have never even fully tested the market."

● See Page 2

Shutdown at 13 power stations

Eskom plan puts 5 300 jobs at risk

ESKOM had embarked on a major cutback programme, closing or mothballing 13 power stations which could cost 5 300 Eskom workers their jobs, management board officials said yesterday.

They said Eskom had over-estimated demand before the economy started slowing down. Expansion programmes since 1980 had resulted in a 10% overcapacity in electricity supply.

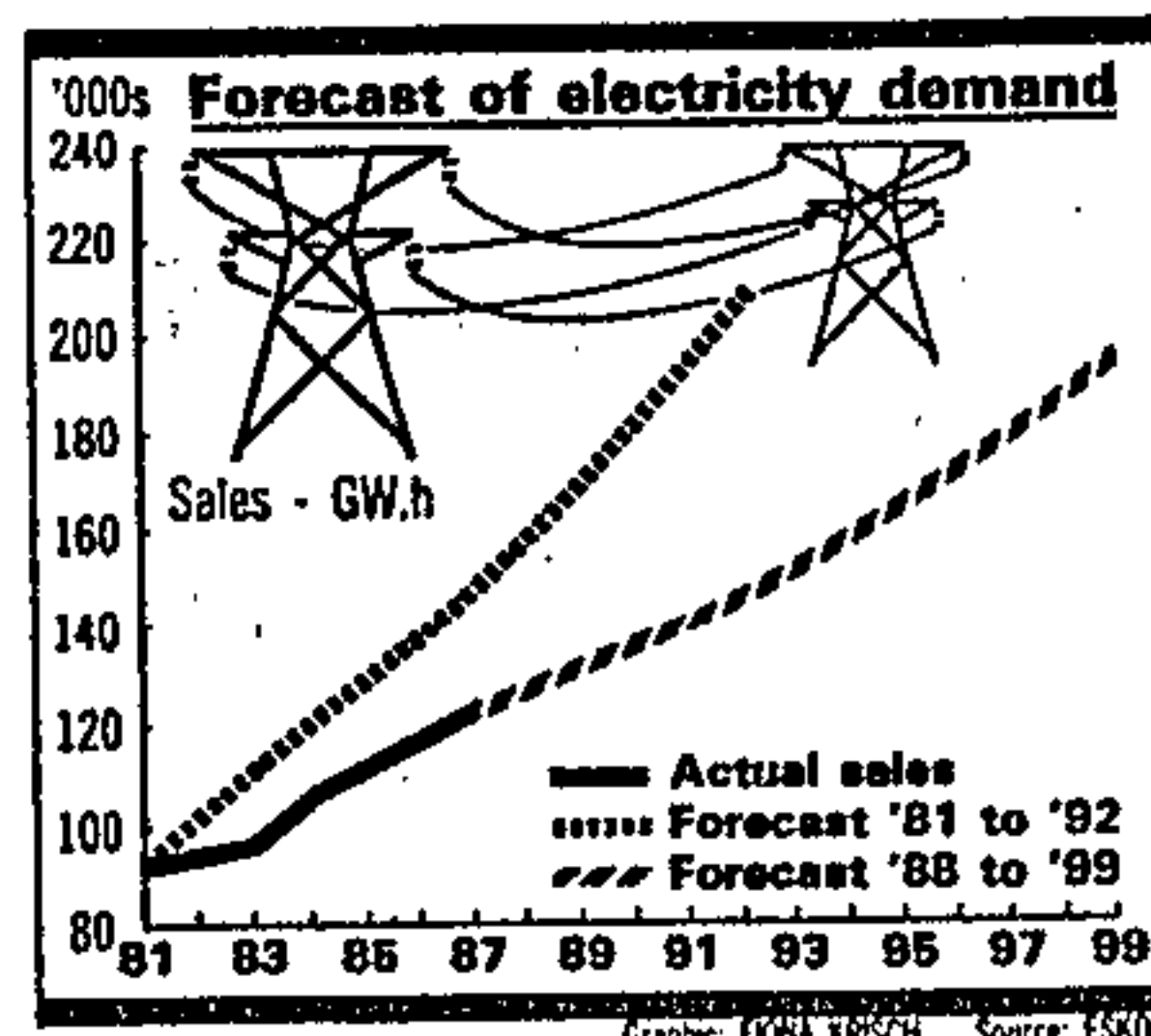
The programme should save Eskom about R650m in the next five years and is aimed at increasing profitability, productivity and containing tariff increases.

The cutback will reduce Eskom's demand for coal, with serious implications for nine collieries owned by Amcoal, Trans Natal, Goldfields and Rand Mines.

The 15 unions which represent 60% of Eskom's employees were informed of the moves on Tuesday. More meetings with management were scheduled for September 22 and 30 after consultation with members. NUM said it would be discussing the issue today.

This is the third major cutback since 1985/86, when Eskom staff were trimmed from 66 000 to 58 000. In March, 700 posts were made redundant. Employee numbers are now set to diminish to 51 500 by 1990.

CE Ian McRae said having to manage the 10% overcapacity of electricity supply had led Eskom to make such a tough decision.



HELOISE HENNING

He said bringing Cahora Bassa on stream had not influenced the decision as its eventual contribution would be minimal.

Generation GM Paul Semark said the overcapacity was not due to dereliction of duty on behalf of Eskom management but to the slowing down of the economy. Up to 1980, growth in electricity demand was 8% per annum but after 1981 that slowed to an average 4%.

In spite of the most sophisticated modelling tools, the 12-year electricity demand forecast overshoot the actual performance of the economy, resulting in the 10% or 4000MW oversupply.

Semark said privatisation was not

● To Page 2

TAXI RANKS USED TO WOO BLACKS!

332
Smetan
19/9/88

FIERCE competition to provide taxi ranks has broken out among big chain stores in Pietersburg.

The battle centres around the black consumer's buying power, according to the chairman of the Lebowa Taxi Association, Mr J B Maimela.

Embroided in this contest are Pick 'n Pay, OK Bazaars and Checkers Stores — all of whom have now created taxi ranks near their stores to woo black customers.

Pick 'n Pay started the ball rolling when it opened a large store in April this year and created a taxi rank nearby. The rank serves most major routes into Pietersburg except main-line taxis bound for the Reef.

OK Bazaars recently completed major renovations to its building and created three parking floors. The upper deck was last week opened as a taxi rank for all areas including Johannesburg and Tzaneen. These ranks do not operate on Sundays.

Mr Maimela said Checkers had also opened a taxi rank at its

**By MATHATHA
TSEDU**

store, but he said his association was not consulted about the matter.

He said the town council had turned down an application for more black taxi ranks in the centre of the town. He welcomed the creation of taxi ranks near major chain stores.

"Of course they are doing it for the money, but it helps the consumer and our passengers because they do not have to walk long distances to taxi ranks with grocery packages. It also minimises the bag snatching and pick-pocketing menace," he said.

Licensed to waver

Bus companies and truck operators are waiting for the government to do once more what it does best — change its mind.

Public Carriers' Association (PCA) chairman Phil Erasmus describes government's efforts to increase heavy-duty licence fees by up to 300% as "bloody crazy." It looks like some people in government agree with him.

As the Department of Finance and the provinces (which collect licence fees) were continuing to rethink the policy in the face of anguished protests from the transport sector, Transport Affairs Deputy Minister Myburgh Streicher announced last week that government was investigating scrapping licence fees altogether and replacing them with a fuel price levy.

Government and the private sector have been at odds from the moment government announced heavy-vehicle licence fees must rise to pay for the damage these vehicles do to SA's roads.

In announcing the increase, government said it hoped to recover more than R200m. However, that applied only to the private sector. By the time SA Transport Services' 2 000-strong fleet is included, the total will be closer to R400m — if licence fees are retained.

Finance Deputy DG Arnold Pretorius hopes they will and says everything will be sorted out by November 1, when the increases are due to come into effect.

However, the idea of a fuel price levy has been welcomed outside of government. The Automobile Association's (AA) Hugo Hagen says the AA has campaigned for such a levy for years. Southern African Bus Operators' Association executive director Wessel Pienaar says a levy should contribute 60% of the cost recovery for heavy-duty vehicle damage, with the balance coming from licence fees.

The PCA's Erasmus also likes the levy suggestion, but says: "Government and the private sector must sit down and sort it out before government repeats its circus act of rushing through legislation it hasn't thought out properly."

Bus companies are equally anxious for government to make up its mind on licence fees. Putco has cited the 300% increase in licence fees as one of its reasons for seeking a 16,5% increase in bus fares from October 3.

Other bus companies are also trying to assess whether they can absorb rising costs or whether they should apply to the National Transport Commission (NTC) for fare increases.

Besides licence fees, the other major cost increase has come from fuel prices, which rose by 11 c/l on September 1.

Putco has already applied to the NTC to increase its fares. Vic Coetzee, assistant to CE Albino Carleo, says that besides licence fees and fuel costs, the corporation must also recoup wage increases.

He says Putco needs to increase revenue, at present hovering at around R300m/year, by 16,5%. Passengers will have to pay more and the corporation's subsidy from government will also have to be increased.

Others are awaiting the response to Putco's application. Cape Town's City Tramsways increased fares by an average 12,2% from September 5, according to spokesman Bob Krause. That was merely to compensate for the fuel price hike. The company will decide whether to apply to the NTC for another increase once a decision is reached on licence fees.

SWIFTSURE

332

The end is nigh

In keeping with its name, the end has come swiftly but surely for venture capital company Swiftsure.

In the last two weeks, an order has been granted for the final liquidation of the company, and former MD Javor Gourkov has had his personal estate provisionally sequestered.

The company emerged from nowhere this year with a series of publicity splashes. Sponsorship of a car at Le Mans and a glitzy fashion show in Paris assured liberal TV coverage. Swiftsure's name was linked with the Kyalami motor racing circuit, and to American TV star Don Johnson and a host of other activities.

The company's real intention, though, was to establish a luxury boat-building industry in Cape Town. Immediately, there were claims of massive orders pending. Figures of R40m-R250m were bandied about. At the liquidation proceedings, it was claimed not a single yacht or "boat of any description" had been built at Swiftsure's Paarden Eiland plant.

Finance was to come from the sale of 8m shares at 50c each. Provisional liquidator Alan Rennie said last week that R8,6m had been raised in this way. The difference between the expected R4m and the final figure is apparently explained by private share placements.

Whatever the source of the money, the company ran up a long list of debtors. The final liquidation order followed representations from Murray & Roberts Properties, South, owed R35 175 in unpaid rent and outstanding accounts.

This may be only the tip of the iceberg.

Other reports suggest debts may total as much as R8m. Co-director Edmund van der Merwe admits to debts of "perhaps R1,5m, no more."

Sequestration of Gourkov's personal estate follows testimony he gave before a closed commission of inquiry into Swiftsure's affairs. Some evidence was released for purposes of the sequestration proceedings. The commission was appointed by the Registrar of Companies in terms of the Companies Act.

According to Rennie, more than R10m has left the country through accounts controlled by Gourkov. Apparently the money was required for preliminary promotional and design work to be done overseas. Whether this justified the amounts which left the country remains for the commission to uncover.

Gourkov also claimed, in evidence before the commission, that his personal liabilities amounted to more than R8m. The return date — where Gourkov will try to avoid sequestration — is September 27.

Last week Gourkov issued a summons against the *Sunday Times* claiming R1m for a report which, he says, damaged his reputation and dignity. *Rapport* has been served with a similar summons. They are demanding proof that Gourkov has funds to pay for his case.

24

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16/9/88 fm

BLACK TAXIS' AD DRIVE

332

Expect a colourful new look to black taxis in the weeks ahead. The SA Black Taxi Association (Sabta) has concluded a deal, turning members' vehicles into mobile billboards.

Advertising rights for the 46 000-strong Sabta fleet have been awarded to Cab-Ads. CE Geoff Newland says US research shows that a taxi which travels 80 000 km a year, makes an impression on up to five million people. The average SA black taxi travels 120 000 km.

However, this isn't the first time advertisers have tried to make use of black taxis. Sabta national adviser James Chapman admits the poor safety record of taxis puts off many advertisers, although he laments: "In most cases, it is

the unlicensed pirate taxis that have the poor record."

An added problem is that taxis do much of their business before dawn or after dusk, when advertisements can't be seen clearly.

There is also the risk of ads being defaced, although Sabta has promised to ensure ads remain in good condition for the duration of the contract.

Space rental is at least R350 a month for each vehicle. But Newland thinks it's worth it. "Because of the slow progress of electrification in black areas, television has a reach of only 20%. Radio has the greatest penetration but is non-visual and it is difficult to market a brand purely by sound."

16/9/88 FM

Taxi groups work on plan for Maputo

BY MZIMKULU MALUNGA

SOUTH Africa's largest taxi association is working on a blueprint for a taxi industry in Mozambique, at the request of the Maputo government.

A Southern African Black Taxi Association (Sabta) delegation, led by vice president Godfrey Ntlatleng, held talks with Mozambican officials, led by Transport and Communication Minister Armando Emilio Guebuza, in Maputo from July 25-27.

According to Sabta communications manager Jabu Mabuza, Sabta — which already has members in Swaziland and Lesotho — is "working out means to help (Mozambique)". He would not give details.

"The Mozambican government requested Sabta to set up a taxi infrastructure in that country," Mabuza said. He said "in due course" a Sabta delegation would leave for further talks with Maputo officials.

Mabuza added their trip to Mozambique was "long overdue" as his association was "trying to foster relations with all Southern African countries".

Asked how the association would finance the Mozambican project, he said: "It depends on how much we need." He said Sabta would look for funding if necessary, but "when we request funds we take the money with no strings attached to it".

Sabta, which has more than 50 000 members in the sub-continent, this year launched two campaigns, which large companies, including Anglo American, were asked to fund. Mabuza said they were "not very successful" as big business was not eager to help.

He confirmed the Anti-Accident Campaign and the Driver of the Year Competition had still not captured the attention of the private sector because, he said, the majority of people dying in road accidents were black.

W/Mail
15-22/9/88

19/9/88 (28)

charges and the adequacy of alternative routes, the Public Carriers' Association (PCA) will conduct tests to establish whether toll operators are justified in setting tolls at current levels.

PCA technical manager Hugh Sutherland says all tollroads will be checked, starting with sections of the Johannesburg-Durban N3, run by Tolcon.

"We are giving top priority to the project. The aim is to assess toll charges objectively," says Sutherland.

Tollroad operators are entitled to charge motorists up to 75% of the estimated savings effected by using their roads. The problem is the operators themselves make the estimates.

The PCA will run fully laden trucks with recording instruments in both directions, both on tollroads and the untolled alternate routes. It will check if savings claimed by the operating companies are bona fide.

"The same drivers will drive the same trucks, loaded with the same loads, in both directions at least twice," says Sutherland. He explains that commercial vehicles' earning rate is measured in tons-kilometres per hour (t-km/hour). "If a 20 t truck travels at 50 km/hour on an alternate road its earning

rate is 1 000 t-km/hour which, at the going rate of 15c/t-km, is R150/hour.

"If it averages 56 km/hour on the tollroad it would earn R168/hour. If the tollroad charge is R15/hour, the extra R18/hour may make it a proposition."

Horst Kohlberg, MD of Tollway which will toll the Springs-Krugersdorp highway, won't comment on charges. He says Tollway will start tolling only next year and hasn't decided yet what it will charge.

Tolcon CE Ron McLennan is more forthcoming. His company is tolling some of the N3, and the N1 between Uncle Charlie and Kroonstad. This includes the section between Ennerdale and Johannesburg — the source of much controversy.

In fixing average car occupancy at 2,22 people, and their combined earnings at R14,40/hour, he says Tolcon has used data from the CSIR's National Institute for Transport and Road Research, the PCA, the AA and its own surveys.

McLennan uses a hypothetical example of a 100 km tollroad and a 120 km alternate road to bolster his claim that Tolcon is charging too little.

He says, based on the AA rate of 67c/km for the total running and fixed costs of a car, the 20 km saving is worth R13,40 and the 28 minutes saved in travel time is worth R6,68 to the occupants — a total of R20,08.

The 75% limit on charges would make the correct charge R15,06. But because McLennan says there would be resistance at that level, Tolcon instead multiplies the 20 km saved by the AA's running cost estimate of 15,8c/km, then adds the value of the time saved. That amounts to R9,84.

McLennan claims this formula does not assess real running costs. "It is the savings motorists perceive they make in terms of time and running costs — fuel, oil and tyres. They usually ignore insurance and maintenance."

McLennan says Tolcon is a profit-making concern and must pitch its rates at levels that will attract users. Clearly, though, the perception of what a fair toll charge is varies according to one's vantage point. Road users are already aggrieved at being charged to use roads which they have, technically speaking, already paid for.

What with toll roads and increased petrol prices, it looks like the road ahead for motorists will be rough indeed.

TOLLROADS

At the charge

Transport operators say they will check for themselves whether tollroad companies are charging motorists the correct levies.

Amid continuing controversy over tollroad

FACE TO FACE

Dedicated to oppose

Bus operators want government to reintroduce a dedicated road fund, and provinces to slash increases in commercial vehicle licence fees.

Southern African Bus Operators Associ-

91

PM 19/8/88

332 PM 19/8/88

ation (Sabo) executive director Wessel Pienaar has had discussions with senior officials of the departments of finance and of transport. They include finance deputy DG Arnold Pretorius and policy CE Gerhard Croeser, transport DG Ronnie Meyer and his deputy, Boy Claassen.

Pienaar has appealed to government to:

- ☐ Reintroduce a fund dedicated to road building and maintenance;
- ☐ Reduce licence fees and charge bus operators an eighth of what they charge hauliers; and
- ☐ Postpone all licence fee increases until April 1 1989.

Pienaar says he is disturbed by the apparent lack of communication between government departments. This showed itself in the fuel price increase coming hard on the heels of the announcement of increased licence fees and government's Wage Determination 452, requiring bus operators to pay double-time on Sundays.

The combined effect is an immediate hike of 10% in bus transport costs. This comes on top of a 14% rise in bus operators costs so far this year.

The increases will cause severe cashflow problems, says Pienaar. Operators have not been given sufficient time to budget and many may have to take credit to pay for them.

Higher licence fees are intended to earn an extra R200m towards wear and tear of roads caused by heavy vehicles.

But Pienaar argues that although buses are taxed the same as trucks, they don't do as much damage. A truck's payload can be 150% of its unladen weight, a bus's is usually 50%. Buses cannot be overloaded to the same extent as trucks.

On the Witwatersrand, operators of buses that can carry more than 80 passengers pay an extra levy of R360 a year in Johannesburg, R100 in Germiston and Roodepoort, R90 in Edenvale, R60 in Randburg and R40 in Sandton.

Pienaar adds that 20% of distances covered by rural buses is on unmade or gravel roads. Instead of buses damaging roads, he says, roads are damaging buses. ■

Sabta opposes trade curbs

THE SOUTH African Black Taxi Association has expressed concern over the possible effects of sanctions on the mini-bus taxi industry.

Sabta's communications manager, Mr Jabu Mabuza, said the organisation was a "community based" and supported any efforts of black politicians to end apartheid.

However, "if sanctions mean cutting supplies of mini-buses from Japan and Germany — thereby kicking us out of the market while the bus industry flourishes because its vehicles are built locally — then we would be concerned."

Concern

He also expressed concern that continuing talks with the Government on transport matters, and trips overseas by Sabta representatives, had led to the organisation being viewed as the Government's sanctions buster.

"Although Sabta understands these accusations — made amid political confusion — we vehemently oppose such insinuations." — Sapa.

Sabta in Maputo taxi plan

322 8/day 20/9/88.
THEO RAWANA

THE Southern African Black Taxi Association (Sabta) is to start a taxi service in Maputo to help Mozambique's seriously inadequate public passenger transport service.

A Sabta delegation met the Mozambican Transport Minister recently and the parties agreed in principle that Sabta should assist in setting up a taxi service in Maputo, a report in the Sabta publication Drive-On says.

A joint statement issued after the meeting said it was obvious there was a dire need for a proper taxi service in and around Maputo.

Many people were being transported by means of trucks and exposed to "all kinds of weather".

In an interview with the magazine, Sabta national adviser James Chapman

said he was the first person to meet representatives from Mozambique.

He said the taxi industry in Mozambique was in a "pathetic state".

"They used to have a thriving taxi industry. Today they have a single or two. They have a couple of buses as well. The major form of transport is old trucks."

He said Sabta and the Mozambican Transport Minister had agreed in principle that Sabta should provide an avenue through which taxis would be made available to the Mozambican authorities.

They would then form an association and sell these vehicles to people who would pay them off. Revenue from this would be used to buy more vehicles.

Sabta spreads its wings

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They would then form an association and sell these vehicles to people who would pay them off. Revenue from this would be used to buy more vehicles. — Sapa.

332

Gouetun

21/9/88

332, B/day 21/9/88.

BUSIN

SPECIAL NEW SABTA TAXI DESIGNED BY EXPERT

THE SA Black Taxi Association (Sabta) has had a new type of minibus designed to replace current taxi vehicles, community leader Curtis Nkondo said at the Sabta AGM yesterday.

He said an international designer had been commissioned to create a vehicle suited to SA's rugged conditions.

A film of the prototype model was shown to delegates.

He said that since thousands of people used taxis every day, the new vehicle had been designed to

THEO RAWANA

provide both security and comfort.

A Sabta spokesman said it was realised that standard Japanese vehicles were not right for the local taxi industry since they could not take overloading and the suspensions were not ideal for SA roads.

The new vehicle would be built of a composite material called Injextex, which was lighter but stronger than steel.

Toyota and Nissan would supply the vehicle, which was developed by

the Swiss company Celba-Geigi.

It had been designed with 26 panels, for quick removal and replacement to avoid repairs taking several days — which caused profit losses and interfered with operations planning. Another advantage was that the windows would be fitted to a material that would be forced out on impact in an accident, thus minimising the possibility of injury.

It was hoped the new vehicle would be available by the end of next year.

SABTA gets its township taxi

CMC T-115 22/9/88 332

Own Correspondent

JOHANNESBURG. — The SA Black Taxi Association (SABTA) has had a new minibus designed to replace current taxi vehicles.

Civic leader Mr Curtis Nkondo said a designer had been commissioned to work out a vehicle suited for South Africa.

The vehicle was designed to provide both security and comfort, Mr Nkondo said.

A SABTA spokesman said standard Japanese vehicles were not right for SA conditions. Their suspensions were not ideal for South African roads.

The new vehicle will be built of a composite material called Injextex, lighter but stronger than steel.

The vehicle is to be supplied by Toyota and Nissan and has been developed by Swiss company Ceiba-Geigi.

The 26 different panels can be removed and replaced in a short time, rather than the several days of repair as is the case at present.

It was hoped the new vehicle could be made available by the end of next year.

Meanwhile, the acting president of a black management forum, Mr George Negota, told the SABTA AGM in Sun City that other black groups were instrumental too in the gains SABTA had achieved in the relaxation of transport regulations.

He said there should be unity among blacks before this was extended to other groups.

Sabta has role to play in 'liberation of SA's blacks'

THEO RAWANA

THE Southern African Black Taxi Association (Sabta) this week got recognition as an economic force that could help liberate blacks — and, in turn, heard the clear message that it could not do this in isolation.

With the theme "Unity of Purpose — Taking A Taxi to the Year 2000", the AGM at Sun City heard speakers stress the taxi industry's prospective role as economic leader, but warned the organisation against making statements on such issues as disinvestment.

Speakers said the Sabta leadership must fight off the image of being an organisation run by whites, which was seen as the cause of its failure to identify with other black groups.

Among the resolutions adopted at the conference were that Sabta must forge a relationship with black business and political organisations.

Other side

Black Management Forum (BMF) acting president George Negota was pointed in his criticism, saying: "It is a public comment that Sabta is controlled by whites and, therefore, it is difficult for black organisations to talk serious issues with it."

He said Sabta went to the US to express an opinion on disinvestment and that put it "on the other side of the fence... Sabta has to set its mission within the corridors of black aspirations".

Sowetan Editor Aggrey Klaaste said the taxi industry's newly-acquired economic power was the instrument blacks could use to gain political power, but cautioned: "You have made mistakes, political and otherwise in the past."

Sabta president James Ngcoya said there was no white leadership in Sabta. The man seen as holding the helm, James Chapman, was there in his capacity as national adviser. "He does not have voting or decision-making powers."

Taxi accidents blamed on lack of traffic cops

By RENEE MOODIE

THERE is virtually no traffic law enforcement in Cape Town's black townships, a situation which the National Road Safety Council (NRSC) says is contributing to an increasing number of accidents involving minibus taxis.

The NRSC has also made an urgent call for increased training of minibus taxi drivers, who have been found in recent studies to be reckless and guilty of overloading, either with passengers or luggage.

The South African Black Taxi Association (SABTA) however lays part of the blame for the problem on lack of sponsorship by major corporations of its public awareness campaigns, having had a R1-million campaign aborted by the last-minute withdrawal of a major sponsor.

Mr Chris Snyman, regional head of the NRSC, said this week that collisions involving minibuses had increased by 19,4% over the first six months of this year and that minibuses had been involved in 7% of all the country's accidents in 1987, when they had constituted 2,8% of all new vehicle registrations.

"A 1987 Council for Scientific and Industrial Research Study showed that overloading with passengers and luggage could influence road-holding and the ability to brake. Drivers were

found in many ways to be reckless," he said.

There was an urgent need for driver training, which the NRSC was trying to provide in national campaigns and in driver competitions organised in conjunction with the South African Black Taxi Association (SABTA).

"There is also only limited and sporadic law enforcement in the black townships. One can do as many education campaigns as one likes but if there is no law enforcement to follow up education, it is useless," he said.

Traffic chief Mr Wouter Smit said his department was inundated with complaints from the public about taxis.

Media campaign shelved

The solution was ensuring adequate control of vehicle condition and driver ability and creating a higher level of voluntary compliance to traffic laws, which could be achieved by increasing fines for offences like overloading, he said.

Mr Jabu Mabuza, SABTA communications manager, said a R1-million media campaign aimed at creating awareness of safety standards among drivers — and on teaching passengers to demand these standards — had been scotched by the "eleventh hour" withdrawal of sponsorship by a major corporation.

"SABTA does represent the majority of taxis, but it must be

remembered that not all taxis are legal and that not all legal taxis belong to SABTA.

"We are concerned about the carnage on the roads but one is bound to ask major corporations what they are doing to help solve the problem — and what they might be doing if the lives lost in accidents were white," he said.

Mr DJ Smit, head of administrator's services in the Cape Provincial Administration, said traffic control in black townships was a function of black local authorities but that none of these authorities in the greater Cape Town had requested the allocation of this function.

"No traffic control facilities have therefore been instituted in the said area (greater Cape Town) but law enforcement officers, such as municipal police employed by certain black local authorities and the SA Police, are peace officers and thereby able to enforce the road traffic ordinance," he said.

Confirming this, Major Jan Calitz, a police spokesman, said that while police would enforce traffic laws where possible, enforcement was not their "number one task".

Mr DJ Smit also said that if a lack of law enforcement had a detrimental effect on road safety, it could be expected that a local authority would exercise its right to ask for the allocation of traffic law enforcement powers.

Passenger numbers have dropped

Fewer blacks are using buses — CSS

332
B/day
29/9/88

THEO RAWANA and
HELOISE HENNING

BLACK bus-commuter numbers have dropped in the past four years by 33% — from one-billion in 1984 to 706-million last year — according to the Central Statistical Service (CSS).

The government information gathering bureau says it is unable to give numbers for black taxi commuters as many taxis are not licensed.

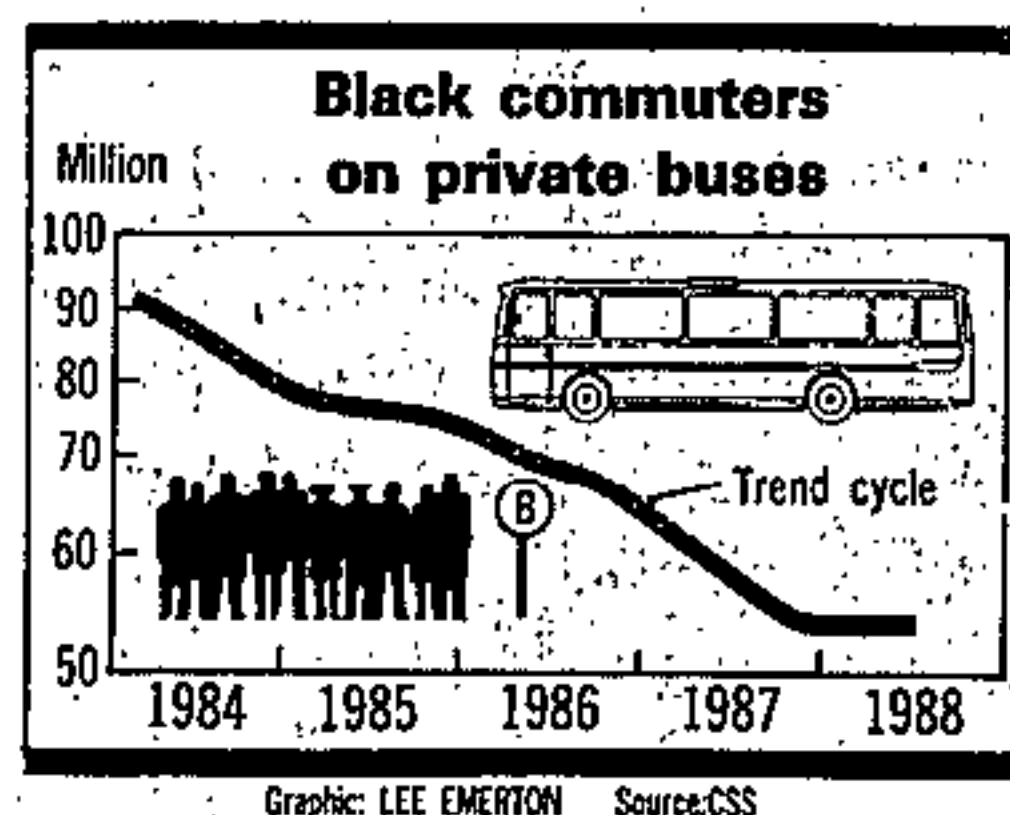
Industry sources put the number of 15-seater taxis at around 100 000.

The trend for black bus commuters in the first half of this year appears to be a dropping-off and numbers for June were around the 55-million mark.

Earlier, the Department of Transport (DoT) disclosed that bus subsidies for the current fiscal year had risen by 23% to R470m.

And despite the desire of government to disentangle itself from involvement in bus subsidies, the DoT appears to be bound to supply bus subsidies for the next five years.

According to the White Paper on Transport, government will be trans-



ferring transportation decisions to the Regional Services Councils.

Bus companies, however, do not expect subsidies to dry up overnight.

SA Bus and Taxi Association consultant Paul Browning said black taxis had become a pillar of the SA economy without subsidies.

Instead they have had to fight for licensing rights.

And despite the drop-off in bus commuter numbers, large bus companies managed to survive because of subsidies.

Transport economists maintain the dropping of subsidies to bus companies would be disruptive as many commuters living in homelands depended on their transport to get to work.

Association to meet council over taxi parking dilemma

THE SA Long Distance Transport Association (Saldta) is to meet the Johannesburg City Council on November 3 to discuss the controversy over limited parking facilities for taxis in the city, Saldta chairman Peter Rabali said yesterday.

The council was reported earlier this week to have got an undertaking from the Road Transportation Board that no further permits would be issued to taxi owners if no parking was available in their towns.

The operators ferry passen-

gers between the cities and rural areas.

On the suggestion reportedly made by Johannesburg management committee chairman Francois Oberholzer that parking for the operators could be made available in Soweto, Croesus and neighbouring areas, Rabali said that would not work.

He said parking facilities were needed in town because they did not operate only from Soweto.

332 THEO RAWANA

29/9/88

BUSINESS**As railways cut back, taxi routes boom**

BY MZIMKULU MALUNGA

THE South African Transport Services' "rationalisation programme" has helped create a boom in the long distance taxi industry.

The black-owned South African Long Distance Transport Association (Saldta) — which was formed more than a year ago with only 300 members — now boasts 10 500 members with 46 long distance taxi associations affiliated to it.

Some of Saldta's members are already bus owners in places like Venda and Gazankulu.

A Sats public relations representative said the number of third class train passengers had declined due to rationalisation conducted from January 1984 to November 1987.

"If we compare the financial years of 1986/87 to 1987/88, we have a decline of 39,6 percent of third class passengers," he said.

But the Sats representative said competition from long distance taxis had also contributed to the decline of third class passengers.

He said some people preferred taxis because they were quicker and cheaper. A taxi fare from Johannesburg to Durban costs R35 compared with R41,50 for a third class train ticket.

According to Saldta's chairman, Peter Rabali, 85 percent of long distance commuters use taxis.

"We give people good service, instead of 13 hours to Durban, we travel six-and-a-half and our taxis are much more comfortable than trains. Since Saldta was formed Sats have tried to improve their services, but we still beat them."

Rabali said his association "wanted to have relations with Sabta (the South African Black Taxi Association) but it was difficult". He would not give details.

However, he stressed there was no tension between the organisations.

"During the festive season when there are a lot of passengers taking long journeys Sabta helps us. Sabta operates locally while Saldta operates on the long distances. We are feeding each other with passengers."

Rabali said the association's formation had made it easy for long distance taxi operators to obtain operational certificates from the transport boards.

In the past, he said, "it was difficult to get a long distance taxi permit but now when you talk about Saldta you are talking about permits".

Rabali said the association was receiving no help from big companies, although "we will be grateful if somebody comes forward to assist us". He added Saldta was involved in ongoing negotiations with a large company in the petroleum industry.

●Manufacturers will be able to advertise their products on the exteriors of black taxis as a result of a contract signed recently between Sabta and a newly-formed company, Cab-Ads. The agreement gives the company rights to market advertising space on 45 000 Sabta member taxis. Minibuses currently transport 17 percent of South Africa's workforce, with an estimated daily passenger volume of five million people, according to a Cab-Ads statement.

W/ Mail
3332
2-3-24/1988

Black taxis challenged: Gear up to change

CAN the Southern African Black Taxi Association (Sabta) be an agent for change?

This was one of the challenges issued to the association at its 10th annual general meeting at Sun City last week, which was attended by about 4 000 delegates.

Black Management Forum acting president GM Negota said if Sabta wanted to contribute to change it would have to "set its mission within the corridors of black aspirations. Because of its power base it can demonstrate the efficacy of transport in the hands of blacks."

Sabta has about 50 000 members in South Africa, Lesotho and Swaziland and owns 18 garages in South Africa, according to vice president Godfrey Ntlatleng.

Negota said there should be unity between blacks before it could be extended to other groups. "Unity within the context of black economic and political emancipation means the movement by all blacks — in their capacity firstly as businessmen and secondly as the oppressed people — towards a certain goal."

He criticised Sabta's apparent anti-sanctions stance, saying: "It is common knowledge in the black community that Sabta went to the United States to express an opinion on disinvestment and that immediately put it on the other side of the fence."

**At their annual meeting last week, taxi drivers were accused of playing 'both sides of the fence', reports
MZIMKULU MALUNGA**

But Negota praised Sabta's success in job creation. He suggested it approach motor industry companies "to take black students to Japan or Germany to be trained as mechanics so they can service kombis".

Sabta president James Ngcoya said the black taxi operator of today should become the transport businessman of the 1990s.

He attacked "government plans to deregulate the passenger industry", arguing "the taxi business made itself a success by its own efforts against a bus industry which gets no less than R470-million a year in government subsidies."

"Now we see that, as it cannot control the taxis, the government wants to give the bus companies the chance to get into the taxi business, using the subsidy to do so," Ngcoya said.

"Until the black taxi operator has been given the education and training needed to compete in this new situation, Sabta cannot sell the industry down the river by agreeing to deregulation."

He appealed to big companies to assist the black community so it could

be in a position to support itself. "The best way of doing that is to help the small businessman to overcome problems caused by past policies."

Both Negota and *Sowetan* editor Aggrey Klaaste suggested Sabta expand beyond passenger transport.

Negota challenged the association to consider expanding into goods transport and cargo carriers. But he said: "If Sabta members decide to expand in other areas of transport, this should be done within the real aspirations of black people."

"We should not put our eggs in one basket," Klaaste said. Taxi owners should think of sending young men to business schools in order to invest in the future.

"The taxi business has almost wiped Putco out of the economic scene," Klaaste added. "You taxi owners are about to destroy even the state's transport system. That is economic power and political power."

But he also pointed out there were some people who did not have much respect for Sabta. "You have made mistakes, political and otherwise, in the past."

The meeting resolved to launch a "Sabta 2 000" campaign designed to move the taxi business from the informal to the semi-formal sector over the next decade. Details will be released on November 2 during the National Small Business Week.

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ROAD TRANSPORT

Changing the rules

The new National Road Traffic Act, undergoing a period of gestation by government, could increase productivity in the road transport industry by as much as 30% and reduce inflation.

This is the view of Public Carriers Association technical manager, Hugh Sutherland.

"Road operators will no longer fight for permits but will concentrate on offering market-related services, with lower tariffs. Standard road licensing fees and requirements will be introduced in all four provinces. The inflationary, commodity-based permit system will be done away with," he says.

"The new road transport quality system will do away with permits and allow the economic and productive use of transport."

The old Road Transportation Act (RTA) provides for different treatment of ancillary operators (carrying their own goods) and public carriers. While ancillary operators can operate freely within 80 km of home and don't need a roadworthy permit or public carrier permit, public carriers operate under strict regulations.

"The RTA has become too clumsy to administer. Fines can be very severe, with drivers locked up and vehicles confiscated. The 'grey permit' problem is another anomaly, with costly court cases involving the interpretation of specific permits," says Sutherland.

Under the new system:

- ☐ All road transport operators must be registered;
- ☐ Vehicles must be roadworthy and registered;
- ☐ Drivers must register and obtain a provisional driving permit allowing them to earn a living transporting goods; and
- ☐ Licences must be renewed annually.

"Safety and quality are the two vital principles at stake here," notes Sutherland.

The new system allows simplified administration. If a driver is pulled up for overloading, it is the transport operator who is liable

to legal action, not the vehicle owner. Under the current system, a bank financing the lease or hire-purchase of a vehicle may be held liable for its actions.

"The owner will be liable for the roadworthy condition of the vehicle, the operator for non-compliance with the new Act (such as overloading) and the driver for any transgressions of the traffic ordinances, such as speeding.

"This ensures liability will rest where it should," says Sutherland.

Private and public operators will be treated equally before the law. The same will apply to SA Transport Services' (Sats) vehicle fleet.

"But the new dispensation is subject to Sats doing away with over-recovering on high-tariff, low-bulk goods in order to subsidise low-tariff bulk goods. Sats must stop subsidising its losses and the respective State

departments will have to pick up the bill for losses on bulk and commuter services through the central budget," says Sutherland.

"A big shake-up in road transport will come about when the new Act is promulgated," promises Sutherland. "Overloading, speeding and other offences are bound to be heavily penalised. But the new ball game will be open to all who are prepared to play fair."

COMPANIES

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3/10/88

332

Exports boost Trencor profit

EXPORTS of containers and other overseas business now provide 20 percent or more than R7-million of Trencor's net profit. This is disclosed by the chairman Mr Neil Jowell in his annual review.

The Cape-based transport group is confident these earnings will be sustained in terms of strong foreign currencies for the next two to three years.

Trencor owns 75 percent of Henred-Fruehauf, the country's largest manufacturer of truck trailers and the high level of business enabled the company to re-employ most of the workers laid off in the recession.

Namaqualand operations also had a good year while the upturn in the building industry in the Peninsula and the Boland will keep Jowells Cape Transport fully committed for the rest of 1988.

Mr Jowell says he will be satisfied if earnings for the 1989 financial year are in line with those for 1988 because he believes the strong upturn in domestic trading has ended.

● Burlington Industries, the Cape Town-based clothing company, recorded a 55 percent growth in after-tax profits to R204 000 for the first six months of the year.

Sales increased by 26 percent.

Income before interest and depreciation was R500 376. Interest paid for the half-year rose to R256 954 from R198 454 for the corresponding period.

An interim dividend of 2.5c a share was declared.

By MANDLA TYALA

WHEN Sabta made a bid last year to buy control of bus giant Putco for R120-million, the black taxi association did not just raise eyebrows. A awkward questions emerged from certain quarters. This must be government money, insisted some critics.

But this may have been the first manifestations of the multi-billion rand organisation's readiness to spread its wings.

Sabta has developed from a grouping of about 20 township taxi operators to the largest privately owned transport network in the country, pumping an estimated R66-billion into the economy annually.

Now, 10 years after its inception, the capitalist-inclined organisation is set to help launch a taxi service in Marxist-leaning Mozambique — and is looking north of SA's borders.

Not only that, the association is planning to unleash on South Africa's roads a new variation of the minibus-taxi, the Taximax.

Sabta controls nearly 50 percent of the 100 000 minibuses which use our roads. Its members use more than 800-million litres of fuel, 3,5-million litres of engine oil, drive more than 440-billion kilo-

Multi-billion rand Sabta set to expand with new maxi-taxis

metres and spend more than R800-million on spares annually.

In a few weeks the association will be unveiling its strategic plan — "Sabta 2000" — which, in line with its primary objective of black economic empowerment, it says will take the taxi industry into the next decade.

"The plan will show how the black taxi operator of today can become the transport business-man of the 1990s," says Sabta president James Ngcoya.

"The idea behind black economic empowerment is simple. It is that money knows no colour. If the black community can become wealthier, unjust laws based on race will be seen for what they are — nonsense," he says.

The venture into war-ravaged Mozambique came at the invita-

tion of President Joaquim Chissano, who asked Sabta to assist in the reconstruction of the country's transport infrastructure with emphasis on the taxi business.

A Sabta delegation has already held talks with the Ministry of Transport in Maputo, and, according to communications manager Jabu Mabuya, the next few weeks will see a rolling up of sleeves as the two parties direct their energies at getting the project on the road.

Says Mr Mabuya: "At this stage we would like to say as little as possible about this operation, as too much publicity might jeopardise it. All I can say is that we are looking at starting a core structure there which will develop into a full-fledged Sabta branch, like

we have done in other places, such as Namibia."

On the subject of breaking new ground, Sabta has commissioned an Argentinian designer to create a new type of minibus which will be more suited to SA's rugged conditions, and will offer more security and comfort.

The vehicle will be built of a composite material called Inflex-tex, which is both lighter and stronger than steel. It will be developed by the Swiss company Ciba-Geigy.

Minibus taxi operators say Japanese standard vehicles are not ideal for South African roads. But for all its apparent success and trans-Africa ambitions, Sabta is not held in high esteem in certain sections of the black community.

There are charges that the organisation is run by whites. Its anti-sanctions testimony in Washington recently has put it on the wrong side of the political divide.

The most pointed critiques came from Sowetan editor Aggrey Klaaste speaking to Sabta delegates recently. "There are people out there who have very little respect for Sabta. You have made mistakes in the past — political and otherwise.



MR JAMES NGCOYA

But you are a fact of life... indeed, a powerful fact of life."

Mr Klaaste advised the organisation had to "move out of the protective skirts of white leadership."

"You did not make matters easier by entering the tricky area of commenting on the sanctions debate at this critical moment. Much as sanctions will affect your business, there are other ways in which the debate should be handled. I am totally against businessmen making enemies for themselves among the population they serve."

Touching on the popular perception of the black minibus taxi as the average road user's nightmare, Mr Klaaste said: "We need to stop behaving like schoolboys with stolen vehicles."

"Driving around recklessly to try to make a quick buck so as to pay off the present taxi — just so you can buy a newer bigger one — is plain childish. We have to plan like the capitalists."

But Mr Ngcoya denies his organisation is white-led.

He says the accusations stemmed from the fact that Sabta's marketing arm, Taxi SA Marketing, was started by a white person. But, he says, at present the staff is multiracial.

"In the polarised society we live in such accusations would be justified. The important thing is that Sabta's executive committee has a mandate with this marketing company, and the committee can decide to terminate the mandate if so requested by the members."

Mr Ngcoya vehemently disputes insinuations that their overseas mission was a sanctions-busting move.

About the taxi driver's image he says: "The rapid growth of the industry has meant that standards have dropped. In many cases the taxi on the street is now actively disliked by the community."

"But the taxi industry has come this far and there is no stopping it now," he said.

332 Simon 2/10/88

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Boxing star Mnqadi slain

Reacting to Ruffy's death, a concerned Rev Michael Motshale, a community leader and chairman of the central committee which wants to bring peace between the two associations, said: "We cannot sit by and do nothing about this explosive situation. This must come to an end."

e From page 1

According to Mr Thobejane, they had gone to the Stjwetla Taxi Rank to pick up Mrs Mngadi.

"Rusty got out of the car and went to the queue to look for his wife. While standing there a man approached him and without saying a word shot him twice in the head. He died on the spot. The same man went to the squad car and opened fire. The first shot missed as Rooi ducked but he was hit in the back by the second shot. I got out of the driver's seat and started to run as the man fired two shots at me. He missed," he said.

Asked by the Sowetan what could have been the motive behind the shooting, Mr Thobejane said this was the result of the feud and rivalry between ATA and another association. The rivalry between the two associations has been simmering since 1986.

SOWETAN
Reporter

A FORMER top South African flyweight and bantamweight contender and Transvaal champion, Ruffy "Russia" Mngadi (38), was shot dead at the weekend in what is believed to be a fight between rival Alexandra taxi associations.

He was shot while waiting for his wife, Jacobeth Maki Mngadi (37), at the Stjwella Taxi Rank in First Avenue, Alexandra.

Fleeing

Another taxi owner, Mr Rooi Motswane, was admitted to the Baragwanath Hospital after being shot in the back while sitting in the squad car. He was shot by the same assailant.

A third man, Mr. Reuben Thobejane, also a taxi owner and driver of the squad car, escaped unhurt after the assailant shot at him twice and missed.

The three men are members of the Alexandria Taxi Association (ATA).

A number of ATA members were seen fleeing the scene shortly after the shootings.

● To page 2

In his heyday . . .



RUFTY "Russia" Mngadi . . . shot dead.

Two to hang as judge rejects plea

A PRETORIA Supreme Court judge last night dismissed a last-minute stay of execution by two murderers who were due to hang, this morning.

Michael Vusi Mnisi and Raymond Jabulani Chozi brought

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By MONK NKOMO

The applicants were represented by Mr Edwin Cameron, assisted by Mr Prakash Diar and the respondents were represented by Mr P.

Natrawl buys Raul Quintas group

332

Finance Staff

Shareholders in Natal Ocean Trawling can expect improved earnings following the acquisition of the Raul Quintas group, which operates a fleet of five trawlers in Mozambique Channel.

Natrawl is to pay R12-million for Quintas, through the issue of 5,5 million new shares of 79c per share, with the balance being paid in cash.

Natrawl chairman Mr Jack Walsh says that on completion of the deal, the company was likely to apply for a trans-

fer of its listing from the DCM to the main board of the JSE.

The acquisition will significantly benefit Natrawl's future earnings potential once rationalisation has been affected.

If the acquisition had been implemented with effect from March 1, 1987 (instead of the planned March 1, 1988) earnings per Natrawl share for the year to end-December 1987 would have increased by 51 percent to 6,8c per share.

Similarly, net asset value would have climbed by 82 percent to 27,16c.

Higher bus fares spark trouble in kwaNdebele

Pretoria Correspondent

Scores of Putco buses from kwaNdebele were running almost empty yesterday as commuters hit back at fare increases which were introduced on Saturday.

A Putco spokesman said a normal service was operating between kwaNdebele and Marabastad but was not being fully utilised by commuters.

The spokesman said that on Monday commuters were allowed to ride on last month's tickets but were told that they would have to buy new tickets from yesterday.

A commuter, who declined to be named, said kwaNdebele residents were not happy about the fare increases and showed their anger on Friday when they went to buy new tickets in Marabastad.

The commuter said some of the people decided to buy the new tickets but they were torn up by other commuters. He said police were called in to quell the trouble.

Putco's spokesman confirmed that trouble broke out at Marabastad on Friday. He said police had to be called in as there was a lot of intimidation.

"There were some youngsters who were stopping commuters from buying new tickets," the spokesman said.

Putco increased fares on all its routes in the PWV area by an average 16 percent.

SECOND INCREASE IN A YEAR

The fare increase is the second within a year. Putco introduced a 15 percent increase in the PWV area and kwaNdebele in December last year.

The kwaNdebele government said yesterday it was "most upset" by the action of South African Police on the border between the two countries who ordered commuters who were unaware of the increase in Putco bus prices off buses at a police road block.

In a statement, the Cabinet of kwaNdebele said the increase in bus fares by Putco with effect from October 1 became "necessary as a result of the increase in fuel prices".

The statement continued: "The kwandebele government has been negotiating with the Putco management to postpone the introduction of the new fares and Putco gave a firm undertaking not to prevent commuters without new bus tickets from getting to their places of employment."

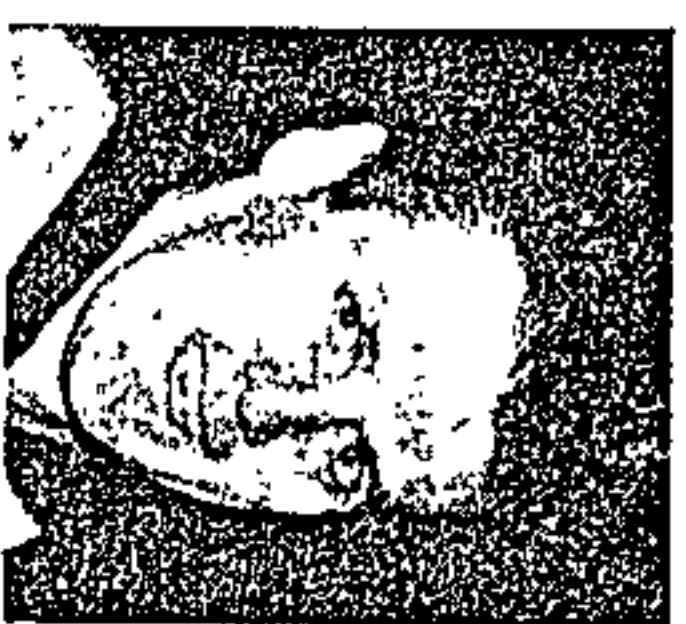
"With its action the SA Police have played right into the hands of radicals and have caused embarrassment for themselves" — a reference to people who had threatened commuters in Pretoria the previous day in a bid to prevent them from buying tickets at the new price. — Sapa.

Safmarine loses R77-m on Astor sale

Met 5/10/88
332



Win! Win! Win! R36 000 millions in
The Angus-Alkinson's Toyota
Sick-a-Pic-2nd clue
on page 2
today



Michael du Plessis

Embattled Du Plessis says 'I have no regrets'

By DEON VILJOEN
Sports Staff

CONTROVERSIAL fly-half Michael du Plessis has no regrets after being embroiled in a political storm because he didn't stand to attention during the playing of the national anthem before the Currie Cup rugby final.

"Because of my political convictions it is impossible for me to appreciate *Die Stem*," he said today. "Just as I respect the rights of other individuals, including those of my teammates, I expect them to reciprocate."

Du Plessis caused an uproar in the conservative rugby establishment after he limbered up while *Die Stem* was being played at Loftus Versfeld last Saturday. The rest of his teammates all stood to attention.

"Personally I believe the occasion did not warrant the national anthem, and on top of

By TOM HOOD, Business Editor
THE Safmarine luxury cruise liner Astor 2 has been sold at a loss of R77-million after being battered by political storms for two years.

The new owner is the Soviet Union's Ministry of Merchant Marine, according to Lloyd's of London.

The loss is disclosed in Safmarine's annual report, which shows that tax benefits trimmed the loss to about R33-million.

The ship is due to be taken over by the new owners on Friday, closing an expensive chapter in South African merchant marine history. That began in 1983 with a Safmarine dream to refloat its regular passenger ship link with Europe which had ended in 1977 when the last malship sailed from Table Bay.

The company bought the first Astor, a 550-passenger luxury cruise liner, for about \$50-million and she sailed into Cape Town, her home port, in April 1984.

She operated for only a year, jinxed by a series of mishaps and earning the nickname Dis-Astor.

Astor 1 was sold to an East German company at a R6.3-million profit and, in 1985, Astor 2 was ordered from the West German shipyard Howaldtswerke-Deutsche Werft at a cost of R225-million.

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"After careful assessment of the international market, it was decided to sell the vessel and discontinue operations in the cruising field," they said.

"It was a great regret to get rid of the Astor but it was a loss leader for two years and a total loss right up to the date of selling her," said Mr Derek Hawton, the group's deputy chief executive.

Altogether, Safmarine ran up losses of R34.7-million after tax from the Astor's sale and the closure of its personal computer retail business.

But this big loss is unlikely to scuttle Safmarine — its operating profit surged by 54 percent to R447-million in the past financial year.

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The Boss arrives — Amnesty concert visas come — at last

Staff Reporter

MORE than half of the visas for Cape Town rock fans on their way to the Amnesty International rock festival in Harare have been personally delivered by a Zimbabwean official in Johannesburg.

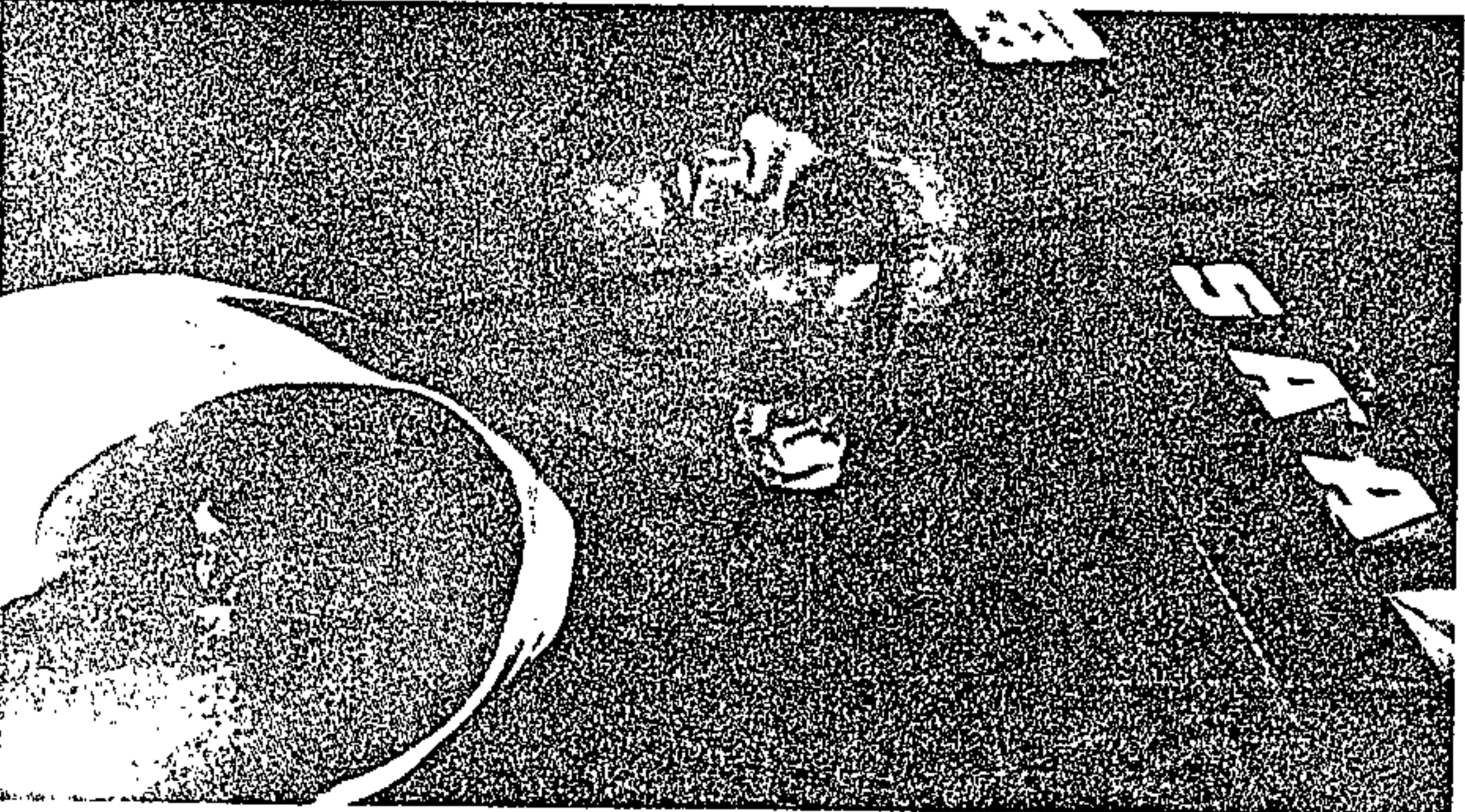
A group of fans travelling to Zimbabwe in buses and minibuses on a tour organised by the University of Western Cape had to stay at the University of the Witwatersrand on Monday night and last night because their visas had not been issued.

Of the 84 people in the group 42 received visas yesterday and last night a Zimbabwean official confirmed that the remainder would arrive by aircraft from Harare early today, said Mr Gerrit Davids, the leader of the group.

Mr Davids said that members of his group were overjoyed when they were told their visas had been granted. The Zimbabwean official flew to Jan Smuts Airport yesterday and delivered the visas.

Members of *Wits Students' Representative Council* told Mr Davids that Zimbabwe had granted 950 of the 1 000 visa applications from South Africans wanting to see the concert.

The Cape group was due to leave for Zimbabwe about 11am today.



HE'S THERE! Rock star Bruce Springsteen — The Boss — has arrived in Harare for the Human Rights Now concert.

Unita most troublesome obstacle in peace talks

NEW YORK — As the southern African peace process reached a critical stage, with reports of a possible meeting in New York later this week to put the finishing touches to a final agreement, Unita emerged as the most troublesome obstacle to a settlement.

A Unita spokesman in Lisbon yesterday spurned an Angolan government amnesty offer made yesterday and repeated demands for direct negotiations to end a 13-year-old civil war, warning that the civil war would continue in the absence of such talks.

"Unita categorically rejects and repudiates the policy of clemency and pardon because the only solution to the Angolan question lies in direct negotiations between Unita and the MPLA," a rebel statement said.

It urged the United States, South Africa and other African countries interested in peace efforts "not to let the Angolan government's subterfuge ruin the current favourable climate for talks."

But Angolan president Jose Eduardo dos Santos rejected Unita's demand for direct negotiations in an interview with the New York Times yesterday and said that "unless there is a massive intervention of South African forces, Unita cannot last very long."

He added: "We believe there will be a definite accord. We will do everything in our power to reach an accord."

Amidst reports that a final

Two North American banks back Minorco

Business Staff

TWO major North American banks are in a syndicate which will make R5.8-billion available to Minorco, the South African-controlled investment group, to help finance the R12-billion hostile bid for Consolidated Gold Fields of the U.K.

Minorco's formal offer document reveals that Chemical Bank, the seventh largest in the United States, and Canada's Bank of Nova Scotia are in the syndicate with the Swiss Bank Corporation and Dresdner Bank of West Germany.

The presence of an American bank in the syndicate could cause some surprise because of possible adverse reaction in the US to any apparent support for South African interests.

However, Chemical Bank said last night it felt comfortable with the transaction. It did not constitute funding an investment in South Africa but was a dilution of the South African interest in a world-wide company.

Sir Michael Edwards, Minorco's chief executive, rebuffed suggestions that his company had been turned down by all the major British clearing banks because of Minorco's South African connections.

He said the British banks had not been approached.

Cong Gold last night said the formal document offered nothing new.

Sir Michael acknowledged that the bid, which closes on October 25, would probably involve a protracted battle.

Safmarine R77-million

11/6/85 5/10/88
332

By TOM HOOD, Business Editor

THE Safmarine luxury cruise liner Astor 2 has been sold at a loss of R77-million after being battered by political storms for two years.

The new owner is the Soviet Union's Ministry of Merchant Marine, according to Lloyd's of London.

The loss is disclosed in Safmarine's annual report, which shows that tax benefits trimmed the loss to about R33-million.

The ship is due to be taken over by the new owners on Friday, closing an expensive chapter in South African merchant marine history. That began in 1983 with a Safmarine dream to refloat its regular passenger ship link with Europe which had ended in 1977 when the last mailship sailed from Table Bay.

The company bought the first Astor, a 550-passenger luxury cruise liner, for about \$50-million and she sailed into Cape Town, her home port, in April 1984.

She operated for only a year, jinxed by a series of mishaps and earning the nickname Dis-Astor.

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Taxi rivals call truce over 'war'

By Stan Hlophe

A temporary truce was agreed yesterday between two warring taxi factions in Alexandra after weekend violence claimed the life of former South African bantamweight boxing contender Ruffy "Russia" Mngadi and left two others injured.

The truce follows a three-hour meeting between the Alexandra Taxi Association (ATA) and the Alexandra-Midrand Sandton Taxi Association (Amsta).

The meeting was chaired by the Alexandra administrator, Mr Steve Burger, assisted by town clerk, Mr P Genis, and two senior police officers at the council's boardroom.

An agreement was reached and now the two rival factions are expected to merge.

Mr Mngadi was shot as he waited for his wife, Jacobeth Maki Mngadi, at "Sjwetla" taxi rank in First Avenue.

332 FM 7/10/88

The passenger liner *Astor* — Safmarine's second of that name — is due to change hands this month. The Soviet Black Sea Shipping Company will pay a reputed US\$75m when it takes delivery of the 19-month-old vessel in Italy.

With the disposal of the *Astor* goes SA's last personal link with the passenger liner business. Yet it comes at a time when the international cruise industry has reached such proportions that European owners have placed orders for 17 liners, costing up to \$200m each.

Many are intended to meet demand from Americans, who constitute more than 80% of liner passengers.

Britain's P&O passenger line is currently earning \$25m a year. Through its recent purchase of the Italian-owned Sitmar fleet, it expects to at least double earnings.

SA cruise liner operations have been inhibited by a battery of problems. One was the need to avoid an SA image which, in the case of the *Astor*, meant registering her in Mauritius, managing her from Britain, and manning her with German, British and other

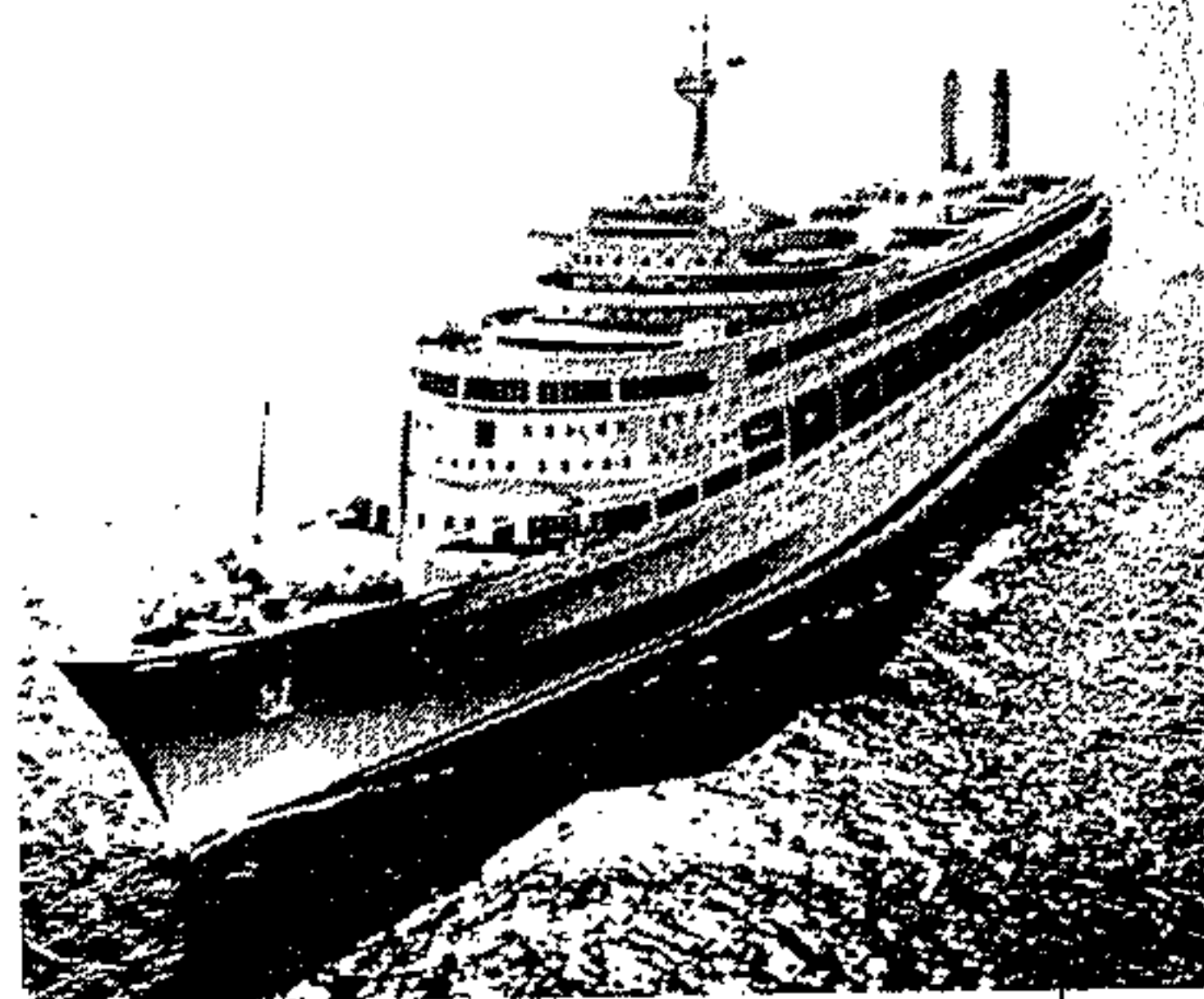
nationalities.

Because costs are mainly in US dollars, the cost of operating a ship from SA is very expensive. A one-vessel cruiser "fleet" also adds disproportionately to infrastructure and support costs.

To overcome these problems, the *Astor* needed a high load factor just to break even. It is no secret that the liner, which reportedly cost Safmarine \$120m, failed to reach its targets and the company changed its plans after only a few months of operation.

When the new name, *Fedor Dostoyevsky*, is painted on the bows, it will mark the end of the concept propagated by former Safmarine chairman Marmion Marsh, who visualised high-standard cruise liners earning generous foreign currency for SA.

The current *Astor* succeeded a vessel of the same name bought from Hamburg owners, but which suffered numerous problems on long voyages — not surprisingly, since it was designed for seven-day cruises. Safmarine sold the vessel to East Germany at a small profit before taking delivery of its successor.



**Luxury liners are booming ...
everywhere but in SA**

Now that's about to go too. With the exception of coastal cruises, South Africans must now rely on the occasional liner visiting SA when the Northern Hemisphere cruising season is over — and even they're not so plentiful any more. ■

CRUISE LINERS

Astor bows out

The final curtain is about to come down on SA's long association with luxury cruise liners.

FINANCIAL MAIL OCTOBER 7 1988

May there always be good food on your table

332 WMAH 7-13/10/88



TIGER OATS

Shots fired at Alex taximen

By Kaizer Nyatumba *Star*

Two members of the Alexandra Taxi Association (ATA) narrowly escaped death on Sunday when a hail of bullets was fired at the car in which they were travelling. **332**

ATA chairman Mr Peter Manamela said the two were returning from the funeral of Mr Rusty "Rush" Mngadi.

A former Transvaal champion boxer, Mr Mngadi — who was an ATA member — was shot dead last week in Alexandra as he waited for his wife, Mrs Jacobeth Maki Mngadi, at the "Sjwetla" taxi rank in First Avenue.

Mr Manamela said the men who were shot at on Sunday were Mr Cyprian Zulu and Mr Jeremiah Maseko.

The car has been taken to Wynberg police station, said Mr Manamela.

He added that the situation in the township was volatile and tense.

He said he had managed to "cool down" members of his taxi association, and he hoped the atmosphere would stay that way up till Thursday, when elections will be held between the ATA and the Alexandra-Midrand-Sandton Taxi Association (Amsta) to form a single association.

"We hope the elections will defuse the tension prevailing at the moment.

"And we appreciate the fact that the administrator of Alexandra, Mr Steven Burger, and two senior police officers will supervise the elections," said Mr Manamela.

Sabta's big drive

THE Southern Africa Black Taxi Association is to hold a seminar at the Sandton Sun hotel on November 2 to focus on the development of the black transport entrepreneur.

The seminar: "Black Economic Empowerment — Sabta 2000" is being organised by the taxi association as its contribution to National Small Business Week.

Speakers at the seminar will include, editor of the *Sowetan*, Mr Aggrey Klaaste, Lindile Lavies of Sabta,



Mr JAMES Ngcoya ... Sabta president.

Mr John Wilson, chairman of Shell SA and Mr Louis Kluever, deputy director-general of the Department of Transport.

The seminar will provide an opportunity for both the public and private sectors to meet and discuss black

economic empowerment with the leading black small business organisation," Mr Jabu Mabuza, communications manager said.

The seminar is in line with what Sabta's president, Mr James Ngcoya, told the annual conference: "The idea behind black economic empowerment is simple. It is that money knows no colour. If the black community can become more wealthy, unjust laws based on race will be seen for what they are — nonsense."

Taxi war cools down on eve of election 332

By Helen Grange and
Kaizer Nyatsumba

Police are involved in "sensitive negotiations" with members of the Alexandra taxi fraternity in an effort to end an ongoing "taxi war".

In the latest development, two members of the Alexandra Taxi Association (ATA) narrow-

ly escaped death on Sunday when shots were fired at their car, according to Mr Peter Manamela, the chairman of the ATA. *Star 12/10/88*

Mr Manamela said Mr Cyprian Zulu and Mr Jeremiah Maseko were shot at as they returned from Mr Rusty "Rush" Mngadi's funeral on Sunday.

Mr Manamela said he had managed to "cool down" members of his taxi association, and he hoped the atmosphere would stay that way until tomorrow when elections will be held between the ATA and the Alexandra-Midrand-Sandton Taxi Association (Amsta) to form one association.

Buses feel the heat

It is convenience, as much as cheapness, which is pulling passengers away from buses and into black taxis. It's often cheaper to travel by bus.

Black taxis today carry about half the passengers who used to travel by bus. Some bus operators believe they'll never get that share back — but nor do they think the situation will get any worse. They reason that taxis can't compete with buses when it comes to mass transportation at peak hours. They say most of the drift is at off-peak hours, or on routes that aren't adequately

FINANCIAL MAIL OCTOBER 14 1988

14/10/88

332 JMY

served by buses.

Although black taxis charge less than standard cash fares on buses, they can't compete with peak-period season ticket rates.

For instance, Putco's cash fare to Diepkloof, the Soweto suburb closest to Johannesburg, is R1,45 and the peak-hour coupon fare 87c. Johannesburg Transport Department's cash fare for a 10 km journey, from the CBD to Diepkloof or Alexandra, is 85c and the coupon fare 61c. The usual taxi fare from Johannesburg to Soweto is R1,20, says Pat Mbatha, treasurer of the Southern African Black Taxi Association (Sabta).

However, passengers say that in peak periods from Monday to Thursday, the taxi fare to the centre of Soweto is R1,40 — and more to Emdeni and Naledi in the west. On Fridays, the minimum is R1,60. Fares fall as demand diminishes.

The difference, of course, is the taxis'

flexibility. They can service routes that buses ignore — and a number of whites use the "black" taxi service between Johannesburg and Sandton, while the latter's council has asked Sabta to operate a local "bus" service. Taxis also offer more drop-off points on common routes. And where many bus companies are limited to dropping passengers on the city outskirts, taxis drive straight to the heart.

The Durban Transport Management Board cash fare from the CBD to Umlazi station is R1,75 (coupon 96c). The local taxi equivalent is R1,30. In Cape Town, black taxis charge R1,50 for the CBD-Khayelitsha route, plus an extra 50c to drop a passenger at a specific address. The bus fare is R2,60 (coupon R1,27).

Many blacks are still put off by taxis' appalling safety record — something Sabta acknowledges and says it is trying to overcome. But it has a problem: about half of the

country's estimated 100 000 black taxis are unlicensed "pirates."

On the other hand, buses are obliged to adhere to fixed routes and times of departure, but black taxis depart when they are full and vary their routes to drop passengers nearer their homes.

Putco spokesman Robin Duff says Putco cash fares are calculated to cover costs and allow a profit margin of 6%-8%, "which is acceptable to the Department of Transport (DoT). The difference between coupon and cash fares is covered by DoT subsidies."

Taxi drivers set fares more casually — according to what the market will bear. The same principle applies to most of their business decisions.

There is agreement that, to a degree, buses and taxis service different markets. Many bus companies, to their credit, accept this. The winner, ultimately, must be the customer.

FEATURE

6/10/88

(332)

NEWS FOCUS/LETTE

Retail trade looks to public carriers

CHRISTOPHER TUCHER

MORE and more manufacturers are looking out-of-house to bring their goods to market. This was a recurring theme of speakers and industry representatives at this week's Outlook for Trucks Conference in Johannesburg.

For many, transport has always been a necessary evil. It ties up a great deal of capital in truck fleets that are under-utilised and do not generate revenue.

Now the retailers to whom they deliver are beginning to force manufacturers to bring transport costs into line — and this is making third-party transport increasingly attractive.

"The current transport and distribution system cannot continue," says Pick 'n Pay merchandising director Sean Summers, speaking for the retail trade. "Our receiving areas are congested with trucks arriving half-filled, and it's the consumer who bears the soaring cost of distribution."

Radius extended

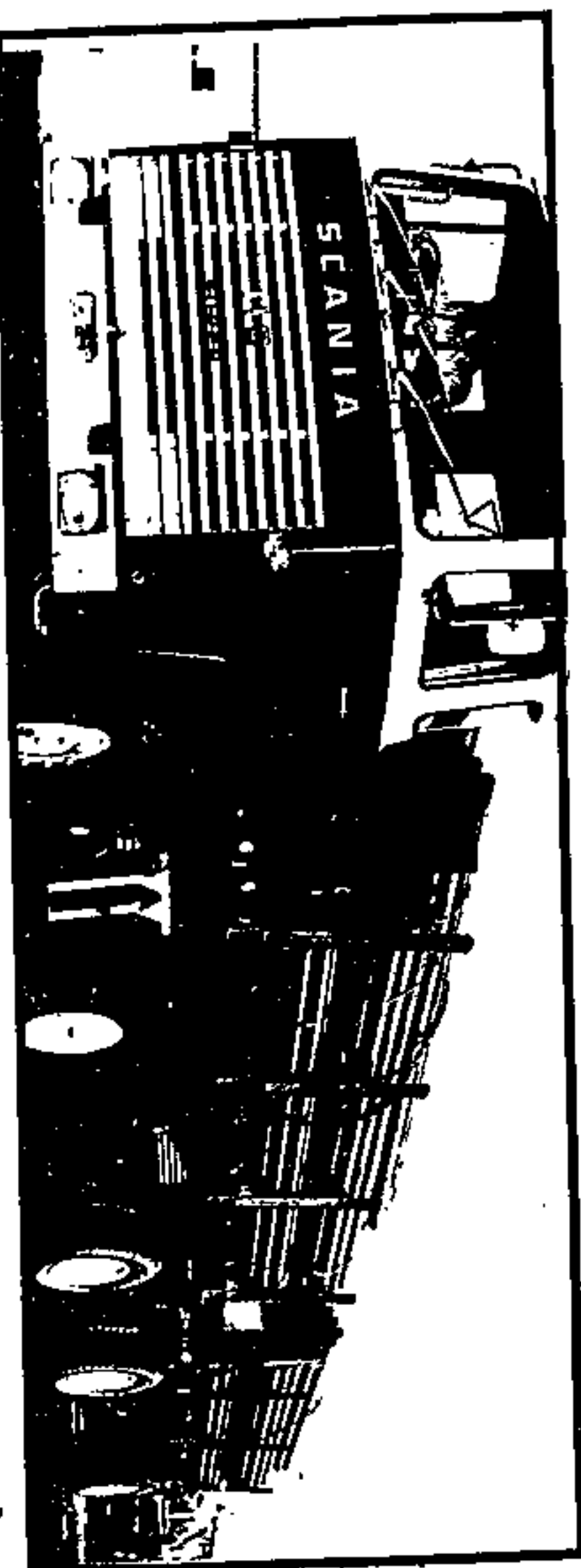
Some manufacturers are looking to public carriers, such as Unitrans and Cargo Carriers.

These large truckers have traditionally limited their business to shipping raw materials — such as Iscor's steel to an motor plant — or hauling goods from factory to warehouse, says Cargo Carriers marketing director Michael Bower. Delivery to the retail trade has always been the domain of the manufacturer himself.

Until recently, government enforced this by preventing public carriers from hauling a client's goods beyond a radius of 80km.

A manufacturer in Springs, for example, could not employ Cargo Carriers to service a Krugersdorp retailer. Now — in the drive to deregulate — that radius has been extended to 300km.

As soon as a network of vehicle testing stations is in place, Transport Deputy Minister Myburgh Stretcher also promises to scrap the permit



Public carriers are making inroads into delivering to the retail trade

system, which requires truckers to hold separate permits for each commodity they wish to haul.

With fewer restrictions, public carriers are making inroads into delivering to the retail trade. Some are also expanding their service to offer total distribution, including warehousing and inventory control.

Cargo Carriers has opened a R2,5m distribution centre — the first of four

— from which it will consolidate shipments from several manufacturers in single hauls to retailers.

"We totally favour distribution by a single third party on behalf of several suppliers," says Pick 'n Pay's Summers. The grocery giant is currently mechanising its receiving operation in preparation for more efficient delivery in the future.

Some large manufacturers, however,

er, believe they themselves are best suited to service their distribution needs.

"Nobody can deliver beer in bulk better than we do," says SAB's director of distribution services Mick Marriott.

But SAB, which has a fleet of 900 tractor-trailers, is giving special attention to its future distribution needs and does see a role for outside contractors. "We want a mixture of everything," Marriott says.

Owner-operators

In the Western Cape, SAB has achieved substantial productivity increases by converting 14 of its dryers into owner-operators.

Nestlé also has transport costs in hand, says distribution manager André Holtzhausen. But he speaks for many large manufacturers when he says there is a need for third-party total distribution, particularly among smaller businesses that are still expanding.

16/10/88

(332)

By SAMKELO KUMALO

AN historic seminar on the economic muscle of blacks is on the cards.

And the black giant, the Southern Africa Black Taxi Association, is behind the big indaba, the first seminar of its kind.

John Wilson, chairman of Shell, will speak on the "Black Small Business" at the seminar, editor Aggrey Klaaste will talk about the "Great Idea" and a joint paper will be presented by Lindile Lavisa and Knox Matijila of Sabta.

They will describe "The Black Transport Entrepreneur" and show how today's black taxi operator can become the broadly-based black transport businessmen of the 1990s.

This strategic seminar, to be held at the Sandton Sun on November 2, has been called "Black Economic Empowerment: Sabta 2000".

Sabta has come a long way to be what it is today.

Sabta was born out of problems that faced black taxi operators in getting certificates and being allowed to compete with established transport services like Putco and the train services between black townships and the towns.

But for some time Sabta was dogged by internal strife.

It was soon recognised that both legal and illegal taxis were rendering a much-needed service.

PFP MP John Malcomess told the House of Assembly that the array of permit systems and controls in road transportation needed to be meaningfully deregulated.

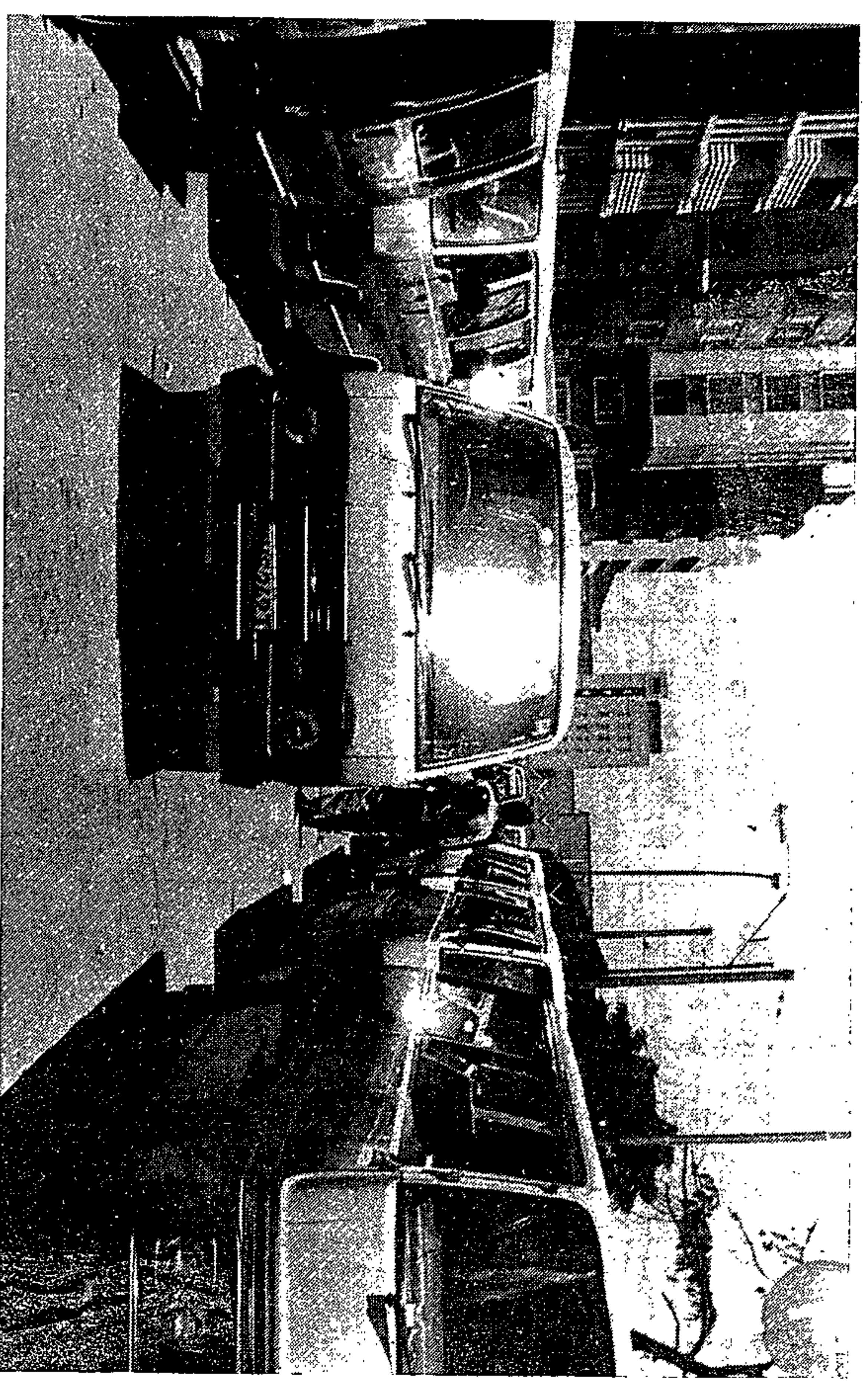
He said Sats should make it easier for operators of mini-buses to obtain permits.

This was when operators were being harassed by traffic officers, among others, for operating outside their routes or having no permits to operate.

Getting a permit to operate a taxi was a near impossible dream.

"These taxis," said Malcomess, "both legal and illegal, fulfil a real need for commuters and for expansion of private enterprise among black city dwellers. It should be encouraged and not destroyed."

Private companies pumped much money into the budding organisation. In 1984, when the squabbles within the organisation were over, a car manufacturing company gave Sabta a shot in the arm, donating R25 000 to meet legal costs incurred by Sabta members during the squabbles of



Taxis, taxis everywhere, and they go almost anywhere. From just about all corners around Johannesburg Station people can travel to any part of the country or the homelands.

1983 and early 1984.

The taxi wrangle had cost the organisation about R60 000. At that time Sabta was said to be broke.

Having gone back to the drawing board in April 1985, Sabta appealed to the government to recognise it as the only voice of black transport and said provincial transportation boards should continue issuing permits.

The appeal even reached the National Party leader of the Johannesburg City Council, Danie Van Zyl, who said black taxi operators should be allowed to operate even in white suburbs. Van Zyl also supported the introduction of a free market system for black taxi operators.

Later Nafcoc, in keeping with its policy of promoting black business entrepreneurship, threw its weight behind Sabta and established a "fighting fund" to assist operators in their licence applications.

Putco and the trains, meanwhile, were being throttled because of the better and faster commuter transport offered by Sabta taxis.

Putco had to raise fares because of the financial losses being incurred, but taxi operators didn't opt for increases even when fuel and spare parts prices increased.

These hardships encountered by Sabta members were just the tip of the iceberg. Although the average taxi operator within Sabta is apolitical, it seems most have come to grips with the notion that economic freedom is the basis of all other forms of freedom.

Today Sabta operates over almost the whole of Southern Africa. It has eroded and is about to monopolise the transport system in South Africa.

Phil Kumalo, director of the Black Management Forum, said last week at

Shareworld: "The battle for African liberation should be fought on all fronts, but blacks cannot hope for economic empowerment if they do not try and wrest the economy from the hands of the whites."

Sabta is now spreading its growing tentacles into other fields of the economic struggle.

It has recently joined forces with another black giant (Nafcoc) in forming Fabcos (Foundation for African Business and Consumer Services), which will include street vendors and stokvels as its affiliates.

The Stokvel Association has an estimated R1-million in assets, which will be declared shortly. The aims of Sabta and its associates in the economic battle are to encourage savings on the part of blacks and to be economically involved.

16/10/88

330



Sabta reaches towards stars



332

CITY PRESS, October 16, 1988

PAGE 11

New step towards economic empowerment

Greyhound buys out Citiliner

8-18/10/88 332
Greyhound Inter City Coaches has bought Citiliner's luxury coach line with effect from October 24.

Greyhound said yesterday the revamped, expanded service would be known as Greyhound Citiliner, for which a new livery was being designed.

Mr Robin Binckes, marketing director of Entercor, which controls Greyhound, said: "There will be no immediate impact on Greyhound's profitability, but there will be marked synergistic benefits. There will, however, be an impact on future earnings."

Greyhound chief executive, Mr Paul Braun, said Greyhound expected to carry 50 000 passengers this year, increasing to 80 000 next year. — Sapa.

CHEQUEQUED OUT

098

Businessman disqualified

By MONK NKOMO

AN Atteridgeville candidate opposing the local mayor, Mr Matthew Mahlangu, in next week's municipal election, has been disqualified after paying his deposit and rent arrears with two cheques that bounced.

Mr Joseph Gomba, of Sompani Street, who is a director of the Saulsville-based Black Unity Express Bus Service, paid with the two cheques on September 15 — a day before nomination, a spokesman for the Atteridgeville Civic Council said yesterday.

Mr Solly Rammala,

the town clerk, yesterday confirmed that Mr Gomba paid R300 as a deposit for being a candidate and another R716 for his rent.

"Both cheques have bounced and Mr Gomba has been disqualified from the election," said Mr Rammala.

Oppose

Mr Gomba, of the Khudu Party, was scheduled to oppose Mr Mahlangu, the president of the Atteridgeville People's Party in Ward 7. Mr Mahlangu has now been elected unopposed.

Mr Rammala also confirmed that Mr Gomba's dishonoured cheque of R716 was for rent arrears of three months.

5322 8/10/88 19/10/88

NEWS FOCUS

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TAXI driver Paramount Masebo transports more than 150 black commuters each day between Soweto and Johannesburg.

In a good month — after fuel, upkeep and payments on his taxi — he takes home more than R1 500, twice what he earned last year in a factory. Masebo has just bought his first house.

The black taxi boom is creating significant wealth for 100 000 black drivers and turning entrepreneurs into businessmen (Sabta, the black taxi association, says 90% of its 45 000 members own fleets or employ second drivers).

But for white-owned big business, black taxis are also one of ever fewer bright stars on the economic horizon. Sandwiched between the formal and informal sectors, most drivers are licensed — but their billions of fare revenue goes unreported.

The informal sector — mostly black small business — is estimated at between 15% and 40% of SA's formal-sector GDP and it is not just brewing in the townships, in isolation from the formal sector.

Ask Nissan and Toyota about black taxis, and "informal" is the last word to cross their minds. Taxi drivers will buy 8 000 vehicles (worth nearly R300m) this year, more than 90% of them from the two Japanese giants.

Purchasing power

To keep their taxis on the road, Sabta members spend R80m on spare parts and burn 800-million litres of petrol each year. This gives black taxis enormous purchasing power — and Sabta has learned to use it.

Shell was the first oil company to act on the potential of black taxis. It has financed 18 service centres around the country, owned by Sabta and available only to its members.

"Of course we're helping to develop black business," says Shell chairman John Wilson, "but it is good business, not charity. I don't view Sabta as informal at all."

Less rosy road ahead for SA's black taxis

CHRISTOPHER TUCHER

allows, but they still can't keep pace with demand.

The reluctance of Japanese manufacturers to export minibus kits is creating production problems in SA. While South African assemblers seek to increase local content, Sabta estimates that the current taxi backlog exceeds 300.

"It's a very severe problem," says Chapman, who thinks Sabta's purchasing power may be coming back to haunt it, as dealers now give preference to full price-paying customers over Sabta members who receive discounts of up to 15%.

But Japanese export restrictions are not the only threat to the burgeoning industry. Closer to home, the Transport Ministry and Competition Board last year submitted a white paper on transport deregulation. Although any amendments to the 1977 Road Transportation Act have yet to be tabled, local road authorities, acting in the spirit of the pending law, are issuing permits to most anyone able to put up the R100 fee.

Initially, government's Welgemoed Commission of 1983 had tried to prevent the black taxi boom from ever taking place. "Now, permits are being issued like confetti," says transport consultant Paul Browning.

Taxi wars

The taxi boom has come largely at the expense of the heavily subsidised, white-owned bus companies, says Browning. Although taxis will continue to take business from the bus operators' shorter routes, on longer routes government subsidisation of bus and train services leave taxis unable to compete.

A further cap on taxi growth is commuters' growing disapproval of the hazardous and overcrowded taxis. In the past four months, Putco claimed a 3% increase in bus passengers. In Soweto there are rumblings of a taxi boycott.

"The black taxi sector is at a crucial juncture," says Browning. "This shining example of informal sector entrepreneurship is perhaps beginning to falter." Part of the remedy Browning prescribes is all too familiar to the informal sector: better business education geared to the taxi-owner entrepreneur and

greater corporate support along the lines of Shell's service centres.

But another part may be surprising — Browning says the taxi industry needs a certain amount of government regulation. That is Sabta's dilemma. In taking up the small businessman's fight against Putco and Sats, it has fallen into what it considers a government trap. Deregulation has been applied not only to organised drivers, but to all who wish to enter the market.

"Many cynical taxi-owners suspect that deregulation is just the tip of the iceberg of the white man's greed," says Sabta spokesman Jabu Mabusa.

In totally deregulating the black taxi sector, government may bring about its demise. Urban passenger transport then falls back into the hands of white business, Sabta fears.

Browning says that if black taxis fail, blacks will become disillusioned with free enterprise and be confirmed in their suspicions of government's bad intentions. "Then black businessmen will be ready to accept more cynical solutions," he warns.

19/10/88

332

group insurance premiums to protect their fleet investment of some R3bn. "Ten years ago it was impossible for a driver to insure his taxi," Sabta chairman James Chapman says. SA Eagle, for instance, now charges Sabta members premiums equal to only 5% of a vehicle's value, as opposed to the 25% he would pay on his own. Sabta says it will bring insurers R11m of new premiums this year.

Demand for combi-taxis is growing at 15% annually, says Chapman, making minibuses a driving force in the motor industry. Nissan and Toyota are rolling them off the line as fast as capacity

Lured by the earnings potential of drivers like Paramount Masebo, new drivers are flooding the market, leading to violent taxi wars between rival associations. Greater competition squeezes margins, which encourages drivers to scrimp on parts and servicing, hide excess passengers behind their tinted windows and drive like mad to boost fare revenue.

Black taxis carried 400-million passengers last year, twice the number in 1985, the CSIR estimates. That doesn't include the feeder routes that drop township commuters at nearby railway stations.

SAFREN

532

Transkeian ripples

There is not a word in Safren's annual report that a director, Sol Kerzner, is mentioned in the bribery and corruption probe in Transkei and that the 76%-owned subsidiary holding Kersaf's exclusive gambling interests in that homeland might be reviewed.

Perhaps that's reasonable enough, for until Kerzner testifies before the commissions of inquiry in SA and/or Transkei, his part, if any, in the affair remains unclear. Safren's annual report repeats verbatim the anodyne statement on the Transkeian affair contained in Kersaf's annual report, which glosses over the alleged reasons. Apart from any official inquiries, Safren itself would benefit from an internal investigation to satisfy shareholders that a managed subsidiary's

103

2/10/88 FM

Activities: Subsidiaries are in ship operating, air transport, ship agencies, freight clearing and forwarding, gambling and leisure.

Control: Old Mutual is the majority shareholder.

Chairman and chief executive: G A Macmillan.

Capital structure: 52.7m ords of 50c; 753 700 7.5% cum red prefs of R2; 218 411 7% second cum red prefs of R1. Market capitalisation: R1 014m.

Share market: Price: 1 925c. Yields: 7.0% on dividend; 15.2% on earnings; PE ratio, 6.6; cover, 2.2. 12-month high, 3 250c; low, 1 725c. Trading volume last quarter, 389 000 shares.

Financial: Year to June 30.

	'85	'86	'87	'88
Debt:				
Short-term (Rm) ..	86.6	20.0	29.6	167.1
Long-term (Rm) ...	542.4	602.8	650.7	716.4
Debt:equity ratio	0.91	0.50	0.37	0.40
Shareholders' interest	0.35	0.40	0.44	0.38
Int & leasing cover ..	2.5	2.4	7.3	9.0
Debt cover	0.32	0.40	0.48	0.46

Performance:

	'85	'86	'87	'88
Return on cap (%) ..	12.3	11.7	11.2	14.1
Turnover (Rbn)	1.73	1.91	2.08	2.80
Pre-int profit (Rm) ...	241	252	283	437
Pre-int margin (%) ..	17.5	18.1	18.4	15.5
Taxed profit (Rm)	112	148	201	291
Earnings (c)	181	177	225	293
Dividends (c)	76	88	110	135
Net worth (c)	792	949	1 174	1 179

cash has not been spent on bribes to former PM George Mantanzima. It is needed if only to set concerned shareholders' minds at ease and is a task suited to a non-executive director of the standing of Old Mutual supremo Jan van der Horst. Last year, Kersaf displaced Safmarine to become the largest contributor to operating profit — weighing in with over half of the pre-depreciation figure — and threats to the company's gaming licences could have a significant effect on Safren's results.

Kersaf's rise to top profit spot owes as much to Safmarine's difficulties as to its own business growth. Last year, Safmarine lifted its turnover by 30%, but operating profit by only 6%. In contrast, South Africans' gambling fever helped lift Kersaf's turnover by

52% and its operating profit by 68%. The contrast is understandable — Safmarine remains plagued by SA's trading problems.

Business with the US has been curtailed by sanctions and air transport operations will remain hamstrung until government breaks SAA's domestic monopoly. On the other hand, bulk transport operations have benefited from higher rates and greater volumes.

With the exception of Transkei, Kersaf's difficulties were fewer and less important. Hotel occupancy rates are recovering; South Africans are spending more on leisure and gambling; film fans are flocking back to Ster-Kinekor's new and re-vamped cinema complexes; and the subsidiary is in the midst of a major expansion phase.

Rennies, the third of Safren's main operating arms, started last year by concentrating on cost controls. It was believed that business activity would be comparatively slow, but that misconception was hit on the head by a sharp increase in import volumes

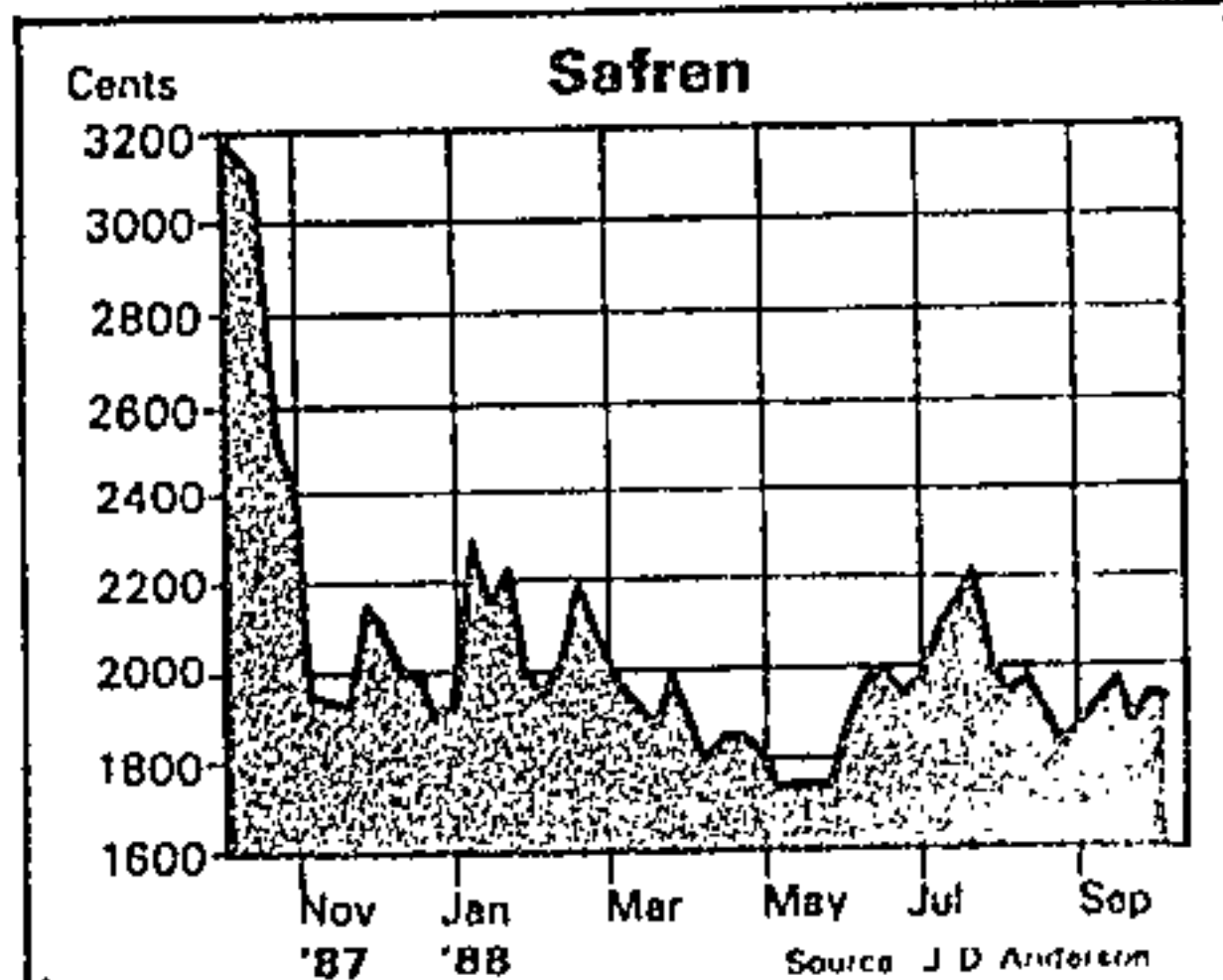
CUTTING SAFREN'S CAKE

	Turnover		Operating profit	
	1988	1987	1988	1987
			Rm	
Safmarine	1 113	858	186.2	175.1
Kersaf	949	625	276.6	164.3
Rennies	677	541	87.1	44.6
Other	62	53	11.0	10.1

as growing consumer spending sucked in imports.

As regards Safmarine, coal exports were lower and, some years down the track, imports of American soda ash through the port's bulk terminal will be curtailed as AECL starts production in Botswana. Containerised import volumes rose, but the increase was not matched by exports, which meant costs were affected by the need to move empty containers out of SA. The problem should gradually disappear as import volumes react to tighter credit and surcharges.

The group's latest trading advance has



been based on gains in market share — particularly in foreign niche markets and despite the political difficulties of SA domicile. Chairman Alistair Macmillan says Rennies' profit improvement developed from synergies between its various divisions as a result of the 1984 merger. He is less cheerful about Safmarine — freight rates remain highly competitive and SA's exports are disappointing. Nevertheless, Macmillan believes the shipping line's emphasis on developing niche markets will continue to generate business growth.

Macmillan says political problems hampered Kersaf's growth. He was referring not only to the Transkei affair, but also to unreported difficulties associated with indirect subsidiary Royale Resorts' plans to open a casino in Morocco and snags it encountered throughout Europe. However, a fourth casino is to be opened in Mauritius, designed to attract free-spending South Africans. In essence, the group's offshore gambling interests remain largely linked to a SA clientele.

Macmillan is nervous about prospects, saying economic slowdown will reduce Safren's profit growth rate. He has not, however, forecast a profit decline and his forecast probably devotes too much attention to short-term factors. Safren's attractions lie in the longer term, particularly as SA's exporters learn to circumvent sanctions. *Jim Jones*



Safren's Macmillan ... hampered by political problems

Transport sector picking up speed

Growth in the transport sector has outperformed growth in the overall economy since the October crash and this trend is expected to continue.

The sector has advanced strongly against the industrial index and the overall index.

The road transport industry should grow even faster as a result of opportunities arising from de-regulation and privatisation.

Benefits will be derived from large engineering projects, such as the Lesotho Highlands water project, new toll roads and the Mossel Bay gas project.

Private users

Analyst Robin Washer of stockbrokers Ed Hern, Rudolph, says private users, such as major retailers, will probably make increased use of the professional hauliers because of the high capital investment required and the dearth of transport management skills.

This reflects the fact that in periods of tight economic conditions there is a tendency for private users to cut back spending in any areas not directly connected with the main stream of business. This means that activities such as haulage are contracted out.

The sophisticated infrastructure and high skills of specialised private transport companies places them in a good position to increase their market share at the expense of public operators.

Although the period of



Diagonal Street

SVEN FORSSMAN

de-regulation is expected to offer considerable opportunities, market speculation surrounding Cargo (that a deal involving either Safren or Laser Transport is in the air) highlights the view that there is room for some rationalisation in the sector.

While analysts recommend Unitrans and Cargo as the best buys in the sector, it is Mobile and Trencor that have performed best since the October crash.

Trencor, an investment holding company whose subsidiaries are engaged in transport, manufacturing, trading and tyre retreading and distribution, stood at R15 a share yesterday, compared with R14,25 before the crash.

Pre-crash highs

Mobile, which has a 47,9 percent holding in Trencor was priced at 445c yesterday (425c last October).

Cargo and Unitrans, by comparison, are still trading below their respective pre-crash highs of 470c (380c) and 280c (185c).

Of the other counters in the sector, Presto, at 100c, looks a little over-priced.

phenomenon Reuter give it a try, Dr Ooen said. — Sapa run out of questions. ing them an to

UWC asks police for full probe Charges laid after damage to property

THE University of the Western Cape has asked the police for a full investigation of Monday's incident on the campus.

Professor J J Durand said in a statement yesterday that the university was dismayed by the police's indiscriminate actions when teargas grenades were lobbed into the bedrooms of students, adding that the fires started by the grenades posed a serious threat to the safety of innocent students.

"The action of the police was not conducive to restoring or maintaining peace and calm," he said.

Prof Durand said the university also

regretted incidents of stone-throwing at the university's main entrance and had requested students to refrain from provocative actions at a time when political tensions are running high.

Police entered the campus twice on Monday after stone-throwing and a placard demonstration against the municipal elections.

Four students were admitted to hospital with various injuries and fire damage to three bedrooms was estimated at several thousand rands. — Sapa

Crime Reporter
POLICE are investigating a charge of public violence and three charges of malicious damage to property following Monday's confrontation between students and police at the University of the Western Cape (UWC).

The university's vice-rector, Prof Jaap Durand, said yesterday that four students were admitted to hospital with various injuries and three bedrooms in the university's residences were damaged by fire after the police entered the campus.

Police said that none of the charges related to the damage caused to the university's residences.

A number of police vehicles and those of passers-by were damaged during incidents of stone-throwing.

Fighting disrupts transport 32

Staff Reporter

VIOIOUS fighting between two rival taxi associations disrupted transport from the townships yesterday and left thousands of commuters stranded.

The fighting, which has left at least six men injured, appears to be over the opening of a taxi rank by members of the Western Province Black Taxis Association at the Nyanga bus terminus.

This is an area usually served by the Western Cape Taxis Association. How-

ever, residents in the area complained that there were too few taxis to transport everyone.

Tuesday's police overnight unrest report said: "Two groups clashed at a Nyanga bus terminus (on Monday). Six men were injured when they were assaulted with pangas and sticks."

A number of clashes between the rival members was also reported yesterday.

There were several long queues for buses as people waited at terminuses in Guguletu and Nyanga.

South
A NEW
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Thousands delayed as taxi 'war' continues

By EDWARD MOLOINYANE
Staff Reporter

THOUSANDS of commuters from the townships were late for work today as Cape Town's taxi "war" continued in spite of assurances last night that the two rival associations had settled their differences.

The minibus ranks at Nyanga were deserted again today. Yesterday sticks and pangas were used in clashes between taxi drivers and at least six were injured, three of them seriously.

Today I travelled by taxi from Khayelitsha to Nyanga — the main terminus for thousands of commuters travelling to destinations in the Peninsula.

No protests

A driver admitted he was a "pirate" and that he would not be venturing near the Nyanga terminus. He said he would drop passengers about 500 metres from the terminus.

There were no protests from passengers even though he charged the full fare.

At Nyanga people stood in long queues waiting to board buses.

A spokesman for City Tramways, who declined to be named, said there had been "a great demand" for buses since the taxi "war" started on Monday.

The two factions — the Western Province Black Taxi Association (WPBTA) and the Western Cape Taxi Association (WCTA) held a meeting with the Belville Town Clerk, Mr John Marshall, and issued a statement last night that the taxi service would be back to normal today.

Other transport

Today, however, Mr Lawrence Memani, president of the WPBTA, said the Belville meeting had nothing to do with

normalisation of the taxi service in the townships generally.

He said a meeting to bring township services back to normal would be held "soon" and a Major Burger was helping organise it. He said commuters would in the meantime have to use other means of transport as the drivers feared for their lives.

Although taxis to Claremont, Sea Point and Cape Town had been affected, Bellville was the worst hit, he said.

WCTA members objected to the WPBTA opening a taxi rank at Nyanga, following a request from Crossroads residents for "a better service," according to Mr Memani.

144 ferry survivors found

MANILA. — At least 144 people from a Philippines ferry, which sank during a typhoon on Monday, have been found alive on three islands, a spokesman for the ferry operators said today.

So far 27 people have been confirmed dead and more than 300 are still missing from the 2 855-ton Dona Marilyn, which sank in central Philippines.

About 120 survivors were on the small island of Almagro, 460 km south-east of here.

Eighteen were on two other islands while four crewmen and two policemen were rescued by ships.

The ferry sank as Typhoon Ruby's winds rose to 185km/h. — Sapa-Reuter.

Black taxi movement plans to provide services for all races

By Winnie Graham

The South African Black Taxi Association (Sabta) has accepted the challenge laid down by the editor of *Sowetan* and has announced plans to turn the black taxi movement into the provider of a wide range of transport services to all sections of the community in the next decade.

Mr Aggrey Klaaste, editor of *Sowetan*, announced details of a nation-building campaign at a dinner at Shareworld at the weekend challenging blacks to rebuild South Africa for all.

The black taxi association's plan is known as "Sabta 2000".

It describes what is needed for the expansion of the taxi industry, and shows how black entrepreneurs can benefit from economic changes such as privatisation.

"We are particularly keen to begin providing services in white areas," Mr Jabu Mabuza, the communications manager for Sabta, said. "Not only will this extend the income earning possibilities for the taxi operator, it will also provide affordable public transport in areas where it is now either not very good or non-existent."

He said the inter-relationships

which would be established would have powerful and beneficial effects on race relations.

The strategic plan will be launched at a seminar, with the theme "Black Economic Empowerment: Sabta 2000", to be held at the Sandton Sun Hotel on Wednesday, November 2.

Mr Klaaste will again address what he has come to call "The Great Idea". This is that blacks should prepare themselves for the future through education and, specially, involvement in the economy. The action of preparation would itself have the effect of breaking down the

social barriers and, then, the political ones.

Mr John Wilson, chairman of Shell SA who has spoken out on the need for change in South Africa, will speak on "black small business".

A joint paper will be presented by Mr Lindile Lavisa and Mr Knox Matjila of Sabta which will show how black taxi operators can become the broadly-based transport businessmen of the 1990s.

Details are available from Ms Julie Wilson at Sabta, telephone (012) 325-1570.

232 B/Day
Thursday, October 27 1988

Taxi 'war' continues unabated

CAPE TOWN — Thousands of township commuters were late for work yesterday as the taxi "war" continued in spite of earlier assurances that the two rival associations had settled their differences.

Sticks and pangas were used in clashes between taxi drivers and at least six were injured, three of them seriously.

A City Tramways spokesman said there had been "a great demand" for buses since the taxi "war" started on Monday.

The two factions — the Western Province Black Taxi Association (WPBTA) and the Western Cape Taxi Association (WCTA) — held a meeting with Bellville town clerk John Marshall and said on Tuesday night the taxi service would be back to normal yesterday.

WPBTA president Lawrence Memani said the Bellville meeting had nothing to do with normalisation of the taxi service in the townships generally. He said a meeting to bring township services back to normal would be held "soon". Commuters would, in the meantime, have to use other means of transport as the drivers feared for their lives.

Although taxis to Claremont, Sea Point and Cape Town had been affected, Bellville was the worst hit.

Memani said WCTA members objected to the WPBTA opening a taxi rank at Nyanga, after a request from Crossroads residents for "a better service". — Sapa.

Unitrans pledges not to disappoint

By Sven Forssman

Unitrans performed strongly for the six months to September 30, with attributable profits increasing 42 percent to R6,6 million on a turnover of R85,2 million.

Operating income is up 26,9 percent from R10,7 million to R13,6 million and an interim dividend of 5c a share has been declared.

But, in order to match revenue and costs over the two half-year periods, Unitrans has made a provision for the first time, which reduces earnings by R1,15 million.

Chief executive Eduardo Garcia explained yesterday that turnover in sugar cane freight is seasonal and occurs mainly in the first half of the year.

"An imbalance is therefore created in the

second half when fixed costs are incurred without related revenue. The provision is intended to match costs and revenue over the two half-year periods," he said.

Mr Garcia said while the industry is very concerned with recent significant increases in operating costs which will make road transportation less competitive vis-a-vis the railways, Unitrans has a large number of long term contracts and is mainly involved in medium to short distance operations which cannot be conveniently handled by any other mode of transport, such as by rail.

"For these reasons, coupled with the fact that Unitrans has a wealth of management expertise, I'm confident the results for the year will not disappoint."

CORPORATE PROFILE: RAND-AIR

HAVING identified gaps in the compressor hire industry which provide good growth opportunities, Rand-Air MD Brian Shekleton expects the company to continue to expand its major share of the market. This he reckons on achieving, regardless of widespread forecasts of a downturn in SA's economy because several indicators suggest a bigger swing to hire companies like Rand-Air — clear leader in this field.

On the future scenario of the compressor hire industry and the role of his company in particular, he believes sound growth potential exists because investment by contractors in capital-intensive compressor looks set to decrease.

Main reasons for this include higher economic conditions combined with high inflation and rising interest rates. These factors will lead to shorter contract periods.

Because many civil engineering and mining-related activities are expected to decrease in future, such slowdowns would be accompanied by a growing unwillingness by the companies to outlay capital on compressed air equipment. A growing fickleness in SA's economy is also creating a change in thinking among many companies,

particularly those construction-related ones which are becoming more reluctant to invest in capital plant. Against this backdrop Shekleton cautions that certain issues must be examined by any organisation before it decides whether to purchase or hire a compressor. Here the main issues include:

□ **Affordability** — Is the necessary finance readily available or can it be raised and paid back without difficulty?

□ **Considering the potential life of a machine**, can optimum use be achieved from date of purchase?

□ **Does the organisation have ample qualified personnel to maintain compressor equipment economically?**

□ **Does it have the management and administrative structure to ensure any compressors are available at the right place at the right time?**

If answer to all four issues is yes, and if machine utilisation averages a minimum of 50% of a normal working day, then the company should buy compressors. If otherwise, it should take a total re-look at the situation," he says.

When it comes to servicing and maintaining plant, purchasers face special problems. Plant ownership necessitates the employ-

Plans for growth by filling the gaps

ment of highly trained and experienced mechanics who can service a wide range of equipment. Alternatively, in the event of trouble-shooting the plant owner would have to revert to the compressor supplier — a situation

which imposes potential problems as the latter could well be, and often is, a considerable distance away and so unable to service the contractor's needs at the right time. Shekleton claims Rand-Air caters for all eventualities, employing fully qualified, responsible for major over-hauls and component exchange plans, as well as specialist servicemen at the depots who are able to carry out repairs in the field.

"Due to the way Rand-Air is structured and operated, we can meet any eventually quickly and efficiently. This ensures that our client suffers the minimum of disruption in the rare event of a compressor breakdown occurring."

Initial selection procedures are thorough, she says, adding that acceptance of Rand-Air's policies are often difficult for employees.

"We have a strong image and all staff without exception wear uniforms. Company vehicles carry the corporate colours of black, green and yellow," she notes for starters.

It sometimes happens that applicants who are potentially excellent are reluctant to work with the team because of the strength of the company image. "They can't get it to fit with the way they see themselves."

She explains the company has devised thorough selection and induction procedures to inculcate the changes of personnel. "It" within the company. Job applicants undergo personally assessment programmes to ensure their compatibility with future

A SEARCH FOR CHAMPIONS

"We look for potential champions who can develop and win with us," says Shekleton. "The successful job applicant signs a set of performance standards, right down to personal appearance and the cleanliness of their office and vehicle. These standards accompany the letter of appointment so that our people know from the start what

□ Continued on next page



□ **FLYING RAND-AIR...** to ensure it retains this edge the company has replaced its original company helicopter with a Bell 206B Longranger III



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Airlines pack in people and profit

3/11/88 332 B/1009

AIRLINES flying into SA are reaping whopping profits from a sharp increase in passenger traffic.

One measure of the buoyant sector, sources said, was revenue from ticket sales to destinations abroad which, from January to September, increased by 30,6% over the same period last year — from R695,5m to R904,6m.

"We do not know what low season is any more. Our flights are continually fully booked. It is a very lucrative route for us and for the other airlines," KLM southern Africa passenger sales manager David Pegg said yesterday.

"We have hundreds of people on waiting lists for seats from Europe to SA for Christmas," he said.

About 55% of KLM's passengers were South Africans going overseas and the 45% were Europeans coming to SA.

About 40% of all the airline's passengers were businessmen.

BA sales manager Malcom Freeman said passengers had been booking seats for December and January from about six months ago.

"Our flights are very heavily booked and we really have to hunt to find seats. Non-stop flights are about 90% full all year around," he said.

Lufthansa southern Africa regional director Gerd Kemper said the airline was operating at 75% average capacity.

"There are many more tourists from Europe coming to SA now. In 1986/87

MANDY JEAN WOODS

87% of our passengers were South Africans going to Europe. This year that figure is less than 50%, which is an indication that the European tourists are back," he said.

Swissair's capacity increased by about 30% in 1986/87 (after SAA lost its US landing rights) and by the same again in 1987/88, Swissair marketing and sales manager Ronald Christen said.

It was operating at about 90% capacity on the Johannesburg/Zurich route.

Almost all the airlines servicing SA have increased capacity in the past year.

From this month, Swissair increased capacity by 50% by introducing 747s on all its SA routes; BA introduced several non-stop flights to London and increased its capacity by about 15%.

Business

Kemper said Lufthansa was prohibited from increasing capacity by the West German government because of political reasons.

He added: "Business is so good we could easily fill an extra flight a week to and from SA."

He said the boom could be attributed to SA's troubled economy, withdrawal of several airlines from SA for political reasons, withdrawal of SAA's US landing rights and the low rand, which made SA a very cheap destination for tourists.

'R88 m needed to upgrade black taxi industry'

SA 3/11/88
By Kaizer Nyatsumba

By the end of this century the black taxi industry would have to spend about R88 million to extend its services to multiple business areas which would include downtown distributor services, freight operations and catering for tourism, it was revealed at a seminar in Sandton, Johannesburg, yesterday.

At the seminar the Southern Africa Black Taxi Association (Sabta) disclosed that it was planning to improve both its image and services in preparation for the role it would play in the future.

MULTIPLE SERVICES

This would create an economically strong black population which would be able "to vote with its money in ever wider areas".

Addressing the "Black Economic Empowerment - Sabta 2000" seminar, Sabta transport consultant Mr Paul Browning estimated that the organisation would need about R88 million to be able to modernise its services and offer

multiple services.

Sabta would then provide small vehicle services in white areas, employer contracts for employee transport, small parcel deliveries, downtown distributor services and cater for international tourists.

A Sabta communications officer, Mr Knox Matjila, said Sabta was sceptical of the Government's taxi deregulation policy, because this would put whites in a position where they could take over the taxi industry. In some urban areas more than 30 percent of kombi taxis were already owned by whites, he said.

"The black community is, rightly or wrongly, intensely suspicious of current Government moves towards economic change. They believe that (the) Government and big business have combined over the years to sustain apartheid and white economic domination.

"They suspect that proposed changes such as deregulation and privatisation are just window-dressing, and that the real aim is to maintain that domination,"

said Mr Matjila.

Mr Browning said Sabta would take over ownership of bus services, and existing bus companies "would find a new role for themselves, not as operators but as providers of specialist and essential services".

RACIST REGIME

It was Sabta's belief, said Mr Browning, that many potential international tourists shied away from South Africa because they did not want to support "a racist regime". If Sabta provided tourist transportation, however, the tourists could be persuaded that they would be supporting black small business and black economic empowerment.

Mr Lindile Lavisa of Sabta stressed that the transport organisation would need financial help from the public and private sectors to meet its goals. Sabta was prepared to accept financial assistance from the Government "for purposes of transitional development", he said.

Taking the high road

The Southern Africa Black Taxi Association (Sabta) has, after much self-examination, accepted the nation-building challenge made by Aggrey Klaaste, editor of the *Sowetan* (*Current Affairs* October 28).

Sabta this week disclosed details of its imaginative plans to turn the black taxi movement into the provider of a wide range of transport services to all sections of the community in the next decade.

The plan, known as Sabta 2000, includes entry into areas like bus services, parcel delivery and tourism. Sabta sees the plan as critical to achieving rapid political change in SA, together with economic prosperity.

Principal objectives of the plan include enhancing development and planning abilities, strengthening Sabta's communications structure, driver education and training, and liaison with the public and private sectors.

The plan's five phases (to be carried out from January 1989 through the Nineties, with the biggest push in the period to December 1993) are:

Preparation (seeking finance, recruiting staff, logistical planning); development (education and training, communications and liaison arrangements); implementation (a concentrated effort to clear the education and training backlog and institute systems for new entrants and ongoing training); consolidation (period of review after the main effort of implementation); and continuation (care and maintenance of the systems instituted).

The first stage envisages new business opportunities in small vehicle services in white areas, downtown distributor services, employer contracts for employee transport, small parcel deliveries, freight operations with 1 t trucks, the development of black tourism and local services for incoming overseas tourists.

Sabta communications manager Jabu Mabuza says these strategies can be developed and implemented in the first three years of the overall plan to 1991.

The second and later stages include privatisation. Sabta sees many opportunities in the planned privatisation of public transport operations, including municipal bus services and Sats' road passenger services. Sabta also wants to participate in policy discussions on privatisation.

Mabuza says Sabta will need financial support from the private and public sectors. "We do not want a US-type affirmative action programme which led to the creation of a permanent black underclass dependent upon handouts. Nor do we want to see a group emerge that grows fat on exploiting black grievances."

However, Sabta does not want to become so dependent on public money (like the big bus companies) that it loses its freedom to act.

"Financial support from the public sector to Sabta 2000 should be offered because it is in the interests of the country, and not as a means of capturing loyalties."

From the private sector, Sabta is looking for trading agreements which will benefit

both sides. But at least some funds should be provided to strengthen structures and communications, otherwise the trading agreements may well fail.

Sabta advocates that the private sector seriously consider diverting some of the money it now spends on corporate social responsibility programmes to the Sabta 2000 plan. It also intends to seek funds from overseas governments and international aid agencies.

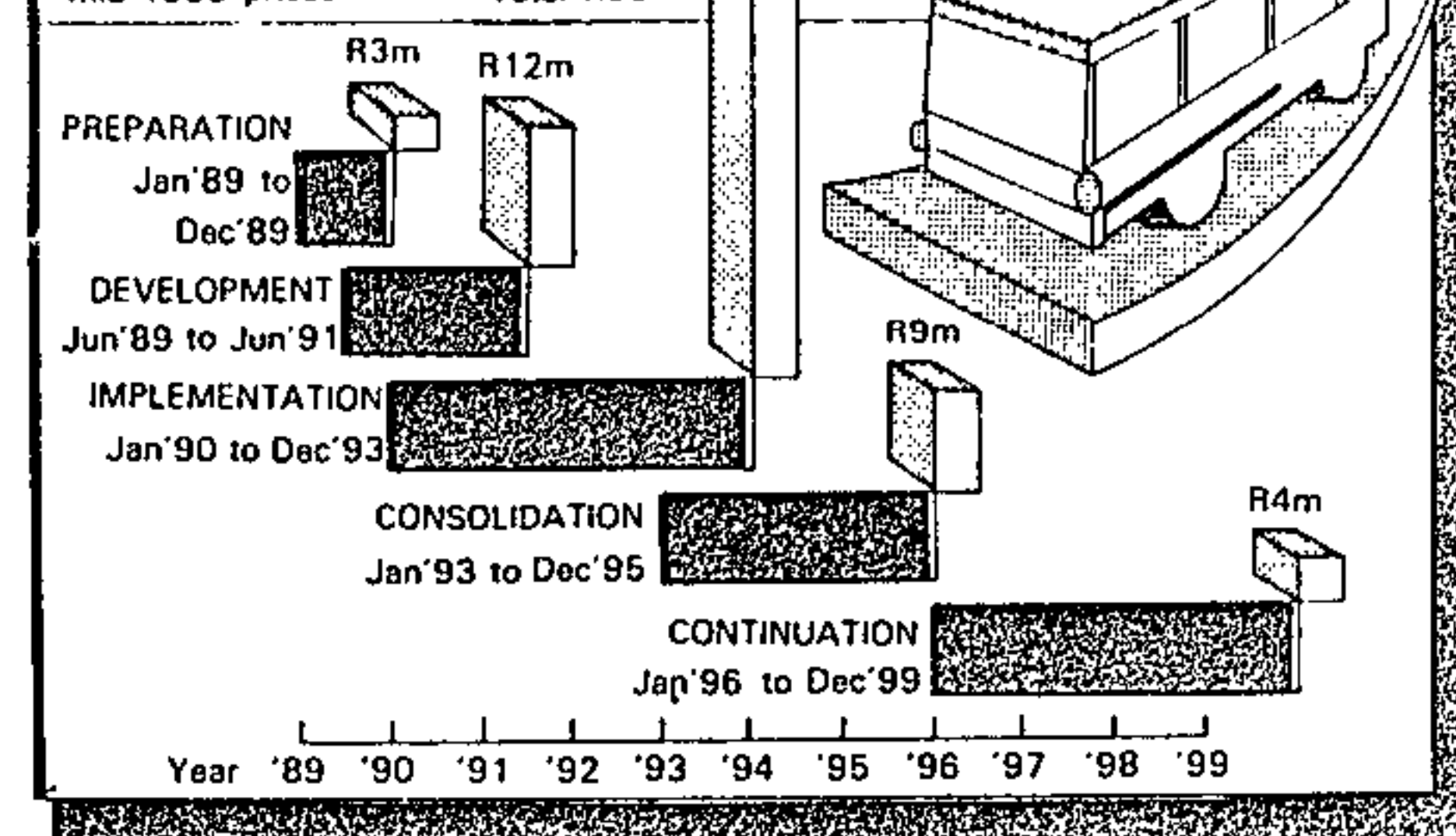
Besides financial help, Sabta is also seeking what it terms "assistance in kind." This is physical aid in the form of desks, tables, chairs, personal computers, fixtures and fittings, and any kind of capital equipment which will enable it to function more efficiently.

Sabta recognises its management structure is weak. "Functional specialists could be seconded from business organisations, particularly organisational specialists and others such as financial, computer, accounting, public relations and other professional people," says Mabuza.

Sabta sees the minibus taxi as an African solution to commuter transport needs, which can be widely applied elsewhere in southern Africa. By mid-1989 it plans to have a fleet of taxis in operation in Maputo. Mabuza says success there will almost certainly mean extending operations to countries such as Zimbabwe and Zambia.

Moving towards the year 2000

SABTA'S financial projections
Total costs in constant mid-1988 prices Total R88m



about 6.20pm.
Cap. Tavis S. 1/1/88
Shot dead in taxi war 332

DURBAN. — A man was shot dead and another wounded when two taxi groups clashed over the right to pick up passengers at a rank in Stanger yesterday.

conversion, the parking term casual commuters.

Parking for residents only on the cards for Rondebosch

Municipal Reporter

"RESIDENTS only" parking in congested Rondebosch has been proposed following fears that a new University of Cape Town scheme will force hundreds more student cars to join those already taking up "every available space".

Traffic manager Mr Wouter Smit's recommendation that general parking be banned in areas designated for residents only may be a forerunner of a preferential parking system for the rest of the city.

The move is in response to a new UCT parking system which raises the spectre of up to 1 000 drivers being forced off campus to park in neighbouring streets.

The UCT action "will undoubtedly aggravate the already critical situation in Rondebosch and particularly in the vicinity of the campus," Mr Smit says in a report to the City Council's utilities and works committee today.

"Numerous complaints have been received from residents

stating that every available space is taken up by vehicles belonging to students and that the area becomes heavily congested at times," the report says.

Alternative parking and student transport are being investigated.

However, Mr Smit says, he is under no illusions about the success of these.

"Unless some restriction can be introduced to compel students to make use of public transport or pay the fee for parking on campus... the situation in the residential area adjacent to the university will become unbearable," he says.

INUNDATED

The traffic department would be "inundated with complaints and demands to do something to improve the situation".

His planned restriction would be the most effective way of dealing with the problem, but he acknowledges that this would have wider ramifications.

It would form the basis of "preferential parking for residents in neighbourhoods", he says, but at this stage it would be used for this specific problem only.

He recommends amending the traffic by-law to state that "no person shall park a vehicle other than a vehicle owned by a resident in a street or area designated by a sign for use by residents only".

"The matter of preferential parking will be dealt with as a separate issue at a later stage," he adds.

According to Mr Doug Grier-son, chief traffic officer at UCT, the new parking policy to be introduced next year may displace "a few cars" from the upper campus to the lower and middle campuses.

The new system would control access to the upper campus. Only verified visitors and cars with parking discs would be allowed.

He said other means of transport for students, possibly a tram system, were being investigated.

NATIONAL

Jan Smuts conditions are 'diabolical'

By Jovial Rantao
Johannesburg Publicity Association says conditions at Jan Smuts Airport are "diabolical" and is urgently pushing for an improvement.

Star 8/11/88
Association chairman Mr Pat Corbin, speaking at the JPA's 63rd annual general meeting, said it had budgetted for R60 million to upgrade conditions at Jan Smuts but had recieved only R19 million for the project.

Mr Corbin also launched a scathing attack on the condition of some of the "white" taxis which he described as "pretty scruffy".

He appealed to the hotel industry to help

to improve the conditions of taxis by refusing them contracts. 332

Mr Corbin described mini-bus taxis as the most efficient transport system for Johannesburg, but said that "because we did not anticipate the growth in the black taxi industry, we did not provide enough facilities for them".

However, Mr Corbin said that JPA, in conjunction with the Johannesburg City Council's management committee and the city's traffic and security department, was working on plans to make facilities available for the taxis and to upgrade the standard of driving.

PETER DELMAR

International airfares to increase 8%

ALL international airline flights paid for in SA will cost 8% more from January 1, the Board of Airline Representatives announced last night.

The increase was needed to offset the continued weakening of the rand against other currencies, the board said in a statement.

All airlines operating in SA, including SAA, will be affected. A similar increase of 8% was implemented from October 1 for the same reason.

The statement said the lower yields resulting from the weakening rand made it impossible for foreign carriers to develop competitive travel packages to SA in competition with other international destinations.

This presents a real threat to incoming tourism, whilst incoming passengers have to subsidise outgoing traffic.

The adjustment was part of a process

to gradually eliminate an average disparity of 30%. On some routes disparities were almost 50%, examples being Johannesburg to Frankfurt (49%), Johannesburg to Amsterdam (48%) and Johannesburg to Zurich (43%).

An SAA spokesman said the price of single and return tickets bought overseas would not be affected. A further increase could not be ruled out, depending on the rand's performance, he said.

Cape Times 9/11/88
**Taxis give
tuk-tuks 332
thumbs down**

Municipal Reporter

The joint committee of Cape Town taxi associations has opposed the introduction of tuk-tuk taxis (three-wheeled covered motorcycles).

It said in a letter to Cape Town City Council that "the small population" of this city did not warrant these additional taxis, which would cause congestion on the "narrow streets". Tuk-tuks would not generate employment for the local manufacturing industry either, it said.

However, the city planner wants them to be tested locally anyway. They could serve the tourist trade, possibly at lower prices than conventional taxis, he said.

Bus firm building big depot

Sowetan 12/11/88

1000 *332*

THE giant bus company, Bophuthatswana Transport Holdings, has started work on a R10-million bus depot in Waltloo near Chrysler Park in Pretoria.

The depot, to be built on 6,6 hectare of land, will include a workshop of 2 352 sq m incorporating 20 work stations of which nine will be equipped with service pits. On completion, the depot is expected to

provide work for about 250 people, a spokesman for BTH said yesterday.

The depot is being built to ease congestion in the city and to ensure that the 300 BTH buses operating between Bophuthatswana and town, are roadworthy at all times. The company has another depot in Pretoria West.

The new depot at Waltloo will also have an administration block, restrooms for drivers, a gymnasium, canteen, medical bay and two automatic bus-washing machines. The depot is expected to be completed in July or August next year.

A BTH spokesman said: "Because of the quality of services rendered to its passengers and the business environment, BTH has grown from two to 16 000 buses in 15 years".

11 EDEE

Cops investigate boycott threat

POLICE are investigating alleged threats by dissatisfied commuters in the Western Cape to boycott buses of six companies, according to a spokesman for the Bus Owners' Association whose members increased their fares last month. He said the increases were "a sensitive issue".

Many residents in the Western Cape's African townships are reportedly dissatisfied with the R10 increases announced by the companies operating to Transkei and

Ciskei.

The companies are Motale's, Blue Lines, Khoncoshe, Broadway, Chliwans and Transkei Express.

Talks between the companies and the Transport Co-ordinating Committee (TCC) reached a deadlock last month.

The TCC, formed by several community and worker organisations after an increase last year, demanded that increases be limited to R5.

The increases were seen as a breach of faith by the TCC after the

companies last year agreed not to increase fares unilaterally.

The Bus Owners' Association spokesman said the increases were not unreasonable.

"A ticket from Welkom, 500km from the Ciskei, costs R50 while a ticket from Cape Town, more than 1 000km away, costs an extra R5," he said.

"We held several meetings held with TCC before increasing the fares. Commuters themselves are not unhappy about the increases."

The SA Transport Services has agreed to limit December increases to R5 and to provide extra buses to the homelands.

Last year's agreement between the committee and the companies was reached after the community investigated alternative transport in protest against the increases.

Blue Line signed a written agreement with TCC. The other companies later publicly agreed to the committee's demands.

These included:

- That companies accept their accountability to the community and the elected committee.
- All changes, including fare increases, to be discussed with the committee.
- Bus fares to be reduced with half-price fares for children, pupils and students.
- Hire charges for community needs to be reduced.
- Passengers to be transported to their villages.
- Passengers to be insured.

Taximen upset over 'dumping'

East Rand Bureau

332

Taxi operators in Germiston have accused the Germiston City Council of dumping them and their passengers at a temporary taxi rank in a park — without toilet, water and refuse removal facilities.

The taxi operators were moved from Germiston station about three months ago because of the construction there of buildings and of a new taxi rank.

"Ever since we were dumped here about three months ago, we have not been provided with water, toilet or refuse removal facilities," said a taxi operator.

"We go to nearby garages for toilet purposes or walk about two blocks to the nearest public conveniences."

The town secretary of the Germiston City Council, Mr A W Heynecke, said the council was busy installing water pipes in the taxi rank area and would soon put up toilet facilities as well.

Sabta not opposed to taxi deregulation 'in principle'

PRETORIA — The deregulation of transport and inadequate taxi ranking facilities in South Africa featured prominently in a meeting yesterday between the president, Mr. P. W. Botha, and the Southern African Black Taxi Association (Sabta).

Sabta communications manager Mr. Jabu Mabuza said the delegation, led by association president and vice-president Mr. James Ngonyama and Mr. Godfrey Ntlatleng, told Mr. Botha that they were not opposed

OWN CORRESPONDENT

332

to the concept of deregulation.

But he said Sabta was against the deregulation entailed in the White Paper.

"Blacks will start at a disadvantage once the deregulation is implemented as it appears in the Paper," he said.

The meeting took place at the Union Buildings

yesterday and Sabta sent a delegation of nine members to meet the President.

Mr. Mabuza said the delegation also talked about inadequate ranking facilities in the country, the rate of accidents involving taxis and steps to be taken to remedy the situation.

The President was positive in his approach and this raised expectations among the delegates, he said.

Teargas as Langa taxi war erupts

W/Argus 19/11/88 332

by DENNIS CRUYWAGEN, Weekend Argus Reporter
TEARGAS was used in Langa to break up a fight which erupted between two rival taxi factions today.

Washington Avenue was turned into a battleground as groups of taxi drivers armed with pangas, knobkierries, axes and lead pipes fought running battles.

No fatalities were recorded, but an Argus team saw Langa taxi driver Mr Maxwell Makana being treated for head injuries and gashes on his back in an ambulance near Langa police station.

Many others were injured.

The taxi war started early today when more than 100 minibuses taxis of the Lagunya group moved into Langa.

They ply the townships, but Langa taxi drivers claimed they were attempting to muscle in on the lucrative routes between Langa and Cape Town and Mowbray.

Washington Avenue was tense at noon today, but the two factions, both members of the Western Cape Black Taxi Association (WCBTA), were watching each other from opposite ends of Langa's main artery. Police were in control of the situation.

■ POLICE were not available for comment.

Best take a taxi to the black market, says mini-bus ad firm

MAJOR advertising headache for today's entrepreneur, according to Mini-Bus Advertising of Southern Africa (Mbasa), is how can he penetrate the black market.

The white market is marking time (emigration and economic stagnation) while the black man is flexing his economic muscles.

This muscle-flexing is shown by the increasing number of new mini-buses bought by blacks (4 500 in 1986 against 6 000 in 1987).

The black taxi industry is currently running an R800 million a year petrol account. Spares cost an estimated R50 million a year.

Average quarterly earnings of blacks in the retail/wholesale trades and motor trades im-



GET ON SIDE: One way to go for the black consumer's attention.

proved by 16 percent for 1986 over 1985, then by 17 percent in 1987.

The white comparisons are 12 percent and 12 percent.

Mbasa says if an advertiser is to expand his market, he must look to the black market. In less than a decade, enterprising blacks have built multi-billion rand taxi business, transport millions every day.

Evidence of the thriving mini-bus taxi service is Putco's decision to cut its bus fleet by a third, from 3 500 to 2 100.

Today, estimates of the number of mini-buses on daily duty range from 70 000 to 125 000.

The motor industry has a vital interest in the mini-bus taxi industry and the marketing opportunities it offers.

Music and advertising tapes have been introduced to black taxis (as reported earlier this year by Media & Marketing).

More recently a company, CAB-ADS, reportedly signed a deal with Sabta (the leading black taxi organisation) for advertising rights.

Sabta reportedly controls 45 000 vehicles, though "independent" taxi associations dispute this figure.

Black taximen each generate an estimated turnover of about R1 200 a week.

So this sector is a pay generator, job creator and spur to general economic activity.

Some whites have now discovered the flexibility of the mini-bus taxi and use this mode of transport — breaking down racial barriers in the process.

Now Mbasa intends to "sell" space on the sides and the backs of those mini-bus taxis run by members of taxi associations which have entered into formal agreements with it.

The ads will be designed within given space confines and will be placed on decals.

On termination of an advertising agreement, the decal will be removed.

Advertisers is obviously how control will be exercised to ensure the vehicles actually carry the decals day to day.

Mbasa says it has arranged to photograph each vehicle once a month, and if it cannot produce a dated photograph it will not bill the advertiser for that month.

Mbasa will also give the advertiser distance travelled to give some measure of coverage.

Mbasa points out that it is possible to "target" taxi advertising.

Many use demarcated routes, while others specialise in long-distance runs. So luxury products can be advertised in a northern suburbs mini-bus, while the rural population can be reached via a long-haul vehicle.

Product identification can also be strengthened — Mbasa mentions research which shows that commuters refer to taxis by the brand advertised (the "Coke taxi" etc.).



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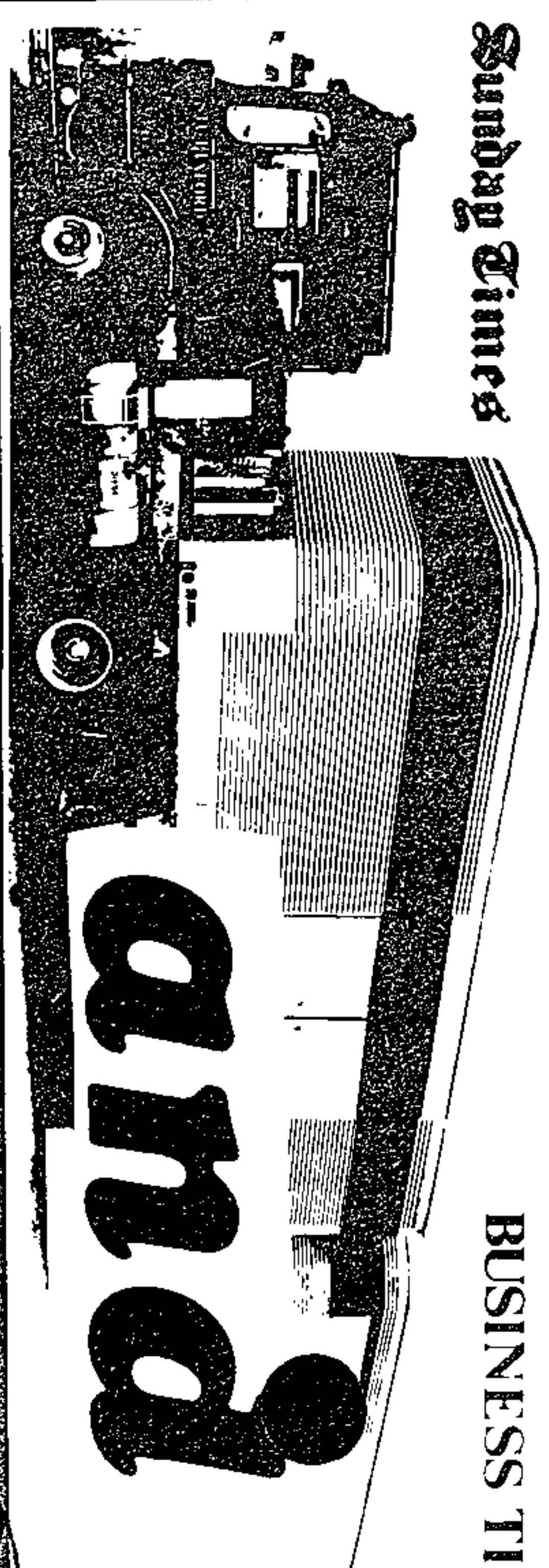
ENTAINMENT

For the Connoisseur's Cabinet

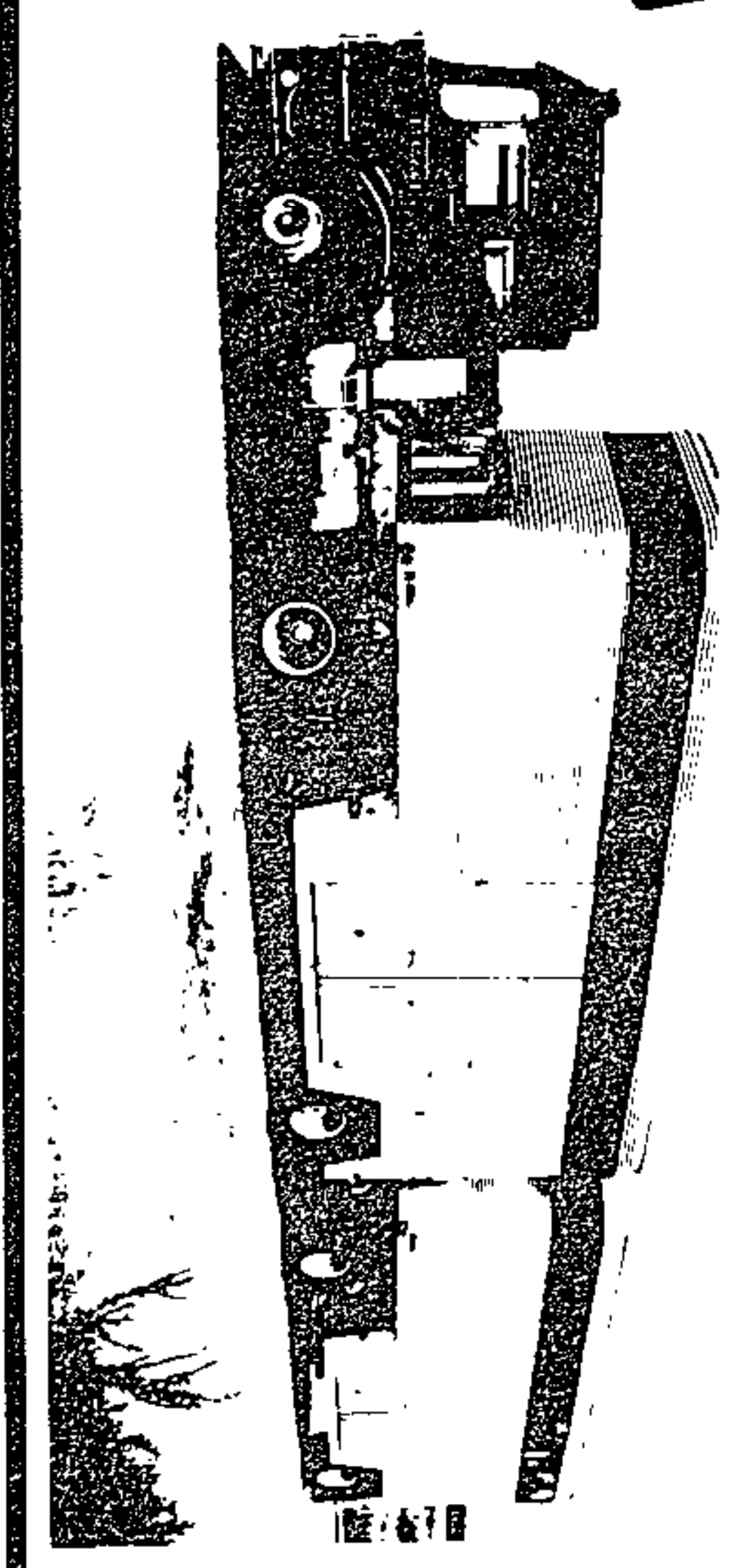


Sunday Times

BUSINESS TIMES



TRUCKS and Trucking



Imperial means to be the kings

By IVAN PHILIP

IMPERIAL TRUCK SYSTEMS, part of the giant Imperial group, is about to enter the transport industry as a public carrier through subsidiary Imperial Transport Services.

This venture, backed by the weighty resources of the Imperial Group and the depth of experience and infrastructure of Imperial Truck Systems, is bound to generate waves in the transport business. Says Truck Systems MD Stuart Reeves: "We have made what could be described as a reverse entry into the transport industry."

"Other majors have gone from transportation into truck hire."

"But long-haul was the only operation we were not in."

"We did contract with clients for local distribution, supplying both trucks and drivers, but we were not into the long-haul business."

"So because of restrictions on entering the industry due to permit requirements, we had to move into established and strategically placed existing businesses."

Last year saw the acquisition of Transall Transport Contractors, in Pretoria.

Now Imperial Transport Services has acquired GMS Transport, in Durban, an old-established company.

Clients

An attraction was that GMS had a number of established clients.

Even more important, the company had substantial warehousing facilities, which would form an excellent strategic asset for ITS's future long-haul operations. GMS was also an established harbour carrier. Transporting goods into the harbour is something of a closed shop.

Carriers that have no harbour permit must transship loads to licensed harbour carriers in Durban. ITS bought GMS from the Nampak organisation. The acquisition certainly fits the Imperial stable like a glove. It will not be the only

Bid for long-haul

business is going

to create waves in

the entire industry

support from the hauliers' clients, the NTC will regularise the situation.

But it is likely that the hammer will be wielded mightily for any infringements thereafter.

This is a more realistic approach since in the past there were draconian laws which the authorities were unable to police.

In the longer term, permits will fall away to be replaced by the provisions of the Road Transport Quality System.

But, as Mr Reeves says: "The doors have not exactly been thrown open. The only way in for us was to buy existing permits."

Control

There was another motivation.

Up till now, companies that operate trucks for the transportation of their own goods have not been subjected to control over the condition of their vehicles.

But the new quality standards will apply to all truck operators. Many companies

Motor Company, in Pretoria, Nationwide Truck Hire, in Spartan, Loadbodies, in Wadville, and Transall, in Pretoria.

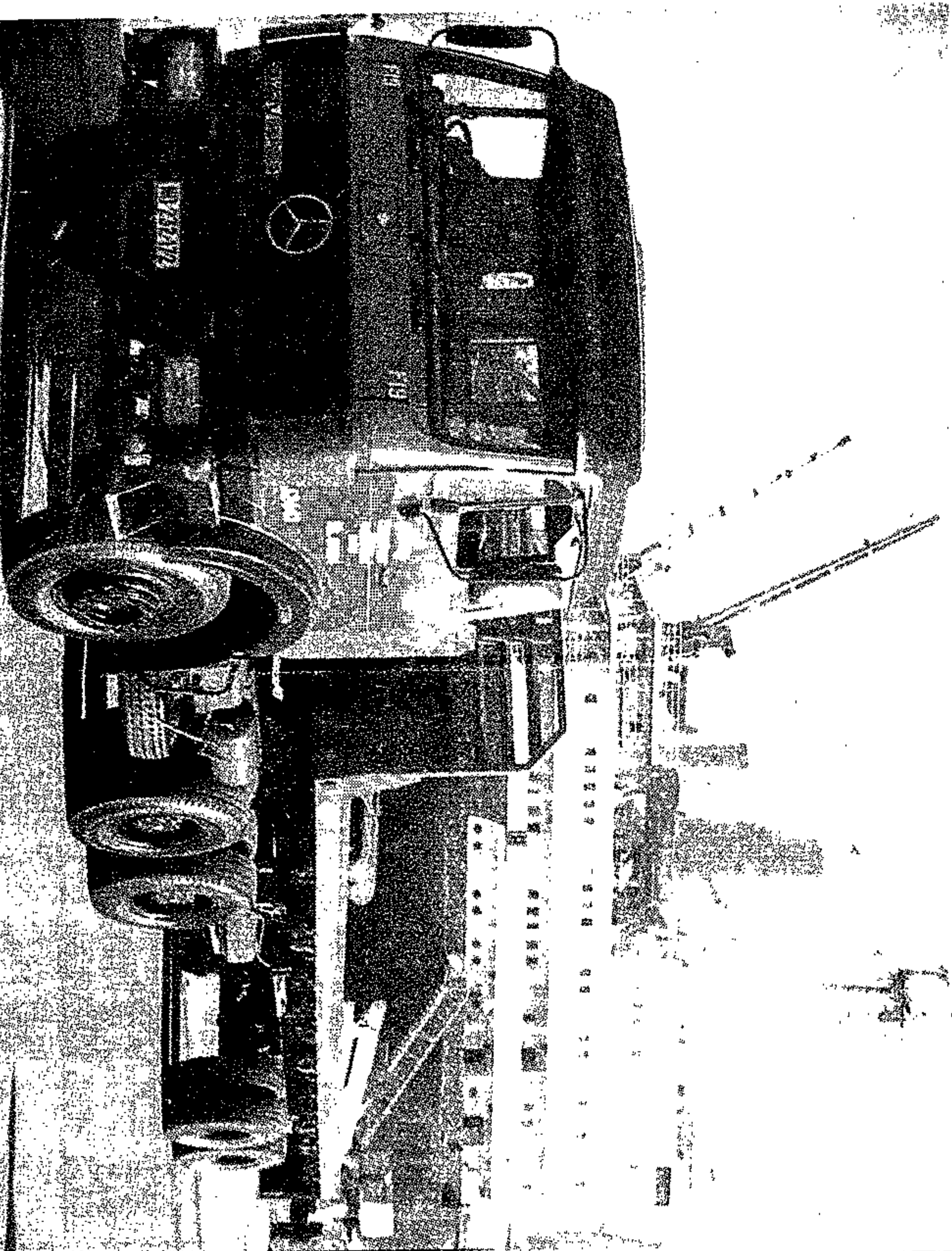
This year, the company also moved into extensive truck refurbishing, rebuilding and hiring facilities at Elandsfontein and Wadville (reported in the last issue of Trucks and Trucking).

There is more growth to come. A look at the infrastructure, developed expertise and financial power behind these moves.

The Imperial group encompasses three major divisions — Imperial Motors, one of South Africa's largest Toyota dealerships, Imperial Car Rental, which swallowed up Hertz last year, and Imperial Truck Systems, which

not only offers industry a comprehensive trucking service but is one of the country's largest dealers in heavy commercial vehicles and parts.

Group turnover for 1988 topped R320-million (up from R119-million in 1987).



Imperial Transport Services has gained entry to the Durban docks through the purchase of GMS Transport, which is an established player in the something of a closed-shop atmosphere of the harbour transport game

staff to client companies), rental of trucks on a daily, weekly or monthly basis. The division already offers manufacturing of truck bodies, servicing and refurbishing trucks and the supply of engine exchange units.

And now, long-haul transportation. As Mr Reeves assures — it will be big.

Tolls — a question of raising capital?

By IVAN PHILIP

AMID the controversy surrounding toll roads — including accusations that implementation is going far beyond original proposals — it may be useful to speculate on the motives that drive the Department of Transport.

One of the most important of motives could be the drying up of foreign capital inflows.

In fact, this scenario has occurred before in a quite different context.

Among the first South African institutions to suffer from the foreign capital drought were the quasi-state organisations which traditionally relied on overseas financing.

Rates

Quite early on, they were "fingert" by anti-apartheid activists — at about the same time as the "no computers for government" campaign. Escrom provides a classic example.

Its major and capital-intensive developments had long been financed by foreign capital, particularly large inflows from consortiums of American banks.

When this flow was choked off, Escrom launched its own version of operation bootstrap.

Electricity rates were raised in a series of steps to internally finance long-term development out of current income.

There is a fair likelihood this is what is happening to roads now that foreign funds have dried up for everybody.

A fair enough likelihood to speculate on.

So it could be that the unseemly haste is the outward manifestation of the department's own operation bootstrap.

If there are no dollars or deutschmarks to build roads and if Government's capital resources are committed to education, upliftment, defence or whatever, then guess who is going to be pulling on the straps? You are.

If this should be the case, it is not surprising that Government would rather not make it into a conversation piece, although it makes sense of what is being done.

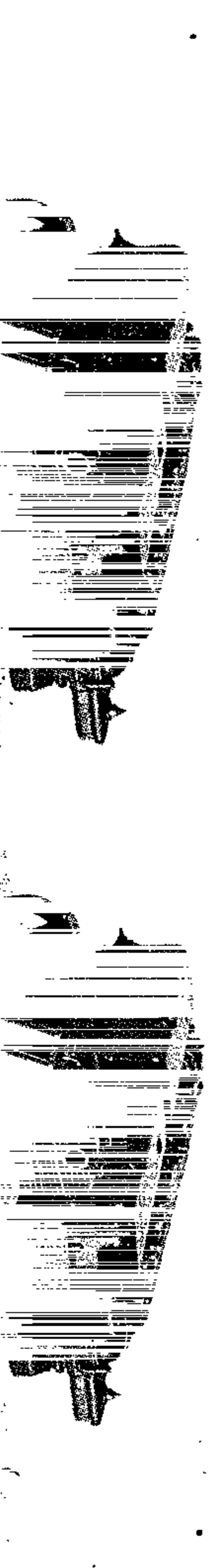
After all — if money is no longer coming in from outside, and internal resources are strained by the demands of social change and the

Projects

Nevertheless, without harping on possible mistakes of the past, the fact remains that the country is strapped for cash to meet a whole mass of urgent demands.

So, whenever possible, we are likely to see the privatisation of capital-hungry projects.

In a very real sense, what is happening to road development is privatisation.



Survey causes controversy

A recent survey of the trucking industry has caused controversy.

time. The impression gained is that ITS will not stop till it is country-wide. Indeed, Mr Reeves says: "We are going to become big."

Flux

This move by a potentially powerful contender takes place against a background in which the transport industry is in a state of flux. Government is attempting to rationalise the position on what have come to be called "grey" permits — permits intended to offer only limited exemptions, but which were open to "interpretation" when hauliers were called to book for exceeding the original intent of the permit. The National Transport Commission is reviewing the whole question of "grey" permits. It is hoped that where the interpretations (by hauliers) are *de facto*, and if there is

Healthy

trouble and expense to upgrade their fleets — leading to big business for professional hauliers. So the feeling at Imperial is that if they are going to get into the business, why not now. Over the past year, Truck Systems has made a series of moves to expand its base, no doubt with bigger fish in mind. Takeovers enveloped De Jongh's Engineering and

Operating profits were over R18-million. Truck Systems' share of group turnover was 28.6 percent and amounted to just short of R92-million, nearly doubling from 1987 and trebling from 1986. There are no lame dogs in the group. All divisions showed healthy profits. Accumulated experience in Imperial Truck Systems

amount of controversy. From more than 25 000 questionnaires sent out in a number of trucking magazines, 410 responses were received — and some publishers are saying the results do not have any real meaning. Apparently, one of the publications was only issued with enough questionnaires to cover a fraction of its circulation. One of the questions asked was — If allowed only one, which publication would respondents choose. The publication that did not get enough questionnaires now argues that answers they received to this, and other questions should be multiplied by a factor of seven. Trucks and Trucking did not figure in this survey — possibly because it would have been necessary to supply us with more than half a million copies of the questionnaire!

Air suspension is becoming a must

THE various types of roads on which buses have to operate in SA have made it virtually essential that these vehicles use air suspension. Luxurious fittings and appointments in a bus or coach are of little use if the suspension cannot cope with rough road surfaces. In addition, bus users are continually demanding higher levels of comfort.

MAN, a pioneer in air suspension back in 1959, believes it has one of the most proven suspension systems in the world, says Don Vale, sales and marketing director of MAN Truck and Bus. "While air suspension for luxury coaches has become the norm instead of the exception, top bus operators are calling increasingly for air suspension on rural buses as well."

Locally, these buses operate on different grades of roads with widely fluctuating loads. Air suspension offers optimal springing at all times and the suspension characteristics remain constant under all load conditions. This is particularly true on uneven roads, as ground clearance remains constant.

When propshaft stress becomes too much... TM takes over!

For the past 25 years we have been planning for the future. That's why we are still here, up-to-date and at the forefront of propshaft technology. Propshaft failure caused by stress and metal fatigue is no problem to us.

Whether new or remanufactured, all our propshafts carry the famous TM guarantee.



TM PROPSHAFTS

TM House, 111 Buntingburg Road, Johannesburg. Tel: (011) 493-2961 Fax: (011) 493-2972 Telex: 484152 SA

Telling the difference between these two engines could put R25 900 in your pocket.

Take a close look at these engines. They look identical. They've both got long-term and long mileage warranties. And they're both good for at least two to three hundred thousand kilometres.

But the one on the left has already done three hundred and fifty thousand kilometres, and is four years old. And while a lot of transport operators would consider an engine in this condition a write off, the owner gave his to us to have a look at.

Which we did. And rebuilt it to the manufacturer's specifications — and mint condition.

Cost of a new engine? R39 400*. Amount paid for a Duratech remanufactured engine? R13 500. Which explains the

R25 900 smile our customer was wearing when he collected his (almost) new engine.

A smile that will carry on over unlimited kilometres for one year, which is what all our work is guaranteed for. And although the guarantee might stop there, your engine won't. Duratech rebuilt chassis, engines and major components have at least 80% of the life expectancy of new units. Because one of the things that we at Duratech believe should never be replaced is quality, from start to finish.

Evidence of this commitment to quality is the fact that Duratech is an approved agent for Mercedes-Benz, Toyota, M.A.N., A.D.E., Samcor, ASTAS, ZF and Bosch Diesel.

And thanks to our back-up stock of quality remanufactured

you back on the road as quickly as possible.

The amount saved by remanufacturing rather than replacing is substantial. And when you add up the savings in rebuilding an entire engine, chassis or vehicle, it amounts to thousands of rands. So if you'd like to keep your vehicle on the road, and some cash in your pocket, complete and post the reply coupon, or give Paul Eberhardt a call on (01464) 2327/8/9 or (01464) 2330/4/7.

Because the only replacing you should be doing is replacing heavy costs with profits.

*Price of a new ADE 407 engine. Price correct at time of going to press.

Yes, I'd like to tell the difference and put some cash in my pocket. ☐ 1 Please contact me right away. ☐ 2 Please phone me to arrange an appointment for a tour around your workshops. ☐ 3 Please send me more information on your whole operation.

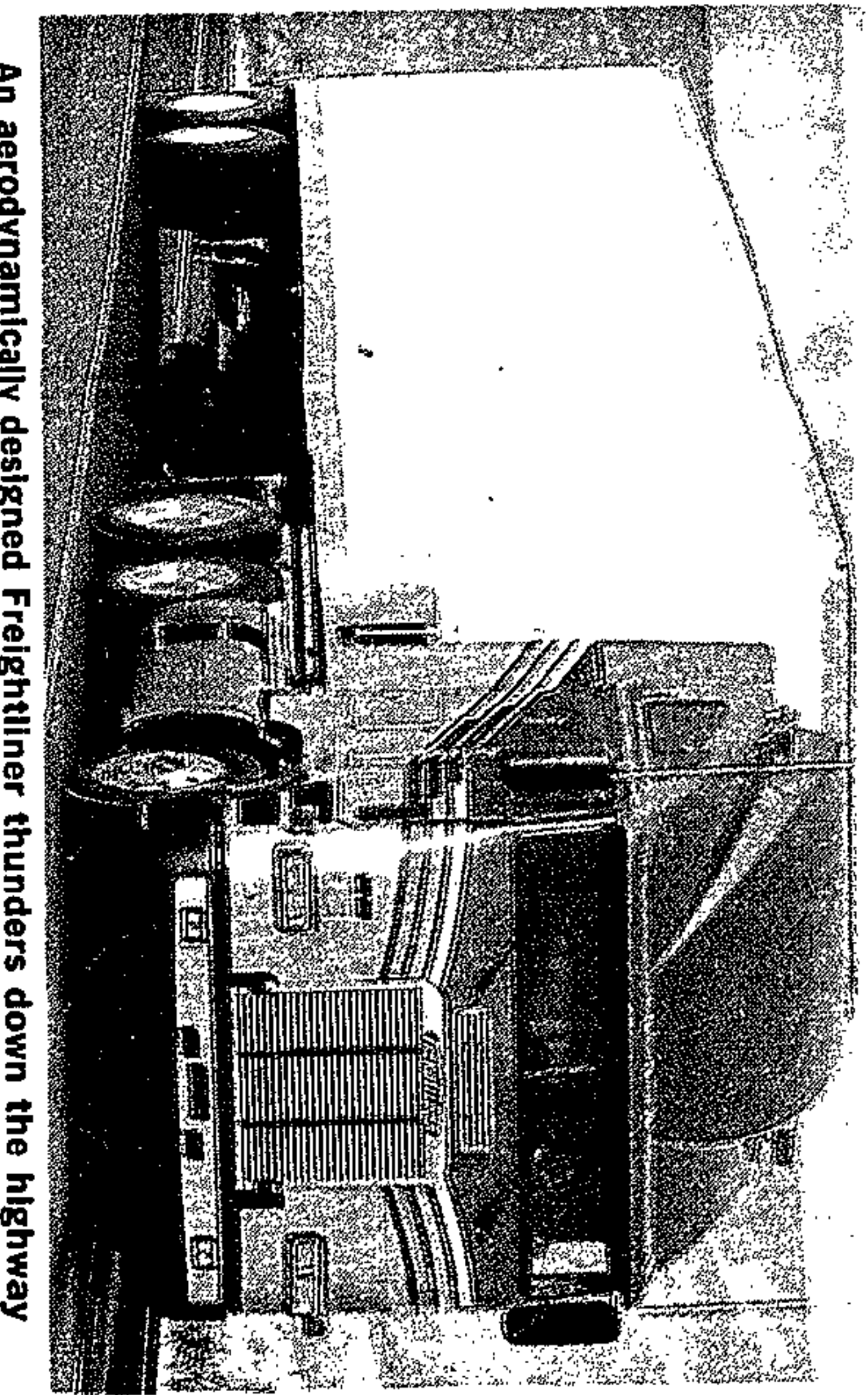
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A member of the Comark group.

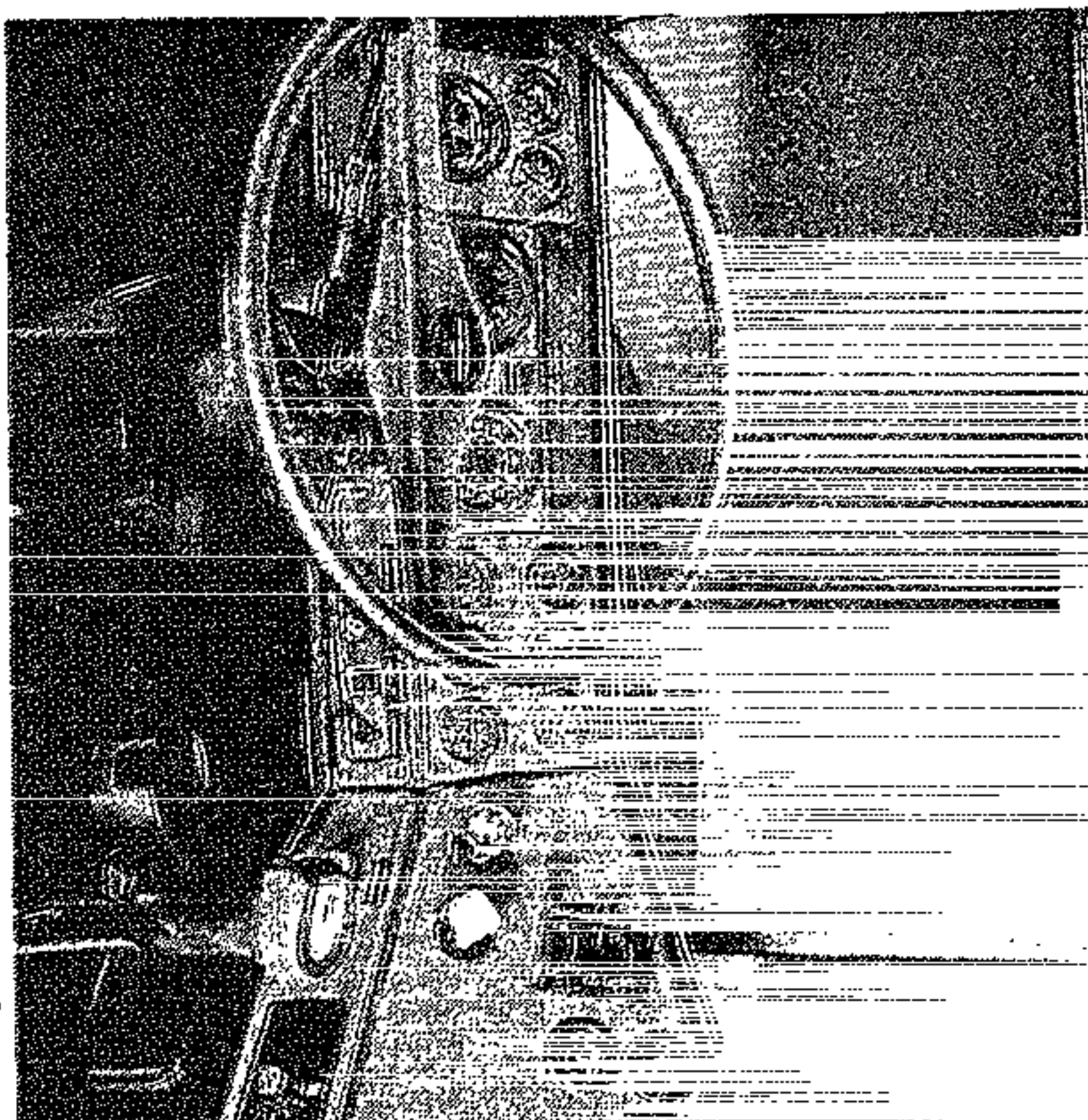
DURATECH

MAKING RELIABILITY AFFORDABLE.

Cargo's Puchert takes a look at industry's woes



An aerodynamically designed Freightliner thunders down the highway



The conventional Freightliner dashboard

New generation of Class Eight trucks

JUST a glimpse of what is on the go elsewhere. In this case, the kind of trucks buyers are looking over in US showrooms. Our pictures tell most of the story, but there is more — inside. Freightliner Corporation, based in Portland, Oregon, has introduced a new generation of Class Eight trucks. The company says it has a new product programme for these trucks, including communications systems, computer software support for dealers and customers and a driver orientation programme. The trucks have been designed to integrate new approaches in technology, ergonomics and aerodynamics. They are available in cab-over-engine or conventional form. Freightliner Corporation is a wholly-owned subsidiary of Daimler-Benz.

Hino truck owners are honoured by Toyota

AN exclusive club for owners of Hino heavy trucks has been inaugurated by Toyota to emphasise the manufacturer's commitment to "the people business." The club was launched at a banquet in Johannesburg at which Toyota directors of trucks Des Gush said it aimed to give recognition to all Hino owners from the smallest operator to the biggest fleets. "It illustrates our total involvement with the customer," Mr Gush said. "One of Toyota's most important assets is that we are people orientated." The club will help ensure communication with customers is at the best at all times. Benefits of the club include regular communication on new Hino developments in South Africa and abroad.

Hino executives from Japan and Belgium, from where Toyota SA receives its truck spares, flew in to mark their support for the club. All Hino club members receive certificates in various colours depending on the number of Hino trucks they own. Toyota Marketing Company, managing director Brian Pretorius presented gold certificates at the launch to fleet owners with more than 30 Hino trucks.

These big operators include Fleetnet, Imperial Trug Fire, ASAB, NCD, Ol Bazaars and Perkin Carriers. Owners of up to five Hino were presented with white certificates. Bronze certificates went to operators with six to 15 trucks. Silver awards were given fleet owners with 16 to 25 trucks.

Mr Puchert says when Government recently proposed steep hikes in licence fees it seemed to forget that last year a levy was raised on diesel fuel — and this levy should be audited to ensure they are used for that purpose — and no other. "We are very dependent on transport in South Africa, as are other big countries with long distances between centres. "Yet we have shocking bus services and inadequate rail services. "Government is not meeting its responsibilities but rather protecting the sacred cow — railways. "But there is a proper place for both rail and road transport. "Rail can survive in open competition with road transport, as has been shown in the United States. It is unfair to consumers to place unrealistic costs on road transport so as to protect rail." Mr Puchert pointed to specific and artificial ways of lowering efficiency. For instance, the issuing of one-way permits that result in empty trucks on the roads. "They are still with us," he said, "but hopefully deregulation and Government's new commitments will eliminate them." Inter-modal co-operation in transport is the way to go, he says. "I am not against road transport paying its way. But I object to paying more than a fair share — and I want Government books audited. Is all this money being used on the roads?"

Link

Speaking of Cargo he says: "We don't want to be the biggest. We want to be the best. We want to be cost-effective and profitable." Looking to the future, he sees road transport as providing a vital link between SA and countries to the north. Referring to the chaotic conditions that followed deregulation in the United States, he said the same scenario did not prevail here. "SA has a number of very good small to medium trucking companies. "Besides which, many of our big truck operators are in-house operations run by such major companies as SA Breweries and SA Warehouses.

Cost

There should be viable alternative routes. The Department of Transport, he points out, claimed it was the intention to pass on part of the savings made by more direct and better quality routes. "I believe," said Mr Puchert, "that Government has avoided the unpopular option of increasing GST by resorting to fuel levies. "But the cost of these levies is reflected in the cost of goods in the end. "It is a soft touch. Government can get the oil com-

Deregulation will offer good chance for the small operator

By PATRICK MAFARO THE advent of deregulation will undoubtedly bring with it the entry of the small operator to the road haulage industry. Contrary to the extreme

in deregulation, since in the final analysis it will promote fairer competition. "End-users will ultimately realise a saving in the cost of transporting their goods," she said.

another example of spiralling costs which cannot be entirely absorbed by the operator," she said. "A more effective basis for fair competition would have been to further increase the

Finance rules 'will have to change'

THERE is a tremendous need for more flexibility in vehicle financing to cater for a volatile economic and legal environment. It will also be necessary to use a greater degree of sophistication in the structuring of transactions to overcome the negative impact rising costs are having on the income of truck users. Attention will have to

be paid to restructuring deals, since they cost hundreds of thousands of rands. Speaking at the 1988 Outlook for Trucks seminar in Johannesburg recently, assistant general manager of marketing of Stanbic Ron Newman said since May this year the Government had made changes to vehicle purchase regulations. Other changes, such as the

redefinition of leasing transactions, have been the subject of intense lobbying and discussion with the authorities which, together with the recent parliamentary difficulties, resulted in no law being passed. "It seems Government is clear on one thing — it intends to legislate so that all leasing transactions, whether rental, full maintenance or

financial, will be governed by the terms of the Usury Act and the Credit Agreements Act for transactions under R500 000." Referring to the market, Mr Newman said sales of new units were expected to fall, while second-hand volumes should increase. "It is my perception that it will be necessary for finan-

cers to reconsider the periods over which they usually choose to finance assets. "In particular, trucks will have to be financed over much longer periods." Also, because of the impact of new vehicle prices, it will be necessary to introduce programmes whereby trucks can be financed and refinanced on a rebuild.

"I see it as inevitable that the second-hand truck market and the rebuild truck market will grow substantially, and financiers will have to take this into account." It is expected that a truck user will, in future, have a truck for eight to ten years, during which time it may be rebuilt twice or even three times.

Mercedes-Benz customises Finance Plans. Because no two businesses are alike.

ing it with it in the United States, however, South Africa's tight control over the standard of vehicles operated by hauliers should ensure the safety of the general public.

These same standards should also make it difficult for any small-time operator to cut his overheads so dramatically that he was able to force major participants in the industry to operate at sub-economic rates.

This view was recently expressed by managing director of Supreme Truck Rental Dawn Hamman.

With many of SA's major hauliers as her customers, Mrs Hamman has more than a passing interest in the likely effects of deregulation.

"I think it's fair to say the industry as a whole believes

with a Road Freight Quality System of the highest standard, and the operator's adherence to it must be continually monitored. "If we can achieve this, we can be sure of the necessary safety standards."

Endless

Although a proponent of deregulation, Mrs Hamman was quick to point out the negative impact increased licence fees would have on potential benefits for the end-user.

"There will obviously be a negation of any trend toward lower rates, because of the seemingly endless introduction of new sources of revenue by the Government. "The application of GST to drivers while on hire is

revenue required by the Government would have been borne by the heaviest road users."

Supreme Truck Rental, launched in March this year, expanded its fleet to close on 200 vehicles by October this year.

Anticipating a market share of between 3.5 and 5 percent by year end, Mrs Hamman does not see the formation of the company as indicative of any trend towards a proliferation of new entrants to the market.

"While we have the backing of a major group, our formation has been more the result of personal objectives rather than the deliberate recognition of any opportunity by our financial backers," she said.

Haulier organisations have a proud history

By PATRICK MAFARO

ROAD haulage of freight has been organised for almost 50 years.

The Motor Transport Owners' Association (MTOA) was probably the first association in the Transvaal when it came into being in the early '40s.

A Cape based sister organisation, CMTOA, was formed at about the same time.

Hauliers engaged in furniture removals and warehousing formed their own association, South African Furniture Removers and Warehousemen's Association (SAFWA) 28 years ago.

In 1975, following years of frustration with the MTOA inability to initiate any meaningful progress towards

a better understanding of road haulier problems with Government, in particular, and the public in general, a handful of large road transport companies, who soon became known as the "club", formed a new association — the Professional Hauliers' Association (PHA) under the direction of Jack Webster.

Autonomous

With encouragement from the Department of Transport Affairs, PHA spearheaded a drive to federate established transport associations concerned with freight movement.

These included the Public Carriers' Association (PCA), MTOA, SAFWA, CMTOA and Napto (National Association

of Private Transport Operators).

In 1981 the associations amalgamated under the umbrella of the PCA.

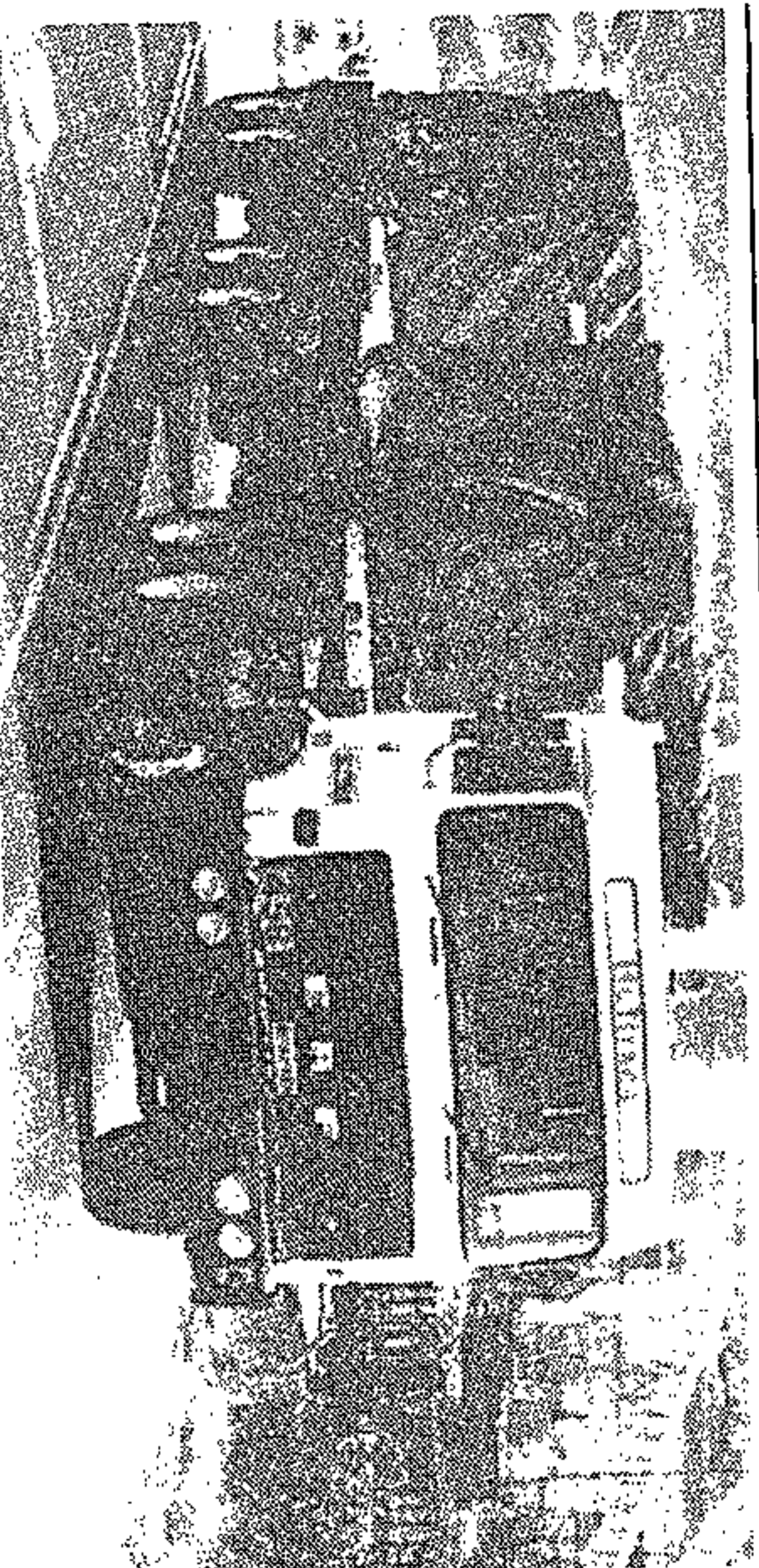
Although each association retained its identity, PCA acted as secretary and administrator.

MTOA and CMTOA are party to the Industrial Council for Motor Transport Undertakings (Goods) and are responsible for labour matters, wage negotiation and employment conditions.

Membership of PCA does not mean automatic membership of SAFWA, which has a tough set of standards that must be met.

PCA is registered under the Companies Act.

In 1986, Napto moved out from PCA's administrative wing and is now autonomous.



Ultra-light trailers cut the costs of hauling pulp

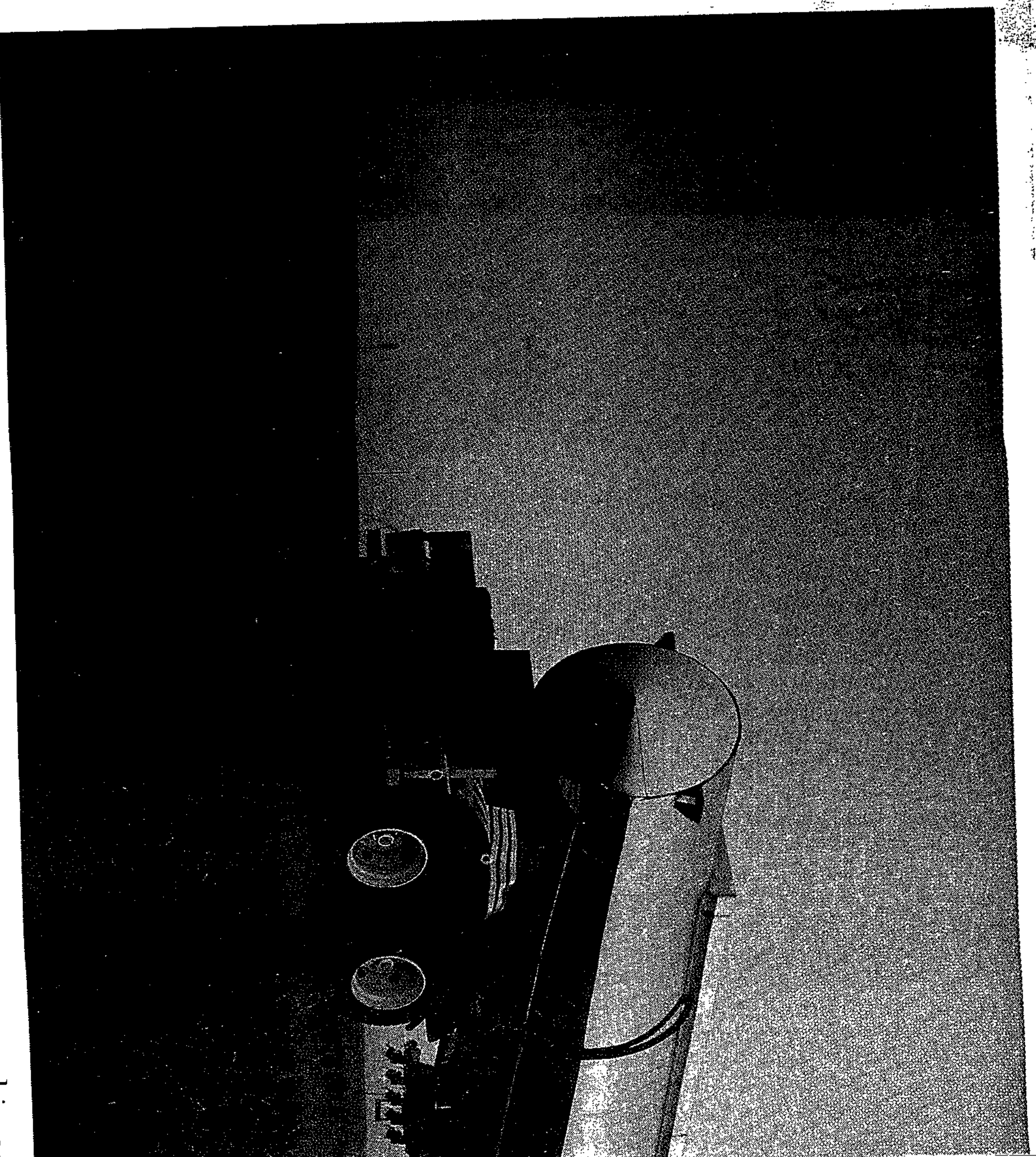
Hultrans on optimum payloads

HULTRANS is achieving optimum payloads with the introduction of five new ultra-light combination trailers on the Umkomas to Durban run for Salcor, which operates 24 hours a day, six and a half days a week.

The trailers, which haul pulp from Salcor, are fitted with Supersingle tyres and have

been designed to reduce tare mass to a minimum, thus improving payload potential.

Mr Andrew Carr, commercial manager for Salcor, said the innovation had proved extremely successful, and the improved payload served to keep transport costs down.



Technical specifications and price are not the only considerations an operator has to take into account when buying a truck. Equally important is a tailor-made

financial package that meets his needs. With Mercedes-Benz the options are endless. Cash purchase, installment sale, leasing, long-term rentals. Take long-term rental, for exar

WITH one or two exceptions, industrial relations in the trucking industry have been relatively quiet this year.

National Association of Automobile Manufacturers of SA (Naamsa) president Nico Vermeulen bears this out, saying that on the whole, labour relations have been fairly stable.

"The conditions of employment compare favourably with other manufacturing industries, and remuneration is by far the best on record.

"The difference is possibly that negotiation takes place between individual companies and unions — there is no centralised structure for bargaining.

"When there is a hiccup within the labour field it is handled by employees on a participative basis," he says.

Mercedes Benz of SA (MBSA) in East London is the most notable exception, having been plagued with industrial action, strikes and work stoppages since 1985.

Mr Vermeulen describes it as "an unfortunate spate of bad luck", but considering strikes have cost the company in excess of R400-million over the last two years, it is obviously more than just that.

Up until April 1985, MBSA had one of the best industrial relations records in the business.

Mercedes strike most noticeable break in trend

Sunday Times Reporter

Now parent company Daimler-Benz has threatened to pull out due to the unrest. The company is losing millions each year and nothing seems to be happening to rectify it.

The National Union of Metalworkers (Numsa) — one of the biggest unions representing workers within the industry — confirms that the wages are good and the conditions of employment better than most.

One spokesman says: "The majority of our grievances — especially with MBSA — have nothing to do with these employment issues.

"We do not believe the industrial relations team is good enough or that it tries to understand us.

"As a result, there is a lot of hostility within union members towards the company."

The final outcome of this

has been wildcat strikes, lost production and millions of rands thrown away by both the company and workers in the form of wages.

MBSA is conscientious in its efforts to provide for members of the surrounding community.

The Eastern Cape is notoriously politically militant, which has undoubtedly contributed to the company's problems.

Managing director Sepp van Hullen has kept the promise he made when taking over as head of the company to upgrade black employees by preparing an equal base for all races to start a career.

In line with this, MBSA has injected R150-million into the economy of the Border region.

Apart from MBSA, Volkswagen is another company which has had rumblings of unrest, although not on the same scale as MBSA.

Strong

VW has had two work stoppages this year — the first in June, when 4 500 workers refused to handle Goodyear tyres in solidarity with 900 Goodyear workers who had been locked out, and the second last month, when 200 artisans stopped work over a wage dispute.

VW is ahead of its time as far as labour relations are concerned.

It favours strong management and strong unions which can come together in collective bargaining.

Some 87 percent of its workers belong to two unions — the all-white Yster en Staal Unie, representing about 2 000 workers, and Numsa, which represents almost 4 500 employees.

Conditions and wages are negotiated annually at an industrial council for Eastern Cape motor manufacturers. The council, which started in 1969, today comprises VW, Delta, MBSA, Samcor's Port Elizabeth operation, Yster en Staal and Numsa.

The VW concept comprises of an executive committee with senior management and shop stewards, the human resources committee addressing operational matters and the departmental committee,

which deals with shopfloor issues.

Both unions report they are satisfied, although a Numsa spokesman says managers, foremen and supervisors sometimes find it difficult to understand blacks and the way they work.

Samcor has had its fair share of problems as well, with 3 000 workers at its Pretoria plant participating in a wildcat strike in a dispute over the distribution of dividends from shares in the company.

The problem began when Ford Canada disinvested from SA.

Ford disposed of its 42 percent shareholding in Samcor by selling 18 percent to Anglo American and placed the remaining 24 percent in a trust for Samcor's employees.

Workers wanted their shareholding to be liquidated and either distributed among workers immediately or channelled into housing or other workers' facilities.

The result was a prolonged strike, fighting between workers and their union, Numsa, and the loss of some R50-million in production by the company.

The problem was resolved when it was explained to workers that the liquidation of the fund was not an option.

The scheme, however, has floundered for the time being.

Truck drivers are represented by the Transport and General Workers' Union (TGWU). Information officer Kally Forrest says the sector is fraught with problems.

"We have to deal with low wages, massive overtime, no worker benefits, health and social problems."

A quiet year for labour

TRUCKS AND TRUCKING

relations

Supplement to Sunday Times Business Times, N

Drivers become

All transport vehicles to undergo annual roadworthiness tests

By PATRICK MAFARO

DRIVERS of transport industry vehicles, including passenger vehicles for hire or reward, will have to apply for Professional Driving Permits if the Road Traffic Bill is passed unchanged.

Department of Transport's Pen Meiring says the professional driving permit will have to be carried in the vehicle at all times.

"It will look like a credit card and contain a photograph of the holder," he says.

Meiring says the objective of the Road Transport Quality System is to provide a safety framework for a deregulated transport industry by establishing an appropriate set of national standards applicable to drivers, vehicles and vehicle operators.

Renewable

Once in force, drivers requiring a PrDP will have to present an existing driver's licence and a medical fitness certificate on initial application and with subsequent compulsory biennial applications for renewal.

The PrDP will be issued and renewed subject to consideration of a driver's licence, health, vision and traffic offences record.

On roadworthiness, Meiring says transport industry vehicles will have to carry an annually renewable roadworthy certificate.

Heavy-goods vehicles and

all passenger vehicles containing 12 seats or more will have to obtain this annual roadworthy certificate.

In addition, all private and public testing stations will be graded according to facilities and personnel on standards laid down by the South African Bureau of Standards.

Grade A stations will be able to test all vehicles, while Grade B stations will test only light vehicles.

In addition, to spread the load — estimated at five times the number of vehicles in the transport industry currently requiring certificates of fitness — privately owned testing stations will also be recognised and registered.

Personnel examining vehicles will also be graded and registered to enable their performance to be monitored and for them to undergo refresher courses.

The regulations will also call for transport vehicles to carry a plastic card identifying the operator of the vehicle. The "operator" is defined as the person responsible for the maintenance and the control of the vehicle. The card will be issued subject to consideration of traffic offences records.

The embossed card will be imprinted on any prosecution document for an offence committed in the vehicle concerned.

Offences will be recorded on a central register to provide a record of performance.

PRESTO Transport Holdings, one of South Africa's top transport companies, broke new ground recently by turning 20 of its senior drivers into small businessmen operating their own trucks.

Twenty Mercedes-Benz truck tractors were bought for the pilot programme, which is intended to create wealth opportunities for the company's senior drivers.

Presto managing director John Gibb says the venture makes good business sense and offers a way of reducing racial wealth disparities.

"We are pioneering this scheme in the freight market and we are delighted that it is going so well," he said.

The success of the programme so far has resulted in orders for 20 more Mercedes-Benz units.

A function was held recently to mark the completion of the first order, carried out jointly by Mercedes-Benz dealers, McCarthy Zandfontein and Mercurius Motors.

McCarthy managing director Graham Damp congratulated Presto on the programme. He said it felt good to be involved in an historic new venture in the transport industry.

Value

Presto's senior drivers were offered a finance package, made available by Standard Merchant Bank, enabling them to buy vehicles. In return, a contract with Presto requires that they render a transport service to the company, paid for by the kilometre.

The Presto vehicles are serviced under a Mercedes-Benz full maintenance contract for the life of the contract. Ultimately, the owner-operator will own the vehicle with no strings attached.

At that point he has the

Top company offers vehicle ownership scheme so that its employees can profit

choice of selling it or trading it in. "With the high residual value of a Mercedes-Benz commercial vehicle, the operator should make a meaningful profit at the end of his contract," Mr Gibb explained.

"The infrastructure of Mercedes-Benz also provides the support we feel the emergent owner-operators will need."

The programme has been under way for about six months and feedback has been good. Twenty drivers have opted for the scheme and all feel positive about its

economic benefits.

The advantages of the programme are apparent in greater productivity, lower overall operating costs and better fuel consumption. The owner-operators are also learning to manage expenses and profits to the benefit of their own operations.

Presto Transport Holdings handles mainly container transport on a national basis and is one of the largest private sector transport carriers. "The company's valued clients have been supportive by endorsing the venture," says Mr Gibb.

ADE doubles

By PATRICK MAFARO

DOUBLE shifts have been introduced at Atlantis Diesel Engines' commercial vehicle engine manufacturing facility.

This is helping the company to meet the increased demand for engines and clear the backlog.

According to Wally Rau-

tenbach, ADE's director of marketing and public affairs, the company has already greatly reduced the backlog, but there has been a further increase in orders from the heavy commercial vehicle market sector.

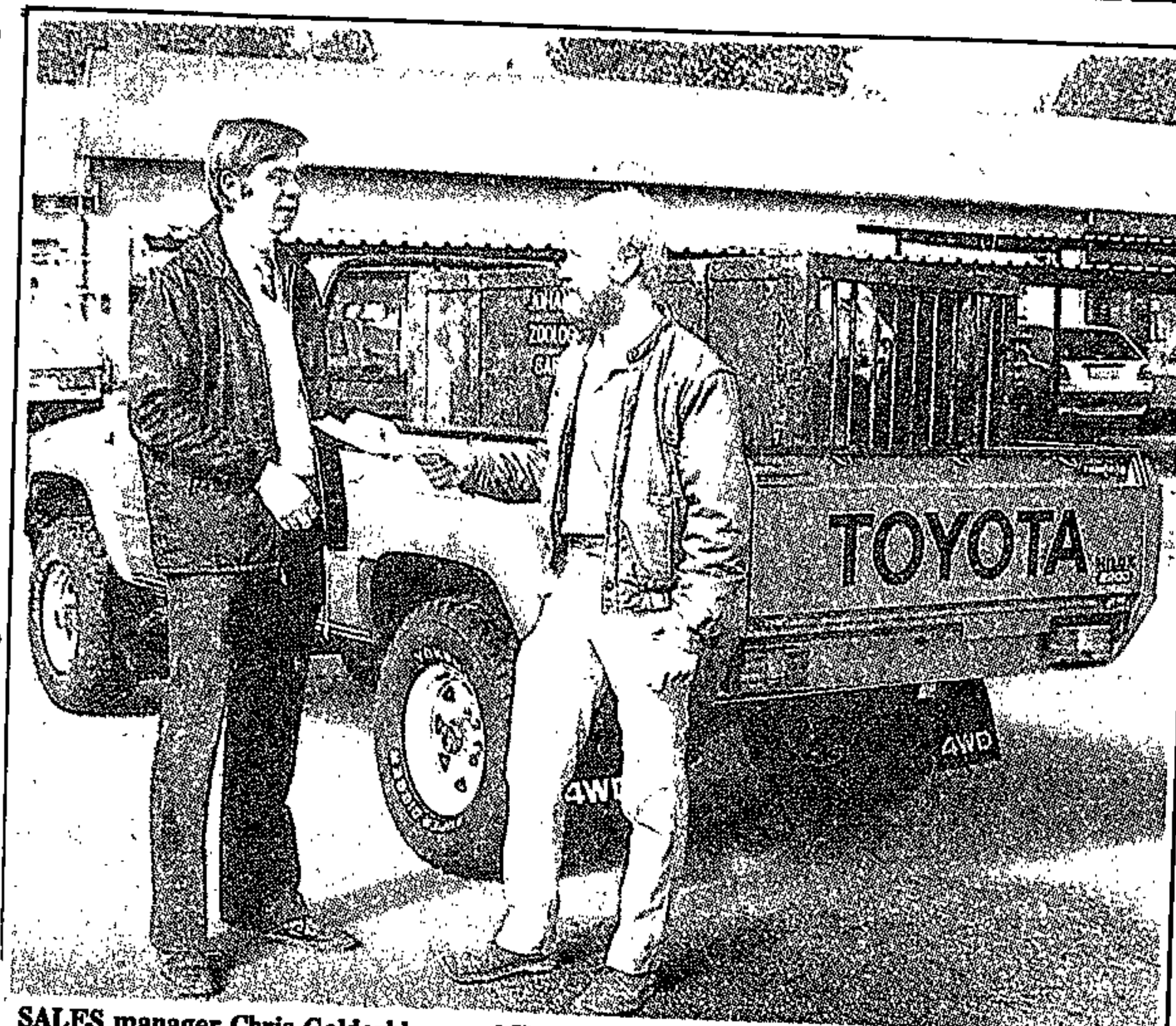
There has also been a significant upturn in demand from the medium commercial vehicle market sector

20/11/88

332

NO TRUCKING

their own bosses



SALES manager Chris Gelderbloem, of Kavango Toyota, Rundu, Namibia, took an unusual cargo back with him when he collected a new Toyota Hilux 4x4 pick-up in Johannesburg recently.

The cargo was a fully grown lion bought from the Johannesburg Zoo by a recently established zoo outside Rundu.

Mr Gelderbloem had Mr Dolf Haveman, chief cultural officer of the Kavango Government, and Dr Axel Hartman, a State veterinarian, as his companions for the non-stop drive to take the sedated lion to its new home.

Our picture shows assistant curator of the Johannesburg Zoological Gardens Ferdi Schoeman, left, with Dr Hartman.

Solid back-up for Cummins

SUREPARTS, the truck and parts division of Sure Group Holdings, is able to supply an extensive range of spares for Cummins engines.

Operators of both automotive and stationary Cummins engines can look forward to a quick, reliable back-up service, says Suregro joint managing director John Sanders.

"For Cummins users, this development means access to off-the-shelf parts at realistic prices."

Through its country-wide stock-holding network and delivery service, Sureparts can offer immediate confirmation of availability followed by supply within hours.

Slow moving parts are supplemented by regular weekly airfreight consignments from suppliers overseas.

reliable supply of Cummins spares at very competitive prices through close ties with the giant US-based truck and parts multi-national, Paccar.

The company is geared to put considerable effort into marketing and customer service, says Mr Sanders.

"We have set very realistic pricing levels in line with our philosophy of low margins on high mortality parts."

To "set the ball rolling", the company has announced a special Christmas-period promotion during which Cummins parts will be offered at 10 percent discount.

Ties

Sureparts decided to enter the Cummins replacement parts market after perceiving the need for better service to the significant number of operators still using Cummins engines in SA.

"We believe Cummins users are not being as well looked after as they deserve, partly because of the decline of the Cummins engine population and partly because of the advent of Atlantis Diesel Engines," says Mr Sanders.

"Notwithstanding our strong support of ADE, we have to get it through to people that Cummins engines are still very big overseas and parts are available."

Sureparts has secured its

shifts to meet demand

and tractor market prospects are also positive.

"We have experienced a 78% increase in orders for engines by the heavy commercial vehicle manufacturers over those of 1987," he says.

During the sustained downturn in the motor industry between 1984 and 1987, inventories were run down to

an estimated three months' stock in the entire production and dealer inventory pipeline. This resulted in an immediate backlog when the upswing in the motor industry became evident in the second half of last year, causing medium and heavy commercial vehicle manufacturers to hastily restore inventories to a seven- to

eight-month level.

Mr Rautenbach says that there is tremendous pressure on ADE's 60 local suppliers, to meet the increase in demand all round.

He is, however, confident that ADE will be able to reduce the backlog to a minimum this year and totally clear it early in 1989.

st
21/11/88

Man dies in W Cape taxi feud (332)

CAPE TOWN — At least one man died and three were seriously hurt when about 200 taxi drivers, armed with home-made weapons, clashed in Nyanga early yesterday.

Police said the riot squad used birdshot to disperse the warring factions.

Mr Mbekweni Ndomanu (37) of Site B Khayelitsha, died in the 7 am clash.

It is the third violent encounter since Wednesday between taxi drivers competing for lucrative routes.

Sources said the fighting was between a group of owners trying to move in on lucrative "white" routes which another group, also from WCBTA, regarded as exclusive territory. — Sapa.

Ceasefire in taxi war after plea for peace

By EDWARD MOLOINYANE, Staff Reporter

THE warring taxi organisations have undertaken to resume operations "pending further talks".

The Western Cape Black Taxi Association and the Western Cape Taxi Association said they would resume taxi services after an appeal by the community and the police for peace.

A meeting at Site B, Khayelitsha, yesterday was addressed by, among others, Brigadier Gilus de Waal, divisional inspector of police for the Western Cape, and Mr Mali Hoza of the Lingeletu West Town Council.

"THINK OF VICTIMS"

Saying he was "speaking from his heart", Brigadier de Waal appealed to the factions to resolve their differences by talking instead of fighting.

He urged them to think of the victims of their actions — the many people who used taxis — who were always the first casualties of their fighting.

He said the many routes, which appeared to be the main issue in the dispute, were in fact open to all licensed taxis.

Brigadier de Waal said his office was always open and he would do all he could to help the parties resolve their differences.

PROVIDE PROTECTION

He undertook to provide police protection at all times should the factions agree to resume operations and assured them that he, personally, would see to it that a meeting to iron out differences was called soon.

The meeting was attended by officials of both organisations who agreed to cease hostilities.

They said they would operate as before, pending further talks.

It was the third time that police had intervened since the feud began in October.

● Pictures, page 3.



City taxi war leaves commuters stranded

Staff Reporter

THOUSANDS of township commuters were stranded yesterday when taxi owners refused to operate for fear of being attacked by rivals, after running battles at the weekend in which a man was killed.

Members of the Western Province Black Taxi Association (WPBTA) and the Western Cape Taxi Association (WCTA) clashed last week and about 200 taxi drivers armed with knives, pangas and knobkieries attacked each other in Nyanga on Sunday.

On Saturday, rival drivers armed with homemade weapons fought in Washington Avenue, Langa.

Kei buses empty after fares increase

Staff Reporter
BUSES from Cape Town's black townships to Transkei and Ciskei are running empty because residents feel a recent R10 fare increase is too high, a representative of the commuters said yesterday.

Fares to Transkei were increased from R60 to R70 and to Ciskei from R45 to R55 in October, after residents and the bus companies had failed to reach agreement on increases.

Township residents — and especially hostel dwellers — who regularly use the buses are angered at the increases and about 300 people protested against them in Guguletu on Sunday.

The representative, who is connected to the Township Transport Coordinating Committee and asked not to be named, said people felt the increases were unfair because the bus companies had increased fares last year.

A spokesman for the Bus Runners' Association said they had been involved in negotiations since mid-August. He said commuters had pushed a R5 rise, while the association wanted a R15 increase, since the price of diesel and spare parts had gone up.

Too late for classification

A good deed turns sour for taxi-owner

332 B/day 21/11/88.
LONG-distance taxi driver Jan Luvwengo faces a R300 fine for giving a lift to a man stranded between Potgietersrust and Pietersburg.

SA Long Distance Transport Association chairman Peter Rabali, owner of the vehicle, said on Friday his driver took pity on a man desperately flagging down cars on November 9.

"The man told him he was stranded and had no other means of going to Johannesburg," said Rabali.

"Near Naboomspruit they were

THEO RAWANA

stopped by a traffic officer who checked the car and permit and found all in order. Then he issued a summons to appear in court in Naboomspruit or pay a R300 admission-of-guilt fine."

A senior traffic at Nylstroom said the Motor Vehicles Road Transportation Act stated a transport operator had no right to carry people other than those of the race stipulated on the permit.

The summons directs Luvwengo to

appear in court in Naboomspruit on January 12 or pay a R300 admission of guilt.

Rabali said it was strange the traffic officer did not take the passenger's name.

He said: "This is the harassment of the informal sector we keep complaining about. The carmakers from whom we buy vehicles, the oil companies, spares suppliers and mining corporations, whose employees form the bulk of our passengers, need to raise their voices in our defence."

Driver faces fine for ferrying white man

Own Correspondent

JOHANNESBURG. — Long-distance taxi driver Mr Jan Luvwengo faces a R300 fine for giving a lift to a white man he found stranded between Potgietersrust and Pietersburg.

SA Long Distance Transport Association (Saldta) chairman Mr Peter Rabali, who is the owner of the vehicle, said on Friday that his driver took pity on a white man who was desperately flagging down cars in a deserted area on November 9.

"The man told him he was stranded and had no other means of going to Johannesburg," said Mr Rabali.

"Near Naboomspruit, they were stopped by a traffic officer who checked the car and his permit and found all to be in order. Then he issued a summons to appear in court in Naboomspruit or pay a R300 admission of guilt fine," said Mr Rabali.

A senior traffic official at Nylstroom said the Motor Vehicles Road Transportation Act stated that a transport operator had no right to carry people other than those of the race stipulated on the permit.

The summons directs Mr Luvwengo to appear in court in Naboomspruit on January 12, 1989 or pay a R300 admission of guilt on or before January 11. If he failed to comply with the notice he might be arrested and sentenced to a fine of R300 or three months' imprisonment.

Mr Rabali, saying he found it strange that the traffic officer did not even take the white passenger's name, added: "Even if I had taken him on as a paying passenger, I can phone for a white-owned Johannesburg taxi and it would take me anywhere without raising eyebrows."

"This is the harassment of the informal sector we keep complaining about. The car-makers from which we buy our vehicles, the oil companies, spares suppliers and mining corporations whose employees form the bulk of our passengers need to raise their voices in our defence."

Tollgate moves into major league

From ARI JACOBSON

JOHANNESBURG. — Tollgate Holdings has moved into the league of major industrial holding companies with its R64m acquisition of the Arwa Group and its significant investment in Gants.

Tollgate, ending weeks of speculation, has confirmed it will pay an effective R33m for its 25% stake in Gants, to be bought from Lougant Holdings.

Payment comprises a cash settlement of R20m and the issue of 4m Tollgate shares.

The Arwa side of the deal, which gives Tollgate a 58,5% shareholding and control, will be settled by the issue of just over 9m Tollgate shares — worth about R31m at its current market prices.

The 58,5% shareholding is currently held by the Claasen Trust, headed up by Tollgate chairman Johan Claasen.

Payment to minorities will be in the ratio of 80 Tollgate shares for every 100 Arwa held.

The increase in scrip will push Tollgate's issued shares from 24,8m to just over 37,8m.

Had the acquisition been effective for the year to December, Tollgate's net worth would have been diluted to 286c a share from 402c.

However, earnings would have risen 24,3% to 39,4c a share — assuming the R20m to Gants was funded by an 11,5% preference share.

Earnings for 1989 are expected to exceed 50c a share on its increased share capital.

Claasen says Tollgate is now sound-

ly based with a clear direction in consumer-orientated industries.

"Group turnover will be nearing the R1bn-mark by the end of 1989 and intends becoming a major force in those industries recently entered," he adds. Although transport and property will still provide the largest chunk of future contributions to earnings at 30%, textiles (25%), food (18%), engineering (15%) and leisure and tourism (12%) provide a well-rounded industrial portfolio.

In line with this, the company is planning to transfer from transport to industrial's on the JSE.

The R33m stake in Gant's, leaves the Gant family as the controlling shareholder, while Tollgate will play a significant role in its restructuring and future direction, says Tollgate MD Hennie Diedericks.

"We always considered a substantial investment in the food-processing business a priority and attached great value to the Gant's brand name," said Diedericks.

Referring to the acquisition of Arwa, Diedericks says that like the food processing industry, the high cost of entry and the increasing reliance on locally manufactured textiles ensures a profitable and stable market in the years ahead.

"In the belief that the rand is unlikely to strengthen in the medium term, benefits will accrue to both these companies because of their export potential and the high cost of imports."

Surpluses of about R26m on fixed properties — mostly from the United Passenger Transport acquisition, will aid sponsor the acquisitions.

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Man killed as taxi war boils over

Staff Reporters

AT LEAST one man died and three were seriously hurt when about 200 taxi drivers armed with home-made weapons clashed in Nyanga early yesterday.

Police said the riot squad used birdshot to disperse the warring factions.

Mr Mbekweni Ndomanu, 37, of Site B, Khayelitsha, died in the 7am clash. The injured men were taken to Groote Schuur Hospital.

It is the third violent encounter since Wednesday between taxi drivers competing for lucrative routes.

It brings to five the number of seriously injured in the clashes.

On Saturday two men were badly hurt in Langa shortly before police intervened with teargas to break up a bloody encounter between factions in Washington Avenue.

Sources close to the Western Cape Black Taxi Owners' Association (WCBTA) said the fighting was between a group of owners attempting to "lever in" on lucrative "white" routes which another group regarded as exclusive territory.

"The guys with routes from Nyanga to Cape Town, Bellville, Mowbray, Wynberg and Claremont are coining it. They openly boast that they make R100 between 4.30am and 11am," one man said.

Both factions belong to WCBTA, he added.

WCBTA spokesmen could not be traced yesterday. Police added that within hours of yesterday's clash, a group of about 300 people gathered in Guguletu to demonstrate against a well-known bus company's fare increases.

A police officer had negotiated with the crowd and they had dispersed.

But the crowd had later formed in NY1, Guguletu, and refused to disperse.

"Police used teargas to disperse the crowd. There were no injuries or arrests," a spokesman said.

A 37-YEAR-OLD man died and three people were seriously injured when rival taxi groups clashed in Nyanga in the battle for control of the lucrative black taxi routes.

Thousands of township commuters were stranded this morning at Langa and Nyanga as taxi services ground to a halt.

The dead man, whose name has not been released, was from Khayelitsha.

Police said the two groups, totalling about 200 people, armed with knives, pangas and knobkerries, fought at about 7am yesterday.

A spokesman said police used shotguns to disperse the crowd.

This was the second time this weekend that fighting has broken out between members of the Western Province Black Taxi Association and (WPBTA) and the Western Cape Taxis Association (WCTA).

Police use teargas

On Saturday morning rival drivers armed with pangas, knobkerries, axes and lead pipes fought a running battle in Washington Avenue, Langa.

Police broke up the fight with teargas, but scores had been injured.

Police also used teargas to disperse about 300 people protesting in Guguletu against fare increases by a bus company.

Mr Lawrence Memani, chairman of the WPBTA, which is affiliated to the South African Black Taxi Association, said his group met the Western Cape Taxi Association at Langa on Friday to try to sort out their differences.

No compromise could be reached as the WCTA insisted the WPBTA stop operating on certain routes, particularly Claremont, Mowbray and Bellville, he said.

Residents meeting

According to Mr Memani, fighting broke out on Saturday when the WCTA "invaded" the Langa terminus, a WPBTA stronghold, with all their vehicles and ordered their drivers to load to all destinations.

The WCTA could not be reached for comment.

Meanwhile, concerned residents from Site C in Khayelitsha are due to meet the two organisations today, Mr Memani said.

The weekend's clashes are a sequel to events in October when three taxi drivers were hurt in fighting between WPBTA and the WCTA members at Nyanga terminus.

The feud brought taxis to a halt for four days.

Investment

The mini taxi business has been described as the "economic miracle of the mid-1980s" by Mr Clem Sunter, scenario planner at the Anglo American Corporation.

He calculates the investment in vehicles alone is about R3-billion and the number of jobs created at about 300 000 — equal to two thirds of the entire labour force engaged by the gold mines.

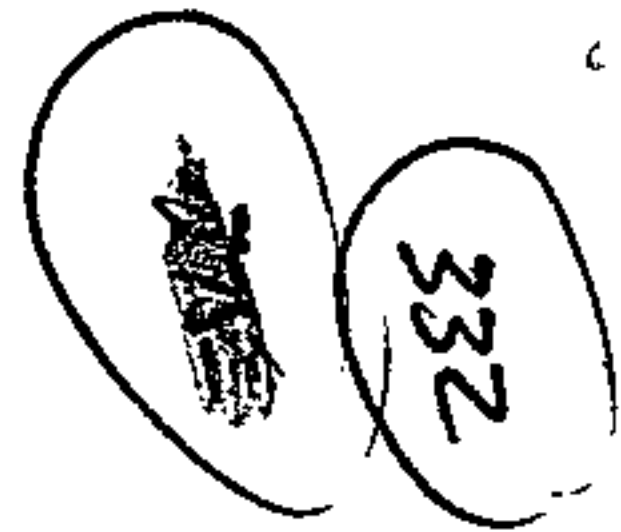
It is estimated that the 45 000 taxis affiliated to Sabta carry more than 5-million passengers a day at an average price of R1. This is about 20 times higher than the number of passengers using the national network of white-owned buses.

● Police unrest report, page 2.

Taxi war turns deadly

By EDWARD MOLOINYANE,
STEPHEN WROTESLEY
and VERNON BRENT,
Staff Reporters

MR 45
21/11/88



Tollgate acquisitions spell new direction

By Sven Forssman

Tollgate's announcement at the weekend that it is to acquire 25 percent of Gant's and 58,5 percent of Arwa will complete the group's transformation from a transport company into a substantial industrial holding group.

Mr Hennie Diedericks, MD of Tollgate, said the group would soon apply to the JSE for a transfer of its listing from transport to industrial holdings.

It also intended to change its name so as to reflect the changed nature of its business more accurately.

Mr Diedericks said: "Phase one of our restructuring is now complete and future contributions to earnings are expected to be generated from the following divisions in the approximate percentages: transport and property — 30 percent; textiles — 25 percent; food — 18 percent; engineering — 15 percent; leisure and tourism — 12 percent.

"We are in the process of realising surplus non-income-producing fixed properties, mostly acquired from the United Passenger Transport acquisition, to the value of R26 million, which will be used to finance these acquisitions and reduce group debt."

The Grants deal, worth R33 million, does not involve a change of control.

Tollgate will pay Lougant R20 million cash and issue four million Tollgate shares at 325c a share.

The Gant family will remain con-

trolling shareholder, but Tollgate is expected to play a major role in the direction and structuring of the group.

Mr Diedericks said prospects for the food industry in general were promising. Tollgate attached great importance to the value of the Gant's brand-name.

He said there was still ample scope for the company to capture an even greater market share in the future.

"With its substantial export activities in its traditional and newly developed markets, our investment in the company can be viewed favourably from a rand hedge point of view," he said.

For the Arwa deal, 12 527 million Tollgate shares will be issued in the ratio of 80 for every 100 Arwa.

The offer will be extended to minorities because there will be a change of control.

Arwa is involved in the manufacturing, dyeing and finishing of fabrics, production of hosiery, leisurewear and underwear, the texturising and dyeing of yarns, manufacturing of elastic, knitting of socks and the manufacture of ties.

Mr Diedericks said Arwa's strategy of vertical integration had been successful.

"We believe that Arwa is now a major force in the SA textile industry," he said.

Bolton boosts earnings 13,5%

CHT T-11 21/11/88

62 24 352 61

JOHANNESBURG — Bolton Industrial Holdings (Bolton) lifted attributable earnings by 13,5% to R3,58m in the six months to August 31, 1988.

The group's joint MD Brian Puchert said a particularly strong performance by Bolton Footwear, which posted a 33% increase in attributable income to R2,7m, was the highlight of the first half of the current financial year.

He was disappointed, however, with Cargo Carriers' marginal decline in earnings, a result of losses sustained on the two acquisitions in the past year.

An excellent performance by the men's footwear division of Bolton Footwear, combined with the disposal of certain non-footwear activities were the main reasons behind the solid improvement in the subsidiary.

Puchert noted that the profit growth on the footwear side was expected to continue for the balance of the financial year, although possibly at a slower rate than the first half due to a general slowdown in the economy.

Turning to Cargo Carriers, one of the private sector's leading transport organisations, Puchert said that apart from the losses on the new acquisitions, the rest of the business had per-

formed well in the period under review.

Considerable sums continued to be spent on new equipment at Cargo as part of an ongoing programme to upgrade both the operating fleet and transport facilities. With this about 75% complete, Puchert said Cargo was poised for further expansion.

Bolton Industrial Holdings increased earnings per share to 69,2c a share from 61c in the corresponding period of last year, allowing payment of a 16c interim dividend.

At Bolton Footwear the first interim dividend was set at 3,2c out of earnings up to 13,5c from 10,1c a share.

Cargo Carriers declared a maiden interim dividend of 6c out of earnings of 23,5c a share.

Looking further ahead, Puchert said considerable management attention was being applied to restoring profits in the new subsidiaries and improving productivity at all levels within Cargo Carriers.

On the footwear side new products and franchise arrangements were continually being examined, while every effort continued to be made to improve both efficiencies and product quality. — Sapa



Nissan SA chairman Peter Whitfield has been appointed to the board of Karbochem.



Johan Ras has been appointed deputy MD of Priceforbes Federale Volkskas's group development services.



Court order in city taxi war

Staff Reporter

CAPE TOWN'S taxi war took a dramatic turn when the dispute landed in the Supreme Court barely a day after the warring parties had agreed to a ceasefire.

Six taxi operators were granted an order restraining the city's major taxi organisations from assaulting or interfering with them.

In an urgent application last night Mr Douglas Boltman, Mr Gordon Makaluza, Mr Menville Poole, Mr Lennox Raba, Mr Maxwell Mzotsho and Mr William Daniels applied for an order against the Langa, Guguletu, Nyanga Taxi Association, Mr Maxwell Nonkonyana, the Western Province Black Taxi Association, Mr Lawrence Memani, Mr Victor Ntshoko and Mr Wellington Matyolo.

PERMANENT ORDER

In terms of an interim order granted by the court, the respondents have until December 7 to show why a permanent order should not be granted interdicting and restraining them from:

- Assaulting, threatening to assault or molesting any of the applicants;
- In any way disrupting, hindering or interfering with the taxi business of any of the applicants;
- Interfering with any passenger using the taxi business of any of the applicants; and
- Ordering them to pay costs.

The applicants said in Mr Boltman's affidavit that their 25 taxis operating the Langa to Mowbray route were standing idle.

"We are unable to operate our taxis in Langa because of the threats of violence directed at ourselves and our employee drivers by respondents. We respectfully submit that we have a well-founded fear that our lives and property will be in danger should we operate in Langa," the applicants said.

They acknowledged that notice of the application should have been given to the respondents, but the matter was one of extreme urgency and it would have been further delayed had papers been delivered.

BODILY HARM

"We respectfully submit that the applicants or their attorney have a well-founded apprehension that they will suffer violent bodily harm should they endeavour to visit any of the respondents to serve papers on them," they said.

Mr G W Woodland, for the applicants, said papers could not be served on the respondents because of the "constraints of time". An urgent interdict was necessary.

Mr Justice S Selikowitz: Is there likely to be any difficulty in having the papers served?

Mr Woodland: Arrangements can be made with the riot police in the area. An endeavour can be made to ask the police to assist and deliver the papers at night.

Mr Selikowitz: I think it is important that copies of the order and the application be served.

Mr Woodland was instructed by R Stuurman and company.

Keep things calm, taxi bodies told

CAT Tiris 23/11/88 332

By CHRIS STEYN

A SUPREME COURT judge granted an urgent interdict last night restraining members of the Western Province Black Taxi Association (WPBTA) and the Langa, Guguletu, Nyanga Taxi Association (Lagunya) from assaulting or threatening members of the South African Black Taxi Association (SABTA), their employees and their passengers.

Mr Justice S Selikowitz also restrained WPBTA and Lagunya members from interfering with SABTA members.

The order came in the wake of a week-old taxi "war" in the black townships which led to at least one death.

Details emerged yesterday in sworn affidavits before the court of panga attacks and assaults on SABTA drivers, as well as incidents in which their taxis were forced off the road.

Passengers in SABTA vehicles were also forced into rival taxis, the court was told.

One of the applicants, Mr Douglas Bolton, said the dispute arose from an attempt by members of Lagunya to

take over the established Langa-Mowbray taxi route operated by the applicants for the past 12 years.

The court heard that at a "ceasefire" meeting between the warring taxi associations on Friday one of the respondents, Mr Maxwell Nonkonyana, said there were only three options: Bloodshed, "to keep six feet underground" (killings) or the WPBTA and Lagunya members would be detained by the major (a police major from the Riot Squad who chaired the meeting) and taken to Pollsmoor Prison.

Granting the urgent interdict at 7pm, Mr Justice Selikowitz said it was important that copies of his order and other papers before the court be served urgently on the respondents.

Counsel for the applicants, Mr G W Woodland, said the respondents had not been notified of the urgent application because his clients and their attorney believed they would suffer bodily harm if they tried to serve the papers.

Mr Justice Selikowitz issued a rule nisi calling on the respondents to show cause by December 7 why the order should not be granted.

Taxi driver tells of attacks

By DENNIS CRUYWAGEN
Staff Reporter

M44/1/188
23/1/88

ATTEMPTS by operators to take over rivals' routes, a threat to destroy a fleet of taxis and hijacking of passengers have been alleged in an affidavit which lifts the lid on the Peninsula's two-month taxi war.

The document was filed in the Supreme Court last night in support of an application by six operators for an order restraining the city's major taxi organisations from assaulting or interfering with them.

The six operators are Mr Douglas Boltman, Mr Gordon Makaluza, Mr Merville Poole, Mr Lennox Raba, Mr Maxwell Mzotsho and Mr William Daniels, all members of the South African Black Taxi Association (Sabta).

The applicants had been operating minibuses between Langa and Mowbray station for 12 years, said Mr Boltman.

Mr Poole, Mr Daniels and Mr Boltman had taxi ranks at Mowbray station allocated to them by SA Transport Services.

Attractive route

Mr Makaluza, Mr Raba and Mr Mzotsho operated taxis on the same route and they had ranks in Langa.

"The Langa/Mowbray route is attractive to taxi operators because it is the oldest established route and is more central than the routes from, say, Langa to Crossroads, Guguletu, Claremont, Salt River, Cape Town and Sea Point," Mr Boltman said.

The route had been developed into a "well-

organised service which is a benefit to the community".

He said that on November 15 Mr Makaluza, a member of the Langa, Nyanga, Guguletu Taxi Association (Lagunya), who also operated taxis from Khayelitsha and Guguletu, was called to a meeting at the home of the association's chairman, Mr Maxwell Nonkonyana.

There he was told to remove his taxis from his Khayelitsha and Guguletu ranks because he had not supported Lagunya in a dispute with the rival Western Cape Taxi Association.

Takeover

"Mr Nonkonyana then threatened Mr Makaluza and told him that Lagunya would destroy all his taxis operating on the Langa/Mowbray route as he was associating with the coloured persons operating the same route."

Mr Boltman said the dispute behind the application arose from attempts by members of Lagunya to take over, "by force, if necessary", the established Langa/Mowbray route operated by the applicants.

Last Wednesday eight Lagunya members arrived at Mr Makaluza's rank in Langa and told one of his drivers, Mr P Mayekiso, to remove his taxi.

They threatened to assault him and Mr Mayekiso left the rank.

Another driver, Mr P Williams, also left because of "threats of violence by members of Lagunya".

That night in Langa five Lagunya mem-

bers led by Mr Victor Ntshoko, an official of Lagunya, surrounded a taxi driven by a Mr Ngubi, an employee of Mr Daniels.

"He was pulled from the minibus by these persons and severely assaulted. He suffered a cracked skull," Mr Boltman said.

More acts of intimidation followed the next day.

When drivers of taxis owned by the applicants picked up passengers in Langa they were followed by Lagunya members who forced them off the road. Their passengers were forced out of the taxis and taken to their destinations by the other drivers.

Last Saturday Mr Makaluza saw taxis belonging to the Western Cape Taxi Association arriving at the Langa rank. With them was a Mr Bonga, a driver employed by Mr Matyola.

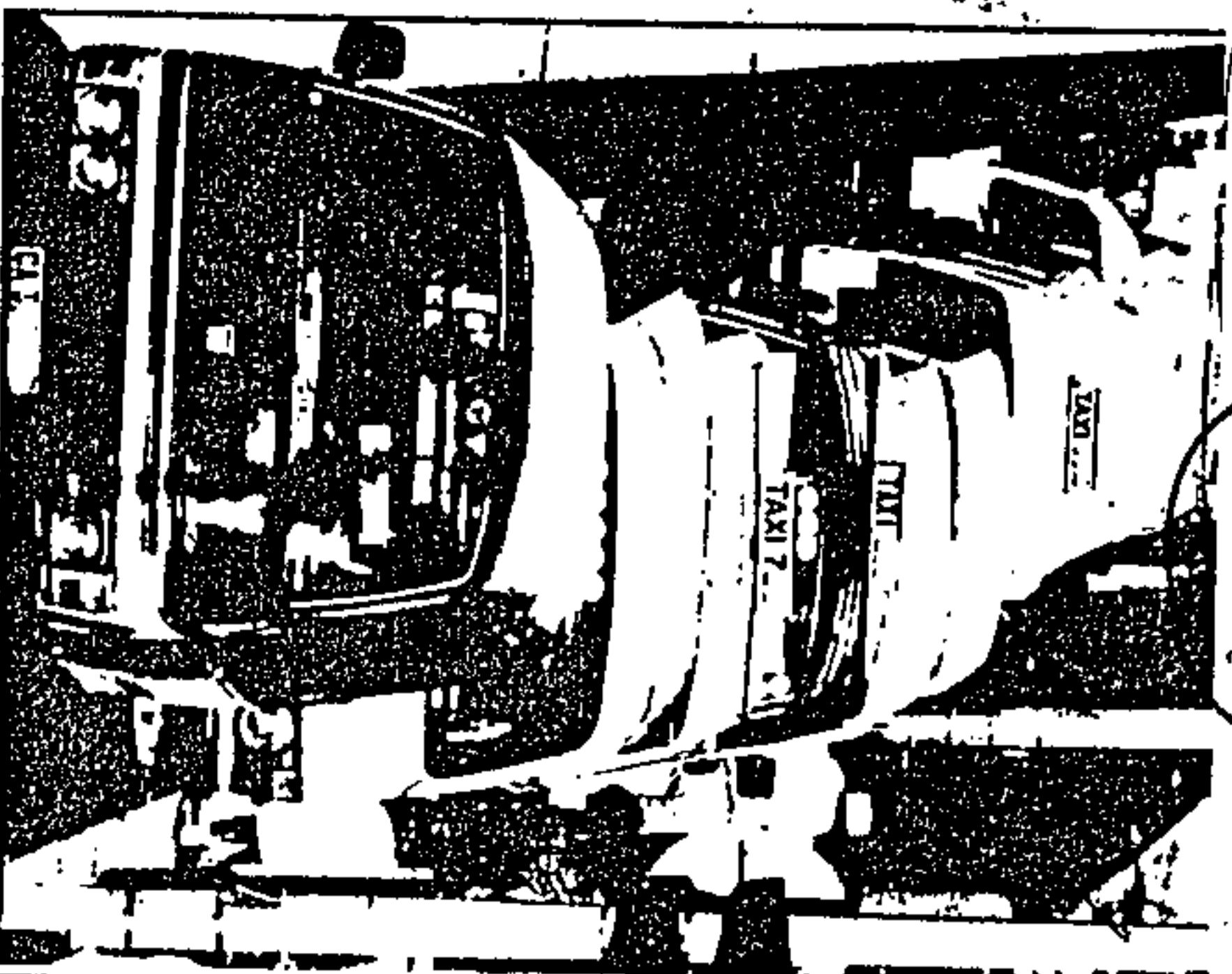
Mr Makaluza told him to tell the WCTA members to leave the area "as their presence would aggravate the situation" which he and the other applicants were trying to defuse and normalise.

They were approached by a second group, consisting of Lagunya people with pangas and weapons.

"The Lagunya people then started to chase the members of the WCTA and the second applicant and were trying to assault them."

The applicants and the WCTA members fled, abandoning their vehicles.

Two drivers, Mr Fezil Magaxeni and Mr Maxwell Makanda, were injured by the Lagunya group. Mr Makanda required 32 stitches in a head wound and Mr Magaxeni was stabbed in the back.



Mr Boltman said Mr Makaluza was threatened at his Langa home on Saturday by 14 people led by Mr Ntshoko.

"They threatened to burn his house down, threatened to kill him. I can only assume that these threats were made because second applicant was one of the taxi owners operating on the Langa/Mowbray route," Mr Boltman said.

On the same night Mr Million Bonga, one of Mr William Daniels's drivers, was shot in the leg while on duty in Nyanga East.

Warring taxi drivers in Cape apply to court for protection

Own Correspondent 332

CAPE TOWN — A taxi war here took a dramatic turn on Tuesday when the dispute was taken to the Supreme Court barely a day after the warring parties had agreed to a ceasefire.

Six taxi operators were granted an order restraining the city's major taxi organisations from assaulting or interfering with them.

In an urgent application, Mr Douglas Boltman and five others applied for an order against the Langa, Guguletu, Nyanga Taxi Association, the Western Province Black Taxi Association and four individuals.

In terms of an interim order granted by the court, the respondents have until December 7 to show why a permanent

order should not be granted interdicting and restraining them from:

- Assaulting, or threatening to assault any of the applicants.
- In any way disrupting, hindering or interfering with the taxi business of the applicants.
- Interfering with any passenger utilising the taxi business of any of the applicants.

The applicants said in Mr Boltman's affidavit: "We are unable to operate our taxis in Langa because of the threats of violence directed at ourselves and our employee drivers by respondents."

"We respectfully submit that we have a well-founded fear that our lives and property will be in danger should we operate in Langa."

3 taximen to appear in court today

By RONNIE MORRIS
Supreme Court Reporter

THREE members of a taxi group who were arrested yesterday morning for being in contempt of a court order have been released from Pollsmoor Prison and are to appear before a judge today to give reasons for their actions.

In an urgent application on Saturday, which was heard at the home of Mr Justice S Selikowitz, an order was requested for the jailing of Messrs Maxwell Nonkonyana, Lawrence Memani, Victor Ntshoko and Wellington Matyolo — all members of the Western Province Black Taxi Association (WPBTA) and the Langa, Guguletu, Nyanga Taxi Association (Lagunya) — for the contempt of a court order granted on November 22. All the men except Mr Nonkonyana were held, as he could not be traced.

On November 22 Mr Justice Selikowitz issued an interim interdict calling on the four to show cause why a permanent order should not be granted that they be restrained from assaulting, threatening to assault or molesting any of the applicants and their employees.

He ordered that they be restrained from in any way disrupting, hindering or interfering with the taxi business of

any of the applicants and that the four be restrained from in any way interfering with any passenger using the taxi business of any of the applicants.

In Saturday's application, the applicants, Messrs Douglas Boltman, Gordon Makaluza, Menville Poole, Lennox Raba, Maxwell Mzotsho and William Daniels — members of the South Africa Black Taxi Association (SABTA) — asked for an order authorising the Deputy Sheriff to arrest the four men for contempt of the November 22 order as they disobeyed and/or failed to comply with its provisions.

They asked that the men be held at Pollsmoor Prison and brought before the court.

Late yesterday afternoon, after having heard counsel for both parties, Mr Justice Selikowitz granted an order by consent.

A paragraph in Saturday's order which said the deputy sheriff should hold the men at Pollsmoor Prison and bring them before the Supreme Court as soon as practically possible, was suspended.

The four men were ordered to appear before the court this afternoon and pending their appearance they undertook to comply strictly with the November 22 restraining order.

Mr G W Woodland, instructed by Mr R H Stuurman, appeared for the applicants. Mr P A L Gamble, instructed by Mr F van Dijk, appeared for the four men.

Black taxi association disbanded

By CHRIS STEYN

IN A dramatic twist in the 12-day-old taxi war, the Western Province Black Taxi Association (WPBTA) was disbanded yesterday afternoon by the national president of the SA Black Taxi Association (SABTA), Mr Thupane James Ngcoya.

After personally gathering evidence on Sunday and yesterday from the parties involved, Mr Ngcoya disclosed yesterday that WPBTA was not democratically elected and had misrepresented SABTA's interests.

A new interim provincial management committee was formed with four representatives from each of the three SABTA-recognised regional taxi bodies, the Langa, Guguletu, Nyanga Taxi Association (Lagunya) with Mr M Nonkonyana as chairman, SABTA Region 2 with Mr B Nagel as chairman and the Western Cape Taxi Association (WCTA) led by Mr C Ramatlakane.

Mr Ngcoya said the Minister of Law and Order, Mr Adriaan Vlok, would be approached by SABTA to give the interim committee every possible assistance in maintaining peace and stability and ensuring commuter safety.

He also instructed the committee to meet immediately to discuss the taxi war.

Contempt of court hearing postponed

Supreme Court Reporter

AN APPLICATION in the Supreme Court calling on four taxi drivers to explain why they had been in contempt of a court order was yesterday postponed until Friday.

In an urgent application in the Supreme Court on Sunday the applicants asked for an order that Messrs Lawrence Mémami, Victor Ntshoko, Wellington Matyolo, who were arrested on Sunday morning, and Maxwell Nonkonyana be ordered to appear in court yesterday to explain why they did not abide by the terms of a court order.

Mr W G Woodland, instructed by Mr R H Stuurman, appeared for the applicants. Mr P A L. Gamble, instructed by Mr F van Dijk, appeared for the four men.

Exposed: Docks' beauty to emerge from grime

by MARK
STANSFIELD
Weekend Argus
Reporter

FOR decades their beautiful faces have been hidden by a covering of commercial mascara, the dirt and grime of business, and much of the ground around them made inaccessible to the public — by official decree.

Now — praise be to the enlightened men of the SA Transport Services, the City Council and many other interested parties — the beautiful Victorian buildings and a large part of Table Bay harbour is to be revamped, in parts rebuilt, and returned to the public.

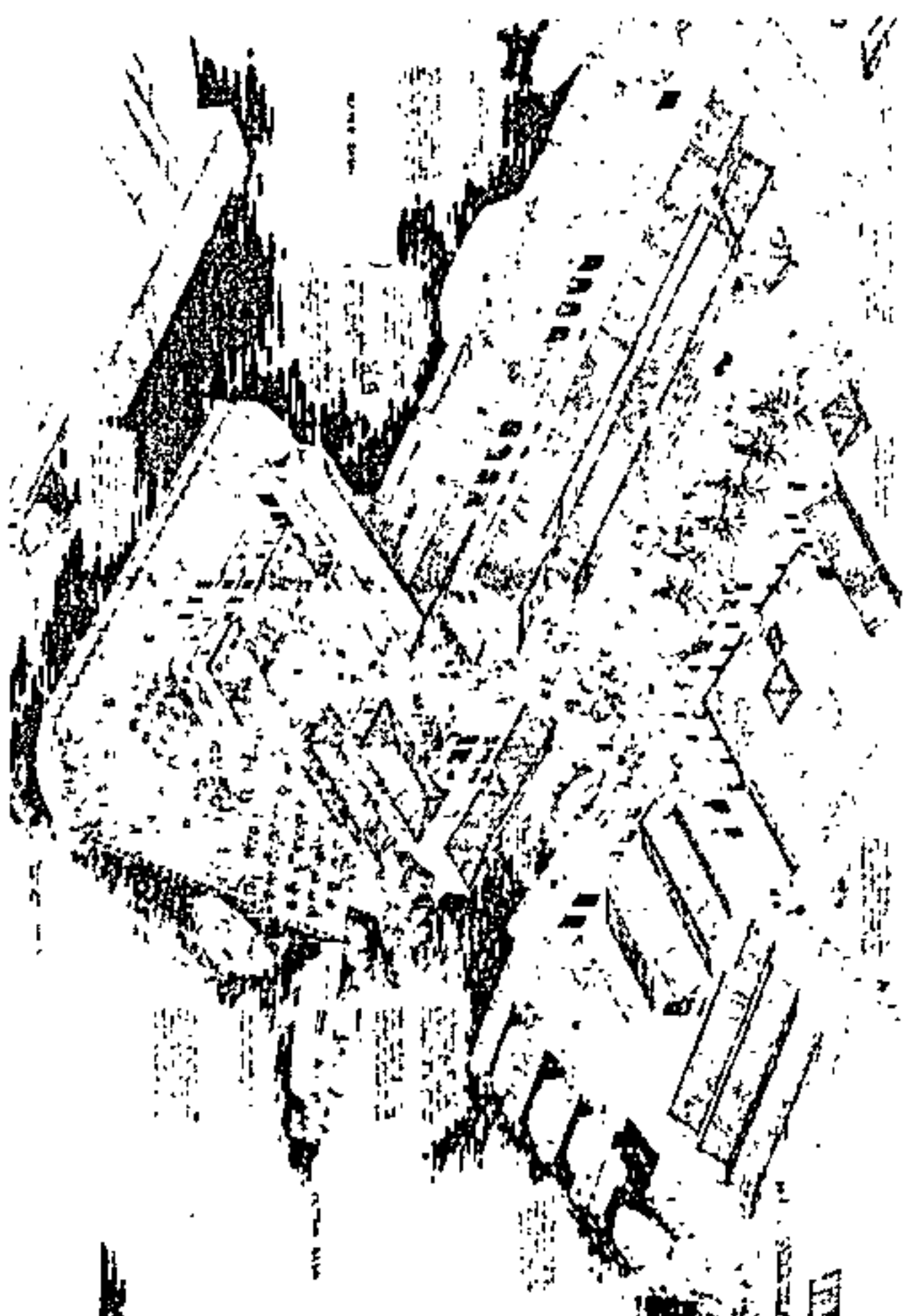
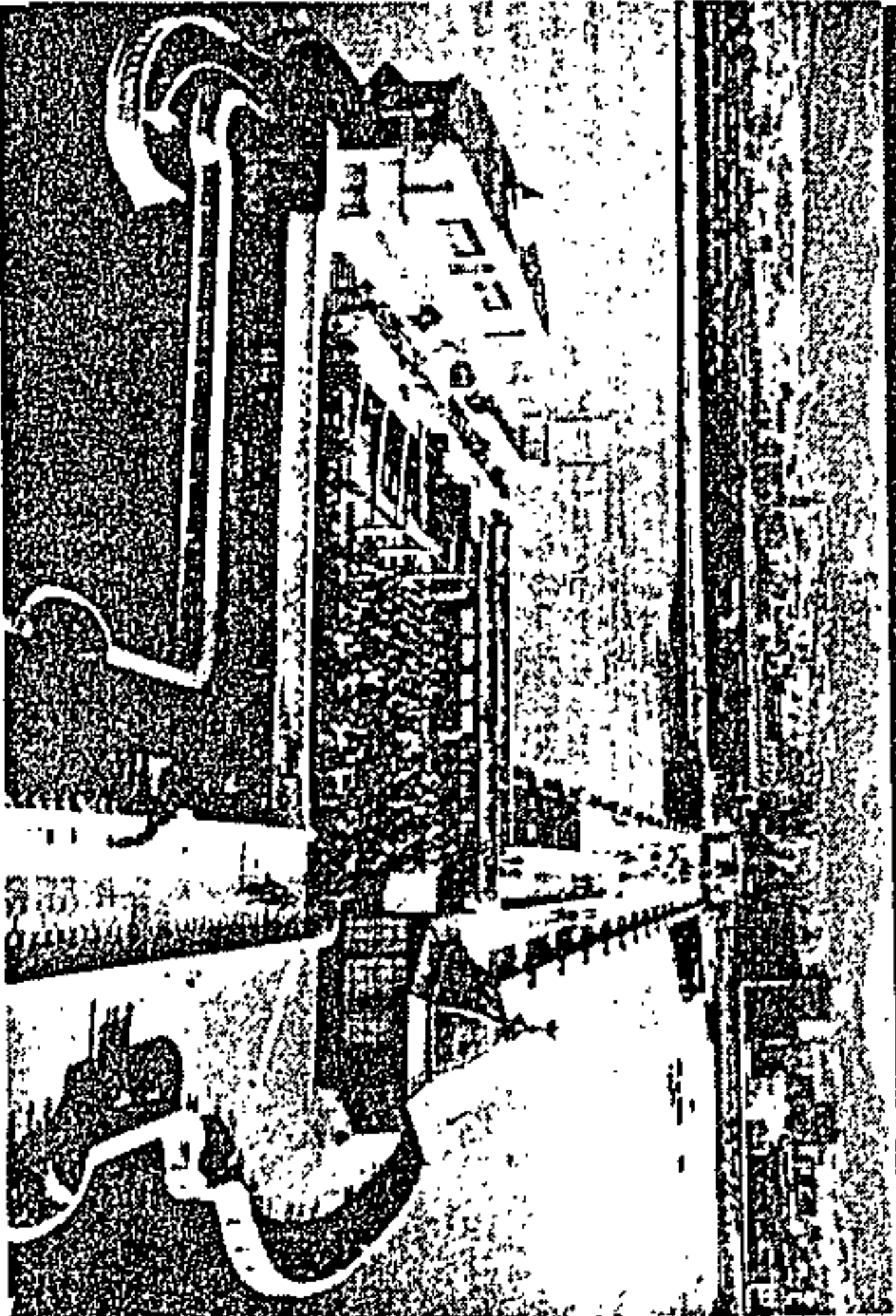
Hopefully, the romantic era of the pier to stroll upon, shops to buy goodies in and restaurants to tempt the palate, will once again appear.

There could soon even be an elite residential area — with private moorings where the garden laps the waterfront and a shorefront hotel!

**A private company,
Victoria and Alfred Wa-**

HARBOUR AS IT WAS IN 1936

... AND THE NEW PROPOSALS



THE PAST: Cape Town's harbour area was once a beautiful area completely accessible to the public — until the connecting arteries were severed by some short-sighted developers.

THE FUTURE: An artist's impression of a part of the harbour after development. Ideas for revamping the area are welcome and even a shorefront hotel has been proposed.

terfront (Pty) Ltd, was launched this week to tackle the exciting job of bringing life back to an area many older resi-

ing down and severing the main arteries which connected the harbour area with the rest of the Mother City.

tackling the mammoth task — "abhors waste," and much of our harbour area has been wasted.

picture of the envisaged changes cannot be given yet, all those who now have a commercial interest in the harbour are

"The city's future as a tourist destination will

Victoria and Alfred Waterfront (Pty) Ltd is

dents of Cape Town will remember as a vibrant, fun-filled place — until a group of short-sighted, bulldozer-equipped men began filling-in, knock-

With extensive surgery those arteries are to be re-connected.

He is Professor Brian Kantor, director of the School of Economics at UCT.

Professor Kantor said the company had been given a unique development

"If we get it right we will be able to attract more business and tour-

a private company established by SA Harbours. It will have all the powers, responsibilities and opportunities available to private

Its primary asset is a 75-year lease over the land and buildings in the waterfront area, provided by SA Harbours.

At present SA Harbours hold 100 percent of the shares but it is the intention to sell shares to the public when the company starts operating profitably, Professor Kanton said.

The establishment of the company is a sequel to the tabling of the Burgeraaf report which found a path of reconciliation between the requirements of the harbour administration, the fishing industry and re-development.

"The intention is to place the emphasis on diversity and the involvement of as many interested parties as possible. There will be a mix of activities within the context of a living, working, hardour environment," he said.

The area to be developed comprises 82ha of harbour land and it is envisaged that development will comprise a series of projects identified by the company or proposed and tendered for by developers and other outside bodies.



Docks scheme 'will revitalise city'

Staff Reporter

CAPE Town's future as a tourist destination depends on the waterfront development, says the man who heads Victoria and Alfred Waterfront (Pty) Ltd, the company formed to develop 82ha surrounding the docklands.



Professor Kantor

Speaking at the launch of the company last night, the chairman, economics professor Brian Kantor, said: "We have been given a unique development opportunity that will revitalise the heart of Cape Town."

"It is our aim to return the waterfront to the people of Cape Town and its visitors for their pleasure and economic benefit."

The formation of the company follows the tabling of the Burggraaf report on South Africa's harbours.

SA Harbours established the company, which has been given all the powers, responsibilities and opportunities available to private companies. And the founders also provided the company with its primary asset — a 75-year lease over the land and buildings in the waterfront area.

At present SA Harbours hold all the shares but intends going public when the company starts operating profitably.

Professor Kantor's fellow-directors are port director Mr Rudie Basson, city councillor Mr Sol Kreiner, Sats business development deputy-director Mr Fuzz Loubser and SA Harbours director Mr Arie Burggraaf.

Restaurant, museum

A "lean" but effective team was the object, Professor Kantor said. A vital part of this team, the managing director, would be appointed later.

Development will take place in a series of projects identified by the company or proposed by developers.

Businesses and facilities envisaged include restaurants, bars and cafés, parking areas, shops, markets, offices, exhibition space, hotels, recreational craft facilities, a maritime museum and a residential area.

Links between the area and the city are regarded as essential. To improve these links the customs fence will be moved to make way for the development and the incorporation of the Victoria and Alfred basins with the city.

The area to be developed has been divided into seven sections, with Pier Head being the initial focus of attention.

The other areas are Granger Bay, the Portwood Road area, the tank farms, land between the tank farms and Ebenezer Road, the Amsterdam cartage depot and the Victoria and Alfred basins.

The tank-farm area could be regarded as the key that would "unlock the riches of the area as a whole".

The company was negotiating with the oil companies about transferring their bunkering services from the lower tank farm, he said.

Among other developments, the harbour administration would soon be vacating the workshops

alongside the Robinson dry dock and in the so-called Back Beach area. These workshops could be made available on a short-term basis of up to three years or longer, depending on progress with the Granger Bay phase.

The value of sites in and near the development would be "dramatically affected", he added. One such site was the Elbow area, which was "magnificently located" on the water and offered tremendous possibilities to developers.

The Merchant Navy training facility at Granger Bay was outside the company's control but it formed a crucial part of the overall plan, he said.

Deputy-city planner Mr Peter de Tolly said every effort would be made to ensure that the development was in keeping with the city's broad concept of planning.



Picture: HANNES THIART, The Argus.

WHALE SPOTTING: Blasé whale spotters were stopped in their tracks yesterday when they saw one in the centre of Cape Town. But it was only a model of a baby sperm whale being carried to the Golden Acre for a two-week National Marine Day exhibition starting on Monday.

The long haul

Move over Sabta here comes Saldta. Black long-distance taxi and truck drivers want to follow the lead of urban taxi operators and become part of the formal business sector.

The SA Long Distance Transport Associ-

FINANCIAL MAIL NOVEMBER 25 1988

29/11/88

332

FMML

ation (Saldta), formed a year ago with 300 members, now boasts a membership of 10 500, with 48 affiliate long-distance taxi associations throughout southern Africa.

Most truck operators also have taxi operations. The transport of goods has been done informally for years, but was properly organised for the first time last year. Taxi operators have moved into the trucking business to cater for rural dwellers who buy goods like furniture in the cities and need it carried home.

Chairman Peter Rabali, a former "pirate" taxi driver who now owns a fleet of five minibuses, says Saldta is negotiating with Total SA to set up facilities and resting places for its drivers and finance for its meetings, in return for patronage.

Figures suggest it may be a worthwhile proposition.

He says Saldta members' 16 000 vehicles — mainly minibuses and trucks — will consume close to 200 Ml of fuel, 900 000l of oil, R20m of spares and contribute R200m to the economy this year.

Saldta has already persuaded some local authorities, including Johannesburg, to provide parking facilities and depots.

High on its list of priorities is to find big corporations needing workers or goods conveyed over long distances. Orders for transportation of goods are phoned to Saldta, which assigns operators.

Rabali says Saldta is now offering its trucking and taxi services to big business, particularly mining houses, but it needs more taxi ranks to be established.

"On the mines, workers get leave every 48 days for home — which could be as far as Mozambique."

He maintains Saldta has an advantage because it understands the needs of the black community, can organise the transport of goods to a client's doorstep — and at a lower price than SA Transport Services (Sats). ■

FINAL 25/11/88 (332)

rate in these accidents was not, rising 13%. Car accidents increased 8%, from 896 to 968. Deaths also rose, from 5,1 to 5,5. These figures, although bad, aren't the greatest cause for concern.

Project leader Petrus de Jager says: "The most worrying aspect is the increasing trend of minibus collisions and deaths caused by them. In 1986, they were involved in 761 collisions/100m km travelled. This rose 13,8% to 866 in 1987, while deaths rose by 31,5%, from 8,9 to 11,7.

"There is no evidence this year to suggest any reversal of that trend."

Research has shown most collisions are caused by inexperienced drivers who do not know how to react in an emergency. Many do not realise the need to reduce speed in wet weather or when their vehicles are fully laden. The driver of a new minibus involved in a head-on collision in which 12 of his passengers died did not know a loaded vehicle is not as nippy as an unladen one.

"Very few minibus accidents are caused by brake failure," says De Jager. "In most cases, the vehicles are quite new and road-worthy, but minibuses have no safety belts for passengers in the back seats. In a collision, particularly when overloaded, they are crushed to death."

There is a body of opinion which believes minibuses are not designed for constant use as taxis. According to an automotive engineer: "They are based on a design which is ideal for a family runabout, but not for constant use as a commuter vehicle. Their suspension, tyres, brakes and transmissions are underrated to carry 15 adults, day in and day out. Some owners have to replace brake linings every week and tyres every two

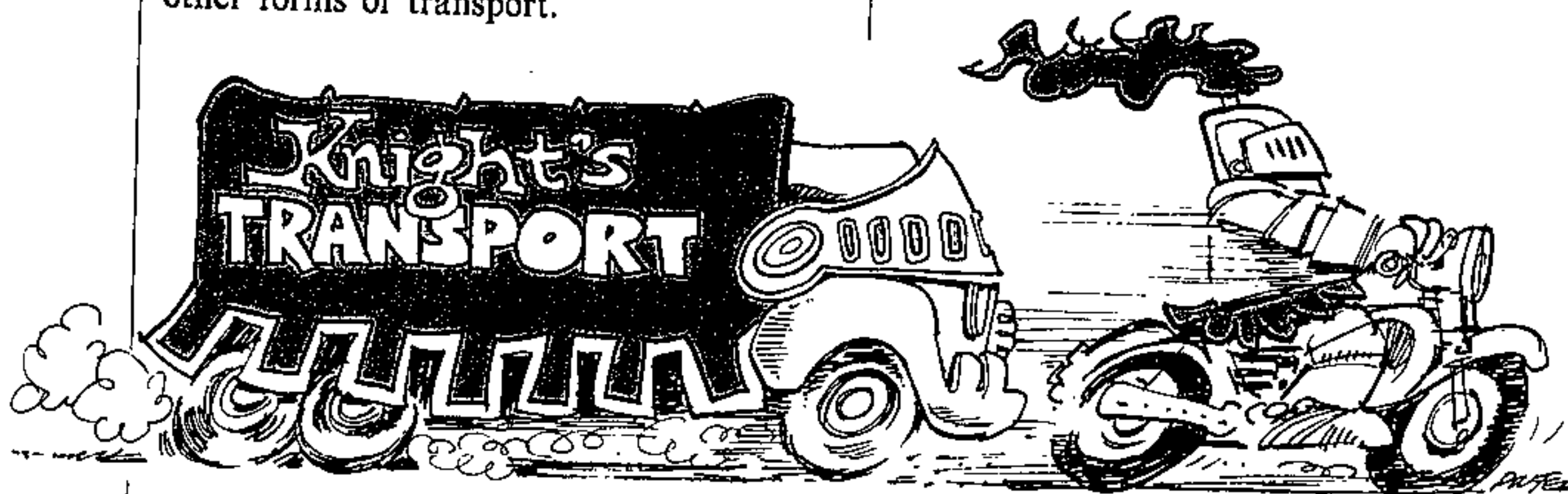
TRAFFIC ACCIDENTS (332)

FINAL 25/11/88

Heroes and villains

Truck drivers and motorcyclists are the "white knights" of the road, while minibuses — mostly black taxis — are fast becoming the villains.

A study by the Council for Scientific and Industrial Research (CSIR) shows the accident rate of trucks and motorcycles has dropped. Minibuses, while trailing cars and buses in the averages, are catching up fast and show every sign of soon overtaking all other forms of transport.



The study, compiled by the CSIR's division of roads and transport technology, measures each sector's accident rate in terms of accidents per 100m km travelled.

The rate among trucks last year was 435, 10% down on 1986. The number of deaths caused by these accidents also dropped, from 5,3/100m km to 4,4.

Accidents among motorcycles dropped by 22%, from 701 to 546. So did deaths, by 31% from 12,9/100m km to 8,9.

But these are rare bright spots in an otherwise depressing picture.

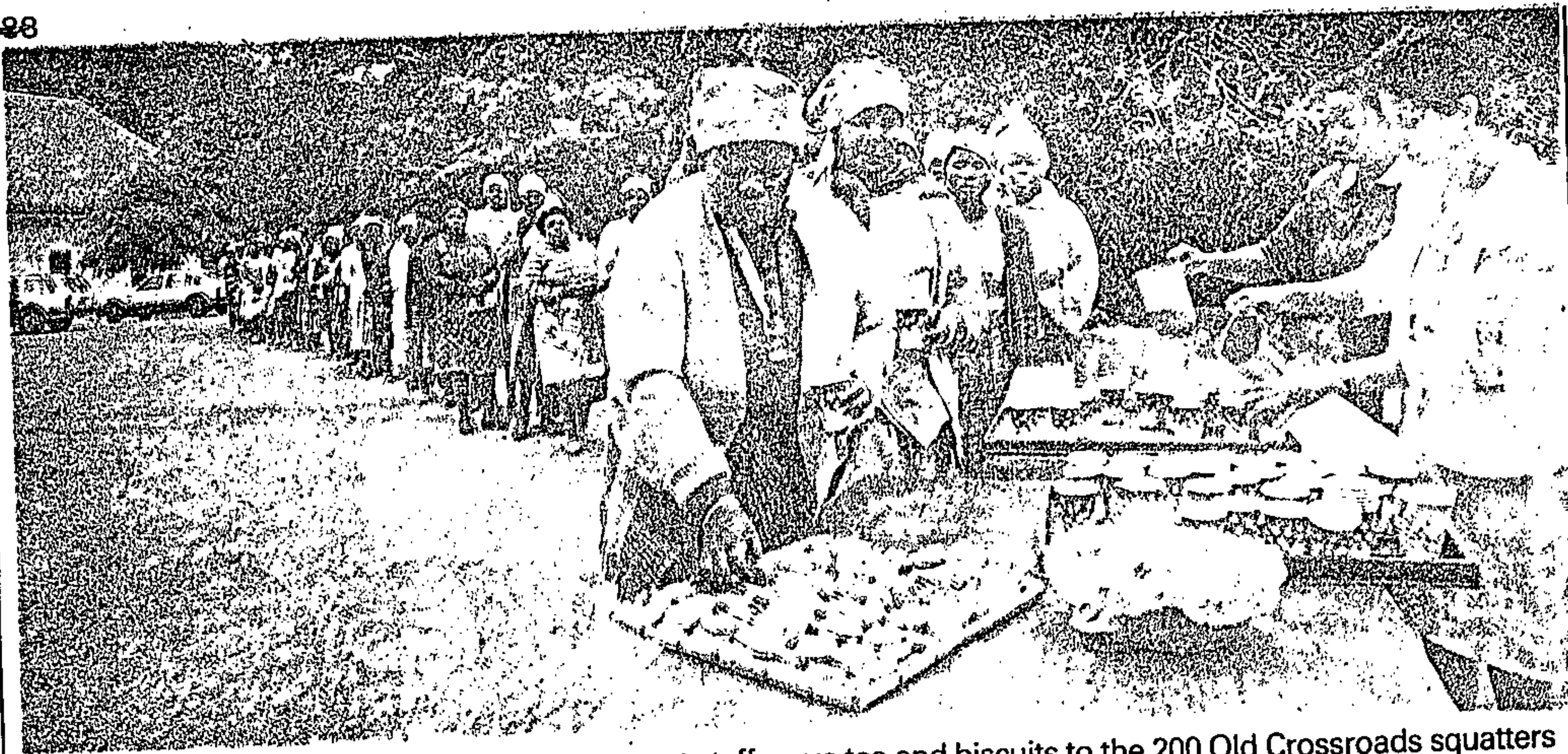
Passenger buses and cars both exceeded the national average of 903 collisions/100m km in 1987. Although the bus figure of 1 295 was slightly down, the death

months."

The AA "supports moves to design a vehicle for SA conditions, with a more robust rear suspension and more effective brakes."

But not everyone agrees. National Association of Automobile Manufacturers director Nico Vermeulen says: "Minibus-type vehicles are totally safe for use as commuter taxis. They comply with SA Bureau of Standards (SABS) and international design and operating specifications. It's a question of driving and enforcing the law."

Ian Charlton, head of the SABS automotive division, says taxis conform to SABS and international standards, "as far as their braking is concerned, and they have seatbelts on their front seats."



FEEDING THE MULTITUDES . . . Bishops court staff serve tea and biscuits to the 200 Old Crossroads squatters who arrived to discuss problems of poverty unemployment and hunger yesterday.

Picture: ALAN TAYLOR

Squatters call on Tutu

By CHRIS BATEMAN

NEIGHBOURS in Bishops court were intrigued yesterday as at least 200 Old Crossroads squatters queued for tea and biscuits in the courtyard of the official residence of Archbishop Desmond Tutu.

The crowd, which spokesmen said gathered to "ask for relief from poverty, hunger and unemployment from our father, the Bishop", grew slowly over an hour as taxis and buses arrived. At least five police vehicles monitored them in stages from discreet distances.

Archbishop Tutu was in Nairobi to preside over a six-monthly All-Africa Conference of Churches meeting and the Vicar-General of Cape Town, Dean Colin Jones, invited the unexpected guests in.

After some confusion as to whom the leadership was, several women volunteered to hold discussions with Dean Jones, the three Bishops Suffragan (Charles Albertyn, Geoffrey Quinlan and Ed McKenzie) and Canon W Dungani.

Before the closed-door discussions,

Crowd gathers to ask relief from poverty and hunger

which lasted over an hour, Dean Jones and a Mrs Elsie Nkumbuzi had a brief debate over sanctions and whose responsibility aid for squatters was.

Mrs Nkumbuzi asked that Archbishop Tutu return from overseas trips, "take bread and give piece for piece for all the people who are poor, sick and hungry".

Dean Jones said that while the archbishop could do this, "the sickness is apartheid".

"You have not just been poor since Tutu supported sanctions. You've been poor long before that," he added.

Asked whom he discerned as the leadership, Dean Jones said spokesmen claimed they were not an organised group; "but obviously they are".

In a joint statement read by Dean Jones to assembled media afterwards, participants said they had agreed that the fundamental cause of black suffering in South Africa was apartheid.

A further meeting was planned after agreement was reached that black people "suffer together and so must work in unity to end apartheid".

Asked who had paid their fares, taxi drivers said they were Old Crossroads residents and had volunteered their services.

A Bishops court resident walking his dog, Mr Herman Cools, commented: "Tutu's crowd are not spontaneous and this crowd are probably not either. Who speaks for them? Who knows what they really want?"

He thought that if the "whole story came out, Archbishop Tutu would probably lose more followers than "those behind these people".

Taxi men on contempt of court charges

Staff Reporter

FOUR taxi operators will appear in the Supreme Court on Friday on a charge of contempt of court.

The four, three of whom were arrested and spent part of Sunday in Pollsmoor Prison, appeared in court yesterday. They are Langa, Guguletu, Nyanga Taxi Association (Lagunya) members Mr Maxwell Nonkonyana, Mr Lawrence Memani, Mr Victor Ntshoko and Mr Wellington Matyola.

On Saturday South African Black Taxi Association members Mr Douglas Boltman, Mr Gordon Makaluza, Mr Neville Poole, Mr Lennox Raba, Mr Maxwell Mzotsho and Mr William Daniels applied urgently for an order authorising the Deputy Sheriff to arrest the four men for allegedly being in contempt of a court order made on November 22.

Mr Justice S Selikowitz granted an order for the jailing of the men. Mr Nonkonyana could not be traced.

INTERDICT

However, those arrested were freed on Sunday after an agreement reached in chambers between the two parties.

The four men have agreed to comply with the interim interdict granted by Mr Justice Selikowitz on November 22.

In terms of that order, the court gave the respondents until December 7 to show why a permanent order should not be granted interdicting and restraining them from:

- Assaulting, threatening to assault or molesting any of the applicants;

- In any way disrupting or interfering with the taxi business of any of the applicants;

- Interfering with any passenger using the taxi business of any of the applicants.



Picture: DION TROMP, The Argus

TAXI RANK: Taxi drivers with their spokesman, Mr Tyrone Carolus, talk to traffic officer Mr Lionel Fillies, who earlier ordered them to leave the area because it was not a taxi rank.

Traffic department and taxi men compromise over 'rank'

Staff Reporter

ANOTHER taxi row has been averted after a confrontation between about 40 Mitchell's Plain taxi drivers and a traffic officer.

The officer had ordered the drivers to leave a parking area they had used as a rank for seven years.

The disputed area is in the the Plain's Town

Centre, from where taxis leave for Beacon Valley and Hanover Park.

Drivers claimed yesterday that on Monday they were told by an officer from the Cape Town traffic department that their "rank" was reserved for parking only.

Yesterday the same officer ordered them to remove their vehicles. The drivers refused and

asked him to call his superiors.

A senior traffic officer, Mr Pieter Hofmeyer, was called from the city and met the group.

He said afterwards he had agreed they could use the area "but not as a taxi rank — only for loading and delivering passengers".

The drivers claim they have been using the area for seven years.

Their spokesman, Mr Tyrone Carolus, said: "We felt so threatened we decided to defy the instruction."

"What angered us most was that no attempt was made to find out our reasons for our using the area."

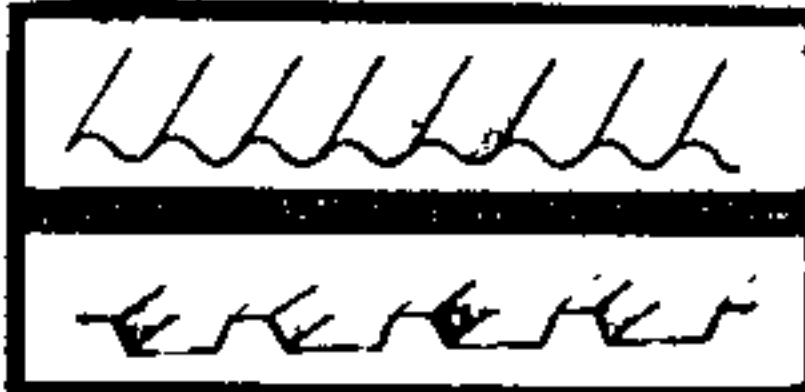
Mr Hofmeyer said: "Taxis are only allowed to discharge and load passengers in the area."

"The traffic department is not applying the rules as strictly as it should."

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SATURDAY

Tollgate sets sigh

W/E 1988 3/12/88

332

By TOM HOOD
Business Editor

EXPANSION overseas is one of the aims of the new men at the helm of Tollgate Holdings, who visualise turning the Cape-based company into a rand hedge stock.

Tollgate is listed on the London Stock Exchange and any acquisitions were likely to be in the transport-related field.

"We intend moving slowly and, unlike Minorco, keeping a low profile," said the new chairman, Mr Johann Claasen, in an interview this week.

Tollgate, long considered a pedestrian company virtually ruled from the grave by the Pavlovsky family trustees, was

described this week as suddenly "shooting into the stratosphere," boosted by major takeovers since the directors of Duros gained control in February.

The Duros team's plan of action was laid down 15 months ago on what they wanted to achieve.

"Should we go into industries overseas we shall choose industries in the same line of business as we are in now," said Mr Claasen.

"They must be seen as an extended arm, becoming a rand hedge stock for future business.

"We must acquire lines of businesses there as here. It could be a dangerous exercise if you don't know the business at all.

"We don't intend to follow the

high profile of Minorco. In South Africa we don't want to become the biggest company but we want to become the best company in whatever field we operate."

Mr Claasen will be moving home from Johannesburg this month to work as a hands-on chief executive in Cape Town, joining the new MD Hennie Diederichs.

Both are former bankers (ex-Volkscas) who became trouble shooters in industry — Mr Diederichs in Bonuskor and Volkscas Industries and Mr Claasen the rescuer of the money-losing Ellis Park.

Principles

"I prefer to be at the coal-face and looking at the group structure on a Cape basis," said Mr Claasen. "Most of our operations are in the Cape. We should be where the plant and operations are.

"We have specific business principles that we apply. Our books are open to investors and the public and we are proud to show people what we are doing. It is the only way we can generate confidence.

"We must also forget about being a welfare organisation and make more for the shareholders."

A threat

One of Tollgate's biggest headaches was the enormous downtime of a bus fleet which had to be maintained for peak travelling.

All buses were to be put on a computer system and movements plotted minute by minute.

Although the growth of the black taxi business had affected bus transport, Mr Claasen said he did not see these taxis as much of a threat.

its overseas

DECEMBER 3, 1988

CAR HIRE

Ration roulette for hire firms

Car hire companies, used to first pick of the crop of new car models, are no longer the motor industry's favoured sons. Manufacturers, themselves hindered by stock shortages, are cutting back sharply on sales to the car hire sector.

Toyota has rationed companies to about 45% of orders for the new Corolla/Conquest range. Avis, Imperial and Budget have all been forced to look elsewhere for alternatives.

Avis ordered 1 500 new cars and was allocated about 700, to be delivered gradually by March. Budget will get 545 after ordering 1 200. Imperial faces a similar ration.

The Corolla isn't the car hire industry's only problem, just the biggest one. Companies expect the same sort of headache with the new Honda Ballade range early next year. BMW's new 5 Series is due out in April, but Avis says it has already been told cars will not be available for its fleet before September.

The cutbacks are the result of continued shortages of new vehicles. A stronger-than-expected recovery in new car sales this year, combined with supply cutbacks by Japanese principals, has resulted in every major manufacturer failing to keep pace with demand this year.

Frequent industrial action, notably at the Mercedes-Benz plant in East London, has made the situation even worse. Car hire companies are worried that this, too, may affect availability of the new Honda Ballade, which is built by Mercedes.

Toyota, particularly, is feeling the effects of limited deliveries of CKD (completely knocked down) car kits from Japan.

The 10 000th new Corolla came off the company's Durban production line this week, six weeks after the cars went on sale in SA for the first time. Even so, Toyota Marketing MD Brand Pretorius says: "Dealer orders are currently double our monthly production volumes."

He adds that customers are having to wait up to three months for delivery of some models.

Car hire companies appreciate the problem, even if they don't like the result.

"Toyota told me it must look after its dealers first," says Avis MD Tony Langley.

One manufacturer's stock shortage, however, is another's windfall. Volkswagen has made up the vehicle shortfall at Avis, while Mazda and Ford have picked up hundreds of extra orders at Budget.

Budget executive director Louis de Waal says new model shortages may create frustration among some customers, who like to drive the latest cars.

"People can get quite hot and bothered if you can't give them what they want."

Manufacturers are no less concerned. Not only does car hire introduce their vehicle to thousands of motorists — many of them potential buyers — but it also acts as a valuable testing-ground.

Controlled vehicle testing at the factory is one thing, but constant use by all sorts of drivers — with all sorts of driving habits — enables manufacturers to iron out design faults and adapt to local conditions.



Taxis ordered to stop Ciskei route

CAPE TOWN 3/12/88 332
Supreme Court Reporter

SIX bus companies were yesterday granted an urgent application interdicting and restraining 112 minibus taxi operators from unlawfully conveying passengers between Cape Town and Transkei/Ciskei.

The taxi operators allegedly used unregistered mini-bus taxis with false licence plates, and were exploiting a boycott of the companies' buses.

In some cases the registration numbers of the vehicles belonged to the Western Province Blood Transfusion Centre and Jutta and Company.

Mr Acting Justice B Hoberman granted an interim interdict restraining Mr M A Skwatsha and 111 mini-bus taxi operators from operating any vehicle for the purpose of conveying passengers for reward between the Western Cape and Transkei and Ciskei.

The taxi operators were also restrained from assaulting, intimidating, molesting, hindering or interfering with any passenger intending to use the bus service.

The return date is January 11 next year.

Mandela's 'freedom' upsetting

C/Pren 18/12/88

CP Correspondent

NELSON Mandela has been given the use of a swimming pool, but in the past 26 years he has never had enough water to have a bath.

The ANC leader was a lonely man who had not used the swimming pool at his "home" at Victor Verster Prison near Paarl, said his attorney, Ismail Ayob, in Cape Town this week.

Ayob accompanied Winnie Mandela, her three grandchildren, Zozo, Zondwa and Gadaffi, and her daughter Zinzi, on a visit to the prison this week.

They were allowed to see Mandela. Ayob was not.

After the 80-minute visit, Ayob held a news conference at the University of the Western Cape at Mrs Mandela's request.

An upset Mrs Mandela and her family sat in on the conference, but did not take part.

It was quite clear to the Mandela family that Mandela remained a prisoner, Ayob said.

"This is no freedom," he



Winnie Mandela and Ismail Ayob... Mandela is still a prisoner.

said:

The Mandela family felt saddened and particularly hurt when they saw what was being done to, Mandela, Ayob said.

He was now more isolated than ever before, and his status was unchanged - he was still a prisoner and had had no say in his transfer to Paarl from Constan-

tiaberg Clinic, Ayob said.

"He was only given a couple of minutes to get ready after he had been told that he was being moved. He is still a prison-

er. The only concession made is that his family have been told that they will have unlimited access to him."

Mrs Mandela still stood by her rejection of an offer from Justice Minister Kobbie Coetsee that the Mandela family could stay with Mandela "on a continuous basis" at the new house, he said.

"Mandela agrees with her," Ayob said.

The move to Paarl was not part of a staged release as Mandela had merely been moved from one prison to another, he said.

The State had released photographs of Mandela's new house and the swimming pool on the property, but it should have contrasted his new quarters with his concrete cell of the past 26 years.

"I don't think he can even swim. For the past 26 years he has never had enough water to have a bath. The picture of the swimming pool was supposed to have shown that he is being kept in luxury."

Win a Christmas bonus for road safety - turn to Page 3

CT taxi court case- sequel today

4/12/88

332

CP Correspondent

FOUR Cape Town taxi operators were due to appear in the Supreme Court today to face charges of contempt of court.

Three were arrested on Sunday and spent part of the day in prison before being released by mutual consent.

Last Saturday six South African Black Taxi Association members: Douglas Boltman, Gordon Maluluza, Neville Pooze, Lennox Raba, Maxwell Mzotsho and William Daniels, applied for an urgent order authorising the deputy sheriff to arrest the four men for allegedly being in contempt of a court order made on November 22.

Judge S Selikowitz heard the application at his home and gave the order for the arrest of Langa Guguletu, Nyanga Taxi Association (Lagunya) members Maxwell Nonkonyana, Lawrence Memoni, Victor Ntshoko and Wellington Matyola.

Nonkonyana could not be traced and was the only member of the group who escaped arrest.

The four men have agreed to comply with the interim interdict, which gave them until December 7 to show why a permanent order should not be granted interdicting and restraining them from:

- Assaulting, threatening to assault or molesting any of the applicants in any way, or disrupting or interfering with the taxi businesses of any of the applicants, and ordering them to pay costs.

I support Umkhonto we Sizwe, says Gordimer



Staff Reporters

Internationally renowned author Nadine Gordimer, testifying for the defence in the Delmas treason trial in Pretoria's Palace of Justice, acknowledged yesterday that she supported Umkhonto we Sizwe "as part of the African National Congress".

She held that the ANC could not be characterised as a violent organisation. Viewing its entire history, she noted that the military wing had only been formed in 1961.

"Basically, it remained a non-violent organisation in the majority of its manifestations and actions."

It was in this context that she supported Umkhonto we Sizwe as part of the ANC.

Mitigation

Asked about violence practised by the ANC, Miss Gordimer said: "I'm against violence and I regret it very much. But having lived here for 65 years I am well aware for how long black people have abstained from violence. We white people are responsible for it."

Miss Gordimer was the fifth witness to give evidence in mitigation of sentence for the 11 men convicted in SA's longest trial. The proceedings took place in a courtroom guarded by scores of policemen.

Hundreds of supporters were barred from entering the building because only 70 seats were made available in court.

Four of the 11, including United Democratic Front leaders Popo Molefe, Terror

Leleka, Moss Chikane, and SA Council of Churches field worker Tom Manthata, have been found guilty of treason.

Seven more, prominent members of the Vaal Civic Association, have been convicted of terrorism as a result of their role in the rent protests of 1984.

Among the principal findings of Mr Justice K van Dijkhorst in the treason conviction was that the UDF had created a revolutionary climate and had fomented hatred against the Government and its institutions.

In addition, he found the UDF to be a revolutionary organisation that was conceived by the ANC. The dominant leadership of the UDF was considered by the judge to have functioned as an internal wing of the ANC.

Since the UDF had openly sided with the ANC, which was for all practical purposes at war with the Government, the UDF's intent was no less hostile than that of the ANC, the judge ruled.

Miss Gordimer, University of the Western Cape rector Professor Jakes Gerwel and kaNgwane Chief Minister Mr Enos Mabuza said they regarded Nelson Mandela and Mr Oliver Tambo as their leaders.

Professor Gerwel testified that the ANC was seen, in the community from which he came, as a political organisation rather than a terrorist group.

"They are seen as patriots, as men and women of strong conviction who have sacrificed a lot because of their conviction."

He answered during cross-examination: "If there were free and fair elections, with the ANC unbanned, I think the chances are very high I would vote for them."

He qualified this answer by saying he believed a cessation of violence would be part of the elections.

Miss Gordimer, who was at the 1983 conference at which Dr Allan Boesak called for a united front, said she had experienced that as a watershed.

"After the long (racial) separatism I'd experienced in the 70s, he held out the hand of friendship to democratic whites ... I remember he said with emphasis: 'Join us'."

Mr Mabuza, asked if he condoned violence, answered: "I condemn it, but respect people who feel there is no other option after democratic procedures have come to an end. I respect the decision of those who have opted for violence."

Commenting on the consequences if the UDF three were jailed, he said he believed this would turn the clock back "in the sense that credible leaders would find it difficult to take part in the negotiation process while other leaders are in exile or in prison."

"The fact that they have been found guilty of treason or terrorism does not change their leadership position among the people of South Africa."

Evidence in mitigation continues today.

Author Nadine Gordimer (right) descends the steps of the Palace of Justice, Pretoria, after testifying for the defence in the Delmas treason trial. With her are defence lawyers Ms Frances Potter and Mr Zac Yacoob.



Tareemake 'only

Picture by Sean Woods.

Sabta³³² praises^{Soweto} Bush¹² move¹⁸⁸

By JOSHUA
RABOROKO

THE Southern Africa Black Taxi Association yesterday welcomed the announcement by the United States president-elect, Mr George Bush, that he wanted to encourage black Americans to visit South Africa to see conditions for themselves.

Sabta's communications manager said in Pretoria that the organisation had its plans regarding the envisaged visits by the Americans.

He said: "Our recently published strategic plan — Sabta 2000 — includes the development of incoming tourism from overseas. We know there is a large market among people who would like to know more about how black South Africans live and work, and what they think."

He was commenting on Mr Bush's statement that American black leaders, such as Reverend Jesse Jackson, should come to South Africa to explore first-hand information about what is happening because there have been some significant changes over the last 10 years.

Mr Bush said South Africa has broken down a great deal of institutional and social apartheid.

Mr Mabuza said Sabta's plans included special trips to places like Soweto and many others.

"We will take visitors in a genuine black taxi to a black home. There they can have tea with ordinary black people, discuss and hear their views, their fears and their hopes for the future."

Mr Mabuza has also revealed that Sabta was already engaged in talks with leading tour operators and with South African Airways, on the development of tours of this kind.

"So we welcome Mr Bush's endorsement of the principle and hope to see many overseas tourists coming here for this purpose during 1989," Mr Mabuza said.

AA slams 'traffic spies' safety plan

Staff Reporter

THE Automobile Association has slated a road safety project launched by the National Road Safety Council, which it claims will turn motorists into "traffic spies".

In terms of the project motorists would report offenders to the NRSC by means of forms provided at garages. These offences would then be recorded in a central computer and letters would be sent to the

offenders warning them to be more careful in future, according to the chairman of the NRSC, Mr Johan Driessen.

The director-general of the AA, Mr Peter Elliott, said the concept that untrained "traffic spies" be used to report offenders to a central computer was not acceptable.

He said deciding on dangerous driving and traffic violations was not as simple as it might appear, hence the rigorous train-

ing programmes traffic officers had to undergo.

The AA took "the strongest exception" to a remark made by the NRSC that "the time had come for motorists to take responsibility for the large number of deaths on the road", he said.

Mr Driessen refused to be drawn into the debate and said that the project was being run "only as a test for the December holiday period". — Sapa

City bus fares set to rise

Municipal Reporter

BUS fares in the city seem set to rise in the near future now that a 10c-a-litre increase in the price of diesel from January 16 has been announced.

Fares last went up by 12.2% early in September, almost immediately after the September 1 fuel price increase.

At the time City Tramways managing director Mr. Barry said that commuters could expect yet another rise when September's 11c-a-litre increase had to be passed on but he added the company would delay upping the price for

as long as possible.

None of the senior managers of City Tramways were yesterday available for comment.

City's 'taxi war' goes to Supreme Court 332

Supreme Court Reporter 1/16/45 8/12/88

CAPE TOWN'S "taxi war" has been referred for trial in the Supreme Court after six operators were granted an interdict against a major taxi organisation.

Mr Justice Friedman ordered yesterday that a dispute between the two parties be postponed indefinitely until a court was available to hear oral evidence.

Mr Douglas Boltman, Mr Gordon Makaluza, Mr Menville Poole, Mr Lennox Raba, Mr Maxwell Mzotsho and Mr William Daniels were granted an interdict against the Langa, Guguletu, Nyanga Taxi Association, Mr Maxwell Nonkonyana, the Western Province Black Taxi Association, Mr Lawrence Memani, Mr Victor Ntshoko and Mr Wellington Matyolo on November 18.

Mr Justice Friedman extended the interdict until final judgment was given in the Supreme Court.

The interdict restrains the respondents from assaulting, threatening to assault or molesting any of the applicants; in any way disrupting, hindering or interfering with the taxi business of any of the applicants; or interfering with any passenger using the taxi business of any of the applicants.



WHEN the SA Black T a complex and ambitious selection of top business there were surprises all

It was a plan that any been proud of. But when of Transport Louis Klug re-regulating the taxi in castigated by Sabta's lean

"Lack of consultation dying because of the w away the little bit of wea some of the accusations t however, the tone was p superb role model for the industries.

Shell's chief executive, presented an exciting v could and should be inte mainstream of South A

The proposals tabled

SABTA

U Press 15/12/88

332

Their
proud
plan
could
mean
great
things

Looking ahead

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WHEN the SA Black Taxi Association presented a complex and ambitious 10-year strategic plan to a selection of top businessmen early last month, there were surprises all round.

It was a plan that any multinational would have been proud of. But when Deputy Director-General of Transport Louis Kluverer unveiled his plans for re-regulating the taxi industry, he was severely castigated by Sabta's leadership.

"Lack of consultation... over 200 people dying because of the white paper," and "taking away the little bit of wealth blacks have", were some of the accusations thrown at him. Overall, however, the tone was positive and provided a superb role model for the development of other industries.

Shell's chief executive, JR Wilson, for instance presented an exciting vision of how black business could and should be integrated into the mainstream of South Africa business.

The proposals tabled by Sabta for the next decade of its transition from the informal to the semi-formal sector may yet provide the economic paradigm for the political accommodation of all interest groups in South Africa.

"The success of the strategic plan of Sabta 2000 can only become a reality with the goodwill and assistance of government and business," said Sabta president James Ngcoya in his opening address to the Sabta 2000 one-day conference held in Johannesburg recently.

Ngcoya's view that "change in South Africa by the year 2000 will not herald a perfect society, but result in a fairer and a more just one and will 'create a rare realism that is the basis of Sabta's strategic analysis of the key elements to black economic empowerment'".

While claiming the position of black small business leadership for black taxis, Sabta acknowledges the negative effect of the standards of driving taxis are beginning to have on the community and its potential for exacerbating racial tension.

Sabta is unequivocal in its resolve to tackle and solve the situation which caused *The Sowetan* to comment: "Many taxis have ceased to be a menace on the road - they have become cold-blooded killers."

"The conference also quite rightly focused on the successes of the organisation. Its success story is the result of the economic benefits of a strong and



James Ngcoya... principles of Sabta hopefully a model of future SA.

powerful national association; the joint venture between its black member organisation and its white marketing company; and the co-operation between these two bodies.

"These three principles on which Sabta has built its organisations will hopefully be a model of what South Africa will look like by 1998," said Ngcoya.

If the 1980s have been the decade of the informal phase of Sabta, the 1990s must be cast as the decade of transition for its semi-formal phase of developments, with the taxi industry becoming a broadly-based passenger and freight industry.

Sabta is determined that it is in the interests of the public and private sector to facilitate this process in which the black transport entrepreneur assumes a leading role.

Identifying past government policy and the response of the business community as a failure to acknowledge Sabta's vital role as a leader of black business, Sabta now calls for active assistance in the future development of the industry.

Official deregulation and planned privatisation of the taxi and transport industry could threaten or enhance the hegemony black enterprise struggled so hard to establish. Ngcoya is emphatic: "Deregulation must be an economic and social exercise with political overtones. It must be part of the process of change in its fullest sense. Only transitional protection and affirmative action will pitch the competition equally between black and white economic interests."

Sabta's strategic plan to improve taxi operations and develop new areas of business for the black

transport entrepreneur to the year 2000 requires an investment of R88-million, of which the bulk of the costs will go to education and training.

Government grants and rebates would reduce the net cost to R52-million. But Sabta is adamant:

"Financial assistance that leads to dependence rather than black economic empowerment is not in the interest of the future of South Africa."

From central and local government, Sabta seeks assistance by way of subsidies, educational grants, transport contracts and consultancy contracts. From the private sector, Sabta seeks trading agreements and support for education and research.

Sabta has no prescription for the assistance it seeks: Its challenge to government and big business is its willingness to assist in peaceful change and economic stability.

332
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Their proud plan could mean great things

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Put on brave faces and get counted, traffic cops tell elusive taximen

By CP Reporter

THE Soweto and Diepsmeadow traffic departments are battling to find a solution to taximen who turn on their heels every time they are stopped to get counted ...

The traffic departments have urged the taxi operators to hold their brakes and put up a brave face because they stand to benefit from being counted.

Soweto chief traffic officer Titus Malaza told *City Press* that Greater Soweto had a unique problem with regard to ranking facilities.

He said the exercise was part of an investiga-

tion aimed at solving infrastructural problems faced by taxis.

"We are appealing to taxis leaving ranks throughout the townships not to panic and disappear into thin air when they see students counting their taxis. We are not going to harass them," said Malaza.

He added that this was the first major survey being made in the taxi industry and it indicated the growing importance of the industry. The survey will establish which are the busiest ranks so that new facilities for taxis and passengers can be constructed.

332

MR 645 12/12/88

Thousands in annual exodus to homelands

By EDWARD MOLOINYANE 332
Staff Reporter

AS the Peninsula braces itself for its main influx of tourists, the annual exodus from the black townships to the homelands is already under way.

Thousands of township residents have relatives in Transkei and Ciskei and for many the festive season is the only time they can spend with their families.

Bus companies said yesterday they would operate services to the homelands daily until December 24.

Fully booked

The exodus is expected to reach its height on Thursday when construction companies close for the builders' holidays.

A South African Transport Services spokesman said Cape Town-based Sats buses were fully booked but regional offices in East London and Queenstown had been asked to supply more.

Most companies do not have booking facilities and passengers must take their chances at collection points in the townships.

A Motale's Bus Services spokesman said about 40 buses would be operat-

ing between Cape Town and Ciskei and Transkei.

Buses could be boarded at the main depot in Guguletu, the Langa taxi rank, the old Nyanga hostel and Site C and Khaya Bazaar in Khayelitsha.

Spirits high

Chilwan's Bus Services is running about 20 buses and Blue Line will run about 40 from Cape Town from Thursday.

Spirits are high in the townships as people buy a wide variety of goods to take home — from new and second-hand furniture to groceries.

It will all be piled on bus roofs.

A Blue Line spokesman said the company's permit did not allow it to use trailers for luggage.

Fatal accidents

"We have started a campaign through Radio Xhosa to encourage people to send their heavier goods earlier."

Roof-loading has been blamed for many fatal accidents.

National Road Safety Council regional chief Mr Chris Snyman said: "This sort of loading is dangerous for buses, especially on bends."



CITY

Taxi operators gain pledge from rivals

ASSUS
14/12/88
332

Supreme Court Reporter

SEVEN taxi operators have given an undertaking in the Supreme Court not to interfere with the business of a rival group.

Action was brought against the seven by Mr Victor Ntshoko, Mr Wellington Matyolo, Mr Mackonon Nonkonyama, Mr Victor Sibanya, Mr Joseph Mdlankomo and Mr Floris Dumezweni, who alleged that the seven operators assaulted, threatened, taunted and abused them and their employees.

They asked that the court grant an urgent interdict restraining the seven from interfering with their business.

Mr Douglas Boltman, Mr Gordon Makaluza, Mr Menville Poole, Mr Lennox Raba, Mr Maxwell Mzotsho, Mr William Daniels, Mrs Jeanette Makaluza and Walmer Taxis (Pty) Ltd denied the allegations but yesterday counsel gave the un-

dertaking on their behalf during argument.

They also undertook not to assault, threaten, taunt or verbally abuse the applicants and their employees.

Yesterday's application was the fourth court action taken during the feud between the two parties.

With the exception of Mrs Makaluza, the operators gave an undertaking that they would not operate their taxis within 200m of the municipal rank in Washington Street, Langa.

Mr P A L Gamble, for Mr Ntshoko, Mr Matyolo, Mr Nonkonyama, Mr Sibanya, Mr Mdlankomo and Mr Dumezweni, said his clients were lawfully entitled to operate from the Langa municipal rank.

Mr Gamble said the respondents' public road carrier permits did not entitle them to use the rank, with the exception of two vehicles belonging to Mrs Makaluza and Mr Poole.

"The applicants are being interfered with by people who have no right to operate in the area," he said.

"The applicants have a clear right to use the rank and the respondents are in breach of their permits."

Mr G W Woodland, for Mr Boltman, Mr Makaluza, Mr Poole, Mr Raba, Mr Mzotsho, Mr Daniels and Mrs Makaluza, said his clients operated on the route between Mowbray station and Langa while the applicants ferried their passengers to the black townships.

"How on earth can it be said that they are invading the rights of the applicants when they are not competing with them?" Mr Woodland said.

Mr Justice A J Hoberman postponed the hearing to the fourth division of the Supreme Court and said he hoped the parties would conduct themselves in a "civilised manner" pending the resolution of the matter.

CPA: Tm Ks
Wednesday, December 14, 1988

332

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We were abused, claim taxi drivers

Supreme Court Reporter

THE "taxi war" case took a new twist in the Supreme Court yesterday when the taxi drivers against whom an interim interdict had been issued claimed in a counter-application that they and their employees had been threatened, abused and taunted.

In papers before the court, Messrs Victor Ntshoko, Wellington Matyolo, Mackonon Nonkonyama, Victor Sibanya, Joseph Mdlankomo and Floris Dumezweni said they and their employees had been threatened with assault, verbally abused and their businesses interfered with.

After hearing argument and with consent between the parties the respondents, Messrs Douglas Boltman, Gordon Makaluza, Menville Poole, Lennox Raba, Maxwell Mzothsho and William Daniels and Mrs Jeanette Makaluza and their employees undertook — without admitting liability — not to:

Interfere in any manner whatsoever with the taxi businesses by the applicants, breach the conditions of their public road carrier permits and undertake not to operate their taxi business less than 200 metres from the

municipal taxi rank at Langa.

The undertaking did not apply to the taxi of Mrs Makaluza, who in terms of her permit is entitled to operate a taxi from the rank at Langa.

On November 22 the court granted an urgent interdict restraining Mr Ntshoko and three others from assaulting or threatening Mr Boltman and five others or their employees. The hearing was postponed.

On November 27 Mr Boltman and the others brought an application asking that Mr Ntshoko and three others be jailed for allegedly being in contempt of the court order granted on November 22. This hearing too was postponed.

'Business hampered'

In yesterday's counter-application, Mr Ntshoko said since the interim interdict was granted on November 22, Messrs Boltman, Makaluza, Poole, Raba, Mzothsho and Daniels and Mrs Makaluza had adopted an attitude that the court order did not permit them to use the Langa municipal taxi rank.

The business had been severely hampered by taxis of Mr Boltman and the five others cutting in on queues and preventing them from operating at the Langa rank.

In addition the drivers of the respondents (Boltman and co) had verbally abused their drivers, taunted them and threatened them with violence. To keep the peace they had withdrawn their vehicles from the Langa rank.

In an opposing affidavit, Mr Boltman said he wished to "state categorically" that none of the respondents or their employees had assaulted, threatened, taunted or abused any of the applicants or their employees or interfered with their business.

It was significant that Mr Ntshoko and his fellow applicants were unable to describe a single incident but relied on vague generalisations, he said.

Taxi drivers who were not permitted to operate from the Langa rank had for the past 12 years loaded passengers from an area outside the municipal rank.

Before making the undertaking an order of court, Mr Acting Justice B Hoberman said: "I hope the parties will conduct themselves in a civilised manner pending the outcome of the proceedings."

The hearing was postponed to the Fourth Division for trial next year.

Mr Gavin Woodland, instructed by RH Stuurman and Co, appeared for the respondents. Mr P A L Gamble, instructed by F van Dyk, appeared for the applicants.

Van Gogh thieves may demand ransom

486-2073, sleep peacefully, we will... The hospital doctors are demanding bet... of more than 100 junior doctors continues... Grave No. 1431A will... family and friends kindly... accept this information.

laid problems, says that... tions and other tenant-re... that they would pay... tain rentals in return

African operations, it said.

Star 15/12/88

331 Ashley Forbes described by judge as a 'dedicated terrorist'

ANC commander jailed for 15 years

Own Correspondent

CAPE TOWN — ANC commander Ashley Forbes was jailed yesterday for 15 years, with another 10 years suspended for five years.

Mr Justice D M Williamson described him as a "dedicated terrorist".

The judge said Forbes (22) played a leading role in the activities of the armed wing of the ANC, Umkhonto We Sizwe.

He received military training in Angola. When he returned to South Africa, he initiated various attacks, including a limpet mine blast at a bus shelter outside the home of the State President, Mr P W Botha, three grenade attacks on the homes of policemen and a limpet mine explosion at an electrical pylon in Goodwood.

ANC commissar Peter Jacobs (23) was sentenced to 14 years' jail, with 10 years suspended for five years for terrorism.

The judge said he had also played an active role in Umkhonto We Sizwe when he assisted in the limpet mine attack on the pylon and threw a grenade into the home of a policeman in Mitchell's Plain on the Cape Flats.

Nicklo Pedro (20), who was a contact between Forbes and ANC cells in the Peninsula, was sentenced to 14 years' jail, with 10 years suspended for five years.

Nazeem Lowe (24), guilty of terrorism after admitting participating in a grenade attack on the Manenberg police station in 1985, was sentenced to 10 years, with another 10 years suspended.

Explosion

Anwa Dramat (20) was jailed for 12 years for his "active role in the violence", with another 10-year sentence suspended.

He attacked the home of a policeman in Bonteheuwel and caused a limpet mine explosion on the railway line near Heideveld.

Clement Baadjies (20) was sentenced to 10 years, with an additional 10 years suspended for five years for his role, in a petrol-bomb attack on the home of a policeman and an attack on a bus shelter.

David Fortuin (22), convicted of contravening the Internal Security Act by storing a trunk containing grenades and limpet mines, was jailed for two years, with an additional five years suspended.

Jeremy Veary (25), who contravened the Internal Security Act by storing a mini-limpet mine and a grenade, was sentenced to two years' jail, with an additional five years suspended for five years.

When Walter Rhoode (23), convicted of failing to report a person he suspected was a terrorist, was given a wholly suspended sentence, there were gasps from the public gallery. His wife wept.

Mr Justice Williamson said he had taken into account the time Rhoode had spent in custody. Rhoode was sentenced to five years' jail, suspended for five years.

Wayne Malgas (22), convicted of storing a grenade used in an attack on the home of a policeman, was sentenced to two years, with an additional five years suspended for five years.

Collin Cairncross (22), convicted of contravening the Internal Security Act by failing to report a planned petrol-bomb attack, was sentenced to five years' jail, suspended for five years.



Two women are bitten by police dogs near the Supreme Court, Cape Town, yesterday as police disperse a crowd that gathered as sentence was passed in the Forbes trial.

Police dogs bite four near court

Star 15/12/88 Own Correspondent

CAPE TOWN — At least four people in the crowd which gathered near the Supreme Court where the Ashley Forbes trial was being heard were bitten by police dogs yesterday.

In Long Street, a vagrant was bitten on the leg. An *Argus* reporter was bitten as she walked towards the Supreme Court to cover the hearing.

A bystander said he saw a man in white overalls bitten by a police dog in Dorp Street.

"Fortunately, the material was thick and it did not appear as if the man's skin had been broken. I saw another man being dragged around by a police dog which had grabbed hold of the canvas bag he was carrying," the bystander said.

People queued outside the Supreme Court in Keerom Street from 3 am for the 80 seats in the public gallery of Court No 1.

Those who could not get into the building took up positions behind police barricades in Keerom and Long streets.

Police with dogs formed a cordon across Keerom Street and police photographers took pictures of people in the crowd. Police ordered journalists to leave the area.

A helicopter circled above Long Street and a water cannon patrolled the streets around the court.

All men, including reporters, were searched as they entered the court.

After the proceedings about 300 people gathered on the pavement in Dorp Street singing "Nkosi Sikelel' iAfrika", waiting for the lorry taking the prisoners to Pollsmoor Prison to emerge from the Supreme Court courtyard.

But the lorry left via Leeuwen Street.

Super-cabs about to make their mark

By Michael Chester

First there were black mini-taxis, running shuttle services for commuters. Now there are going to be black super-cabs — carrying up to 40 passengers at a time.

The next revolution in the black travel business is being planned by the South African Long Distance Transport Association.

Association chairman Mr Peter Rabali says the first two super-cabs — one a 32-seater and the other a 40-seater — have been delivered and orders are flowing in to motor manufacturers.

He predicts a "phenomenal" demand for the out-size taxis, even though they cost up to R90 000 each.

The demand for the new king-size taxis had already created waiting lists on the order books of motor manufacturers, because the producers were still concentrating on mini-taxi output.

"But we can expect the manufacturers to switch the emphasis to the new larger taxis when they realise the demand," he said.

SERVICE DEPOT

Mr Rabali claims that the new long-distance operators are already contributing as much as R200 million a year to the national economy — running a fleet of 16 000 vehicles that consumed 200 million litres of fuel, 900 000 litres of oil, and R20 million worth of spares every year.

"And that," he said, "is only the start."

A special depot for long-distance services was planned near the Johannesburg city centre.

Now trucking and taxi services were being offered to the big mining and industrial companies to carry workers to and from their homes at holiday time.

"Conscious of the bad safety record of taxis in general, we are enforcing a strict 100 km an hour speed limit on all vehicles run by our members," he said.



Super-cabs set to oust mini-taxis

Mcus 19/12/88 332

From MICHAEL CHESTER

JOHANNESBURG. — First there were black mini-taxis, running shuttle services for commuters. Now there are going to be black super-cabs — carrying up to 40 passengers at a time.

The next revolution in the black travel business is being planned by the South African Long Distance Transport Association.

Association chairman Mr Peter Rabali says the first two super-cabs — one a 32-seater and the other a 40-seater — have been delivered and orders are flowing in to motor manufacturers.

He predicts a "phenomenal" demand for the out-size taxis, even though they cost up to R90 000 each. Plans were being laid for the super-cabs to

run in convoy with trucks carrying all the luggage accompanying the passengers.

The full potential, he feels, can be estimated by the influx of more than 10 000 long-distance taxi and truck operators into the association since it was launched a year ago.

Membership had already spread beyond the South Africa borders into Botswana, Lesotho and Swaziland in the creation of a vast network of routes.

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"But we can expect the manufacturers to switch the emphasis to the new larger taxis

when they realise the size of demand," he said.

Mr Rabali claims that the new long-distance operators are already contributing as much as R200-million a year to the national economy — running a fleet of 16 000 vehicles that consumed 200 million litres of fuel, 900 000 litres of oil, and R20-million worth of spares every year.

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Now trucking and taxi services were being offered to the big mining and industrial companies to carry workers to and from

their homes at holiday time.

"Conscious of the bad safety record of taxis in general, we are enforcing a strict 100 km an hour speed limit on all vehicles run by our members," he said.

"During holiday periods, the association will have at least 20 patrol cars out on all the main routes to ensure members stick to the road safety rules."

BUSINESS

The economics of a tearaway taxi ride

How much do the ever-present mini-bus taxis earn?

BRUCE ALLEN does some arithmetic

Mini-bus drivers may not be the cautious people on the road but their taxis have revolutionised transport for blacks.

The service they provide is cheap and efficient. Many cite the industry as one of the best examples of what enterprise can achieve if given a chance.

It's not surprising that black taxi owners have become big business — or many whites have climbed on the bandwagon.

The government hasn't done badly either. According to the Department of Transport, which handles applications for taxi permits, there are some 185 taxis operating legally in Johannesburg.

Others are operating illegally in the townships.

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Others are operating illegally in the townships.

with 5 389 taxis. Durban and Cape Town have 3 770 and 2 402 vehicles respectively.

These figures, however, differ slightly from those offered by the Southern African Black Taxi Association (SABTA).

SABTA notes: "The association represents the interests of some 45 000 taxi owners in Southern Africa. This is a substantial proportion of the estimated figure of 100 000 taxi owners throughout the country."

"What must be understood is there are two categories of taxi operators: the permit holders and the non-permit holders. Of the 'legal' taxis, 95 per cent are SABTA members. The non-permit holders account for the other 5 per cent."

However, SABTA's communications manager, Jabu Mabuya, explains that pending changes in legislation will

make it possible for non-permit holders to apply for SABTA membership. But things haven't always been easy for the aspiring taxi owner. According to Mabuya: "The watershed year for SABTA was 1982."

"This was the year the government established the Welgemoed Commission on Transport which conducted an enquiry into taxis of the combined type, attempting to curtail the development of this line of business."

Reasoning behind the action was that, since they were more flexible in terms of routes and times, combined taxis were encroaching on the bus transport market.

The commission recommended that taxi licences be valid only for vehicles which carried a maximum of four passengers.

Intensive lobbying followed and the then Minister of Transport, Hendrik Schoeman, agreed to changes which allowed 15 passengers to travel in each mini-bus taxi.

Another result of the talks with the government was that SABTA became the official forum for negotiation on transport for the taxi industry.

The situation now is permits are issued for the life of the vehicle and are divided into two categories according to the number of people the vehicle is licensed to carry — a maximum of either eight or 15.

Although official figures are not available, about 40 per cent of taxis operating in the Pretoria area are said to be owned by whites.

Since the permit under which a taxi operates does not have to be in the name of the owner of the vehicle, this appears a perfectly legal practice. The Department of Transport notes, however, that the name on the side of the taxi must correspond with the name on the permit.

Mabuya explains that a white person will put up the capital and then appoint a black driver, who will have a permit registered in his name.

The driver will often take ownership of the vehicle after a period of about three years, but in the meantime, will be expected to give the vehicle owner a monthly return on his investment.

In theory, this concept should benefit both parties. But Mabuya says these agreements are often not concluded in good faith and that the driver gets a raw deal.

The numbers involved help to illustrate the reason for "investing" in a taxi. Most taxis operate seven days a week. The average vehicle carries nine people and completes 13.9 trips a day. Assuming an average fare of R1.50, the taxi owner can expect to generate R187.50 a day — or R5 625 a month.

An impressive figure, but this income must be seen against the background of monthly vehicle repayments, high insurance premiums and running costs.

Since SABTA's early days the industry has boomed. The association notes that its members use more than R800-million on spare parts a year.

lives of engine oil, drive more than 440-billion kilometres and spend R800-million on spare parts a year.

And at the rate things are going, these figures are set to become even bigger.

The Department of Transport has 10 board offices around the country. For the year to end March 1987, these

while the period from April to October this year brought the approval of a further 14 564 permits.

Given these numbers, many organisations have recognised benefits of an association with the taxi industry.

When SABTA started marketing its service centre concept, Shell South Africa was one of the first companies to lend its support.

According to SABTA, "Shell was interested for two reasons. Firstly, the scheme had viable commercial prospects, and perhaps more importantly, it fitted the company's strategy in terms of its commitment to the development of black business."

The group marketing director of Toyota, Brand Pretorius, says: "We believe that the taxi owners represent the entrepreneurial flair within the black business community and typically the way in which the free market system should operate."

"From a marketing point of view, they represent an extremely important customer base."



Hendrik Schoeman Reluctant agreement

boards granted 19 190 permits — more than the total number of taxis currently operating in the combined areas of Johannesburg, Durban and Cape Town.

The following year to end March 1988 saw 42 348 permits granted.

Philanthropist? Support for the

WHEN the president of South Africa's largest youth organisation goes on trial for terrorism in Pietersburg early next year, the "time of the comrades" will have entered a new — and apparently irreversible — phase.

Peter Mokaba, leader of the South African Youth Congress (Sayco), "disappeared" on March 21 this year. Police later announced he was being held under the Internal Security Act — it was clear that his arrest formed part of an unprecedented state war of attrition against youth militancy.

This war is one of the most outstanding features of the relationship between state and resistance in South Africa in 1988. It also seems to have changed the form and tactics of youth politics forever.

No less than 12 youth and student groups have been proscribed under the Emergency regulations this year. The February clampdown removed the major national and regional structures: Sayco, the South African National Students Congress, the Cape Youth Congress, the Soweto Youth Congress, and the Azanian Youth Organisation. All had been key players during the 1984-1986 period, when

Under siege. Slogan-chanting students retreat underground

the youth played a key role in anti-apartheid activity.

The bannings dealt a debilitating blow to groups which had been struggling to adapt to the fundamentally altered conditions of nationwide Emergency rule. The days of "street revolt" were a distant memory, and the "semi-underground" mode of operation was still in its infancy.

Yet youth resistance sputtered on. There was a march in Soweto after the funeral of slain youth activist Sicele Dhlomo in February. Sporadic student stayaways took place in the Transvaal and Cape between March and August. Organised youth played an important part in an effective three-day stayaway in June.

In addition, poorly organised regions were affected by youth activism. The Far Northern Transvaal Youth Congress, for example, was

The state has launched a sustained attack on youth resistance. Organisations may have been silenced but they have not been immobilised.

By SHAUN JOHNSON and VUSI GUNENE

instrumental in organising a successful stayaway in Venda.

Such activities took place against the background of relentless repression. Groups could no longer meet and consult openly, top activists were detained on a continual basis, and the numbers of assassinations, disappearances and extra-legal forms of harassment shot up alarmingly.

Then came the next round of re-

strictions: the Soweto Students Congress was effectively banned at the end of October, to be joined two days later by the Transvaal Students Congress and the Port Elizabeth Youth Congress. Barely a week later, Wits University's Black Students Society and Rhodes' Black Students Movement were proscribed.

Then, on December 12, the Mitchell's Plain Students Congress and the Western Cape Students Council joined the ranks of the silenced.

It is increasingly difficult to assess the state of the myriad youth structures around the country. Thus the membership figures which are normally given — about 700 000 in Sayco's case — cannot be tested. But as in the past, youth organisations appear to have replaced the decimated ranks of their leaders. This is no mean achievement, given that only

one member of Sayco's executive remains out of detention as 1988 draws to a close.

Thus while the positions of Mokaba — and other imprisoned Sayco office-bearers like Rapu Molekane and Ephraim Nkwe — have not been technically filled, it is clear that there is a leadership, and it is operating.

In an interview with members of Sayco regional affiliate, the Natal Youth Congress (Nayco) this week, the fact was stressed repeatedly.

The Nayco representatives said because Sayco was "formed (in March 1987) under conditions which did not allow for above-board activities... we managed to weather the state attack."

"The size of the organisation, and its regional, local and zonal structures has made this possible."

The youth activists concede that "underground is not a healthy terrain of struggle for an organisation that wants to reach the masses, make statements and operate above-board. But conditions of near-illegality have been forced on us."

This has led to a sober assessment of the options open to youth, and it has been decided that the "emphasis must be to build an advanced contingent of young activists... A tightly-knit organisation to operate like an advanced unit."

The leaders say the quality of the youth activists, rather than their numbers, is paramount in mobilising "the broadest range of youth, be they in church groups or on the streets, and even those who are outside the Sayco mainstream, like the Inyandza Youth Organisation in kaNgwane."

This illustrates the strategic distance travelled by the youth in three short years: the uncompromising anti-collaborationist stand maxims have given way to pragmatism. It is believed that while kaNgwane Chief Minister Enos Mabuza's Inyandza movement does not see entirely eye to eye with the "mass democratic movement," there is enough common ground to allow for co-operation.

This also forms part of the perceived need to explore and "manoeuvre within whatever legal space there is" for youth campaigns.

This will not hamper the already-advanced moves in Sayco to forge working alliances with other groups within the resistance fold — notably "the progressive labour movement", student or pupil-based groups and community organisations.

"The South African youth have not been crushed. The militancy is certainly still there," say the Nayco representatives, "and there are hundreds of youth organisations still operating in the townships."

"But their style has changed — from shouting slogans and chanting in the streets to organised and disciplined formations on the ground."

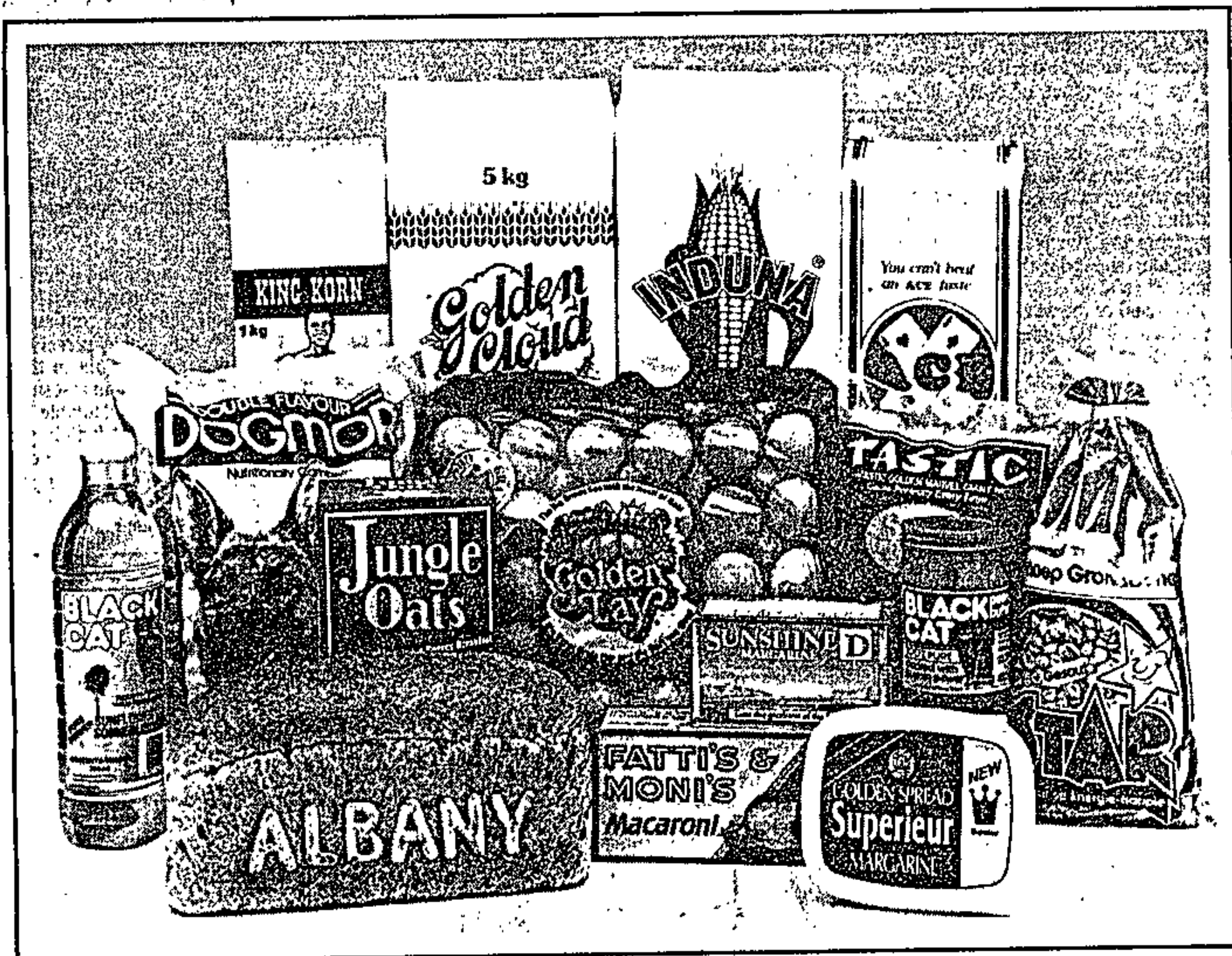
The leaders believe the government is under extreme pressure. "As the struggle heightens and as the regime becomes more isolated, the country becomes more tense," said one.

They are also prepared for a long haul. "Pretoria has been pushed to the point where it must fight for its survival, and use up all its resources to sustain its policies. In 1989, we are sure, there will be maximum suppression of opposition and resistance."

"But as far as the youth are concerned... the groundwork is being done in the townships."

● Peter Mokaba goes on trial, along with Malebane Tswai and Sam Siphoro, in Pietersburg on February 20 1989. They face charges of terrorism, alternatively furthering the aims of the outlawed African National Congress. There is a further alternative charge under arms and ammunition laws.

May there always be good food on your table



Toll roads: A modern licence to print money?

By GRAHAM LINSKOTT, Special Correspondent

THE money rolls in at a rate of R12 000 an hour at peak holiday periods — nice takings.

The privately owned toll plaza at Mooi River is on a stretch of road which once was open and public, and built with public money.

It looks like a licence to print money. Or highway robbery.

People are outraged. They refuse to pay — and a Transvaal advocate is reportedly seeking prosecution so he can challenge the toll in court.

In fact it is a most complex question. People are entitled to feel aggrieved, though whether their anger is always directed at the right quarters is another matter.

They are paying income tax, as ever. They are paying a sharply increased fuel levy, which used to pay for national roads but is now channelled into the general tax pool.

And they are paying tolls so that national roads can be built and maintained.

The government has failed to take the public into its confidence. Road tolls have been introduced almost by stealth, and confusion abounds.

DILEMMA

The fact is South Africa has a dilemma. Its industrialised First World component requires roads of a standard which the country could never afford. An institutionalised lemming rush at holiday seasons introduces unusual safety considerations.

During the era of Dr Diederichs and the gold boom in the early 1970s national roads were caught up in a frenzy of government spending and were greatly expanded. When the boom receded the government was unable to maintain them properly.

The N3 between Durban and Johannesburg — the country's main economic artery and the main holiday route — deteriorated badly, especially in the Free State.

Meanwhile, the economy worsened and it became clear the roads would worsen with it. Upgrading of the N3 would be put off, possibly for decades.

About five years ago a financial institution, three large construction companies contracted to build roads and a firm of consulting engineers put together a consortium to discuss with the government the possibility of rebuilding the N3 on a private toll basis.

The government was receptive to the idea but research overseas indicated a road financed purely from tolls would break even only with an

average traffic density of 10 000 vehicles a day. The average on the N3 is 7 000.

The consortium, Toll Road Concessionaires (Pty) Ltd (Tolcon), was unable to go ahead unless something was done to reduce the initial outlay and make the project profitable. This meant either a cash grant from government (meaning the taxpayer) or that a portion of the existing road should be handed to Tolcon.

ADVANTAGES

Tolcon maintains the second course has several advantages:

- The taxpayer is not required to put up the money;

- The taxpayer/motorist no longer has to pay — via the fuel levy — for the maintenance of the stretch of road in question; and

- The road earns revenue which can be used for maintenance.

The agreement eventually reached was for Tolcon to operate the N3 as a toll route from Hilton, just outside Maritzburg, to Alberton in the Transvaal.

It involves 94km of the existing N3 between Hilton and Frere — which includes the controversial Mooi River plaza) being handed to Tolcon — and 39km between Heidelberg and Alberton.

A new highway has been built from Frere to Kiepersfontein and a four-lane — eventually eight-lane — highway is to be built right across the Free State.

Tolcon holds the N3 concession for 25 years and will have the option of renewing it on expiry. To do so it will have to pay a sum to be determined according to the road's level of profitability at the end of the period.

In terms of the concession Tolcon has virtually to renew every section of the road every eight years.

It says it has already spent R63-million upgrading the Hilton-Frere stretch, which had fallen into bad disrepair. This is about twice what the road originally cost.

DIVIDENDS

The consortium projects it will spend R800-million — in today's prices — on roadbuilding over the next 25 years, and R400-million on maintenance. Interest charges on loan capital will come to R800-million.

The targeted average return on outlay over 25 years is 8 percent, though the projected return so far is only a little more than 7 percent.

Tolcon says it expects to begin declaring modest dividends in about three years.

2 000 nabbed by traffic cops

CMA TMS 28/12/88 332

Staff Reporter

MORE than 2 000 people were caught in traffic patrols and roadblocks on Cape Town's roads at the Christmas weekend, the traffic manager, Mr Wouter Smit, said.

While the national figure for road deaths at the Christmas period is sharply up on last year's — 70 compared with 48 by this time last year, Cape Town's road death toll is half of last year's.

Mr Smit said yesterday that roadblocks and patrols on Thursday and Friday night last week had enabled the traffic department to lay charges against 2 025 people for a variety of traffic offences.

Mr Smit said the offenders had been caught in roadblocks and by officers on normal patrols which were carried

out by about 80 officers working overtime on the two nights.

Of the 2 025 cases, 914 had been for moving violations, which included drunken driving, speeding and ignoring red robots and stop signs. Fourteen had been charged with reckless driving.

"The rest were predominantly charged with vehicle defects, with about 80 being charged with driving unlicensed vehicles."

By late December last year, 667 motorists were arrested for serious traffic offences by the Peninsula's three major traffic authorities.

Mr Smit said his traffic officers would conduct a similar selective law-enforcement campaign during this week and at the New Year weekend.

● Road deaths: SA leads — Page 3

Privatisation seen as an incentive for Presto

By Sven Forssman

Although measures to reduce consumer demand are expected to lead to a reduction in economic activity, Presto stands to gain from privatisation and deregulation of the transport industry, chairman John Sampson says in the annual report.

"Obviously privatisation and deregulation will in due course create a more competitive environment," he says.

"We believe, though, that these moves should benefit the group. Until very recently, our growth was restricted by the outmoded permit system."

IMPORTANT.
"In spite of the restrictive permits and the capital-intensive nature of its business, Presto has, in a relatively short time, become an important carrier in the long-haul market."

"We also enjoy the unparalleled benefit of having costly facilities in place in the major centres, all of which will easily cater for the envisaged volume growth."

Mr Sampson says that Presto will always try to position itself in specific niches of the inter-city trucking market.

Good flow of immigrants noted by Laser Transport

By Derek Tommey

Laser Transport Holdings MD Mr Denis Kaye is a useful man to know when attempting to gauge the economic outlook.

As head of SA's biggest furniture removal organisation, which depends for much of its business on the prevailing level of personal confidence, he usually knows what is happening well before economists, tax-gatherers and others who believe they have a finger on the pulse.

He has two measures of economic activity — the volume of business caused by people moving between suburbs and towns and cities as they trade up to better houses or move to better paid jobs, and the volume of import and export business as people leave or come to South Africa, according to whether they see a bright or poor future for themselves in this country.

Right now Mr Kaye is extremely bullish. "Business is very good," he said in an interview this week. "The improvement in the economy had helped a great deal."

Mr Kaye would not give details of this year's increase in group turnover as this would only

be reported to shareholders in mid-January.

But he was willing to talk about his export and import figures. The slowdown in emigration had depressed his export trade by 46 percent in the first 11 months of the year.

But his import trade was up 238 percent, though from a low base.

"There has been quite a surprising increase in the number of new people arriving in South Africa, mostly technicians or engineers, and destined for Johannesburg," he said.

A few South Africans who had emigrated in the past few years were also returning, but their numbers were still small, he said.

Laser Transport Holdings owns Stuttafords Van Lines, Fraser International, Van Nimwegen International, Pickfords, and Jack Wellsted.

It also owns Transplant, which handles the removal of household plants.

Laser came to the share market in the 1986 boom and has justified the faith of its shareholders.

Turnover in 1987 rose 26 per-



Mr Denis Kaye

cent to R80,4 million, operating income before tax rose 34 percent to R8,96 million and net income before extraordinary items increased 69 percent to 5,20 million.

In the first six months of this year, the company increased its earnings by 20 percent to 34,6c a share, even though turnover rose only five percent, mainly as a result of the tailing off in the number of emigrants.

Mr Kaye attributes part of Laser's success to the policy of having each trading company op-

erate autonomously, with its own independent board of directors, its own competitive marketing strategy and its own national marketing campaign.

This policy has led to some extremely competitive advertising on both TV and radio.

Following deregulation of the transport industry Laser has formed another company, Lasertrans, to take over from the big retail chains the distribution of their goods to stores countrywide.

Already one major chain was using Lasertrans and Mr Kaye said this business should grow strongly. Operating efficiently vehicles costing R300 000 to R400 000 was a skilled business. Retailers were realising that this was a business best left to the specialists.

The attraction of this business for Laser was that no warehouses were required and that it was being operated from Laser depots, with all the administration being handled by the existing removals division.

Laser's results for the year to December will be issued on January 20 and should prove interesting.

Help black business 'for fairer future'

Star 3/12/88

332

488

THOSE interested in developing black market potential should remember that small black businesses must be helped to overcome the inequities of the past.

Then they could play their part in the future economic life of South Africa.

So says Mr Lindile Lavisa, marketing manager of the Southern Africa Bus and Taxi Association (Sabta).

He told advertising and business executives at a Young & Rubicam Executive Insights luncheon that it was more expensive to develop black markets and outlets.

However, it "must be accepted that these higher developmental costs are a deferred debt being repaid".

Mr Lavisa cautioned that these developments would not come easily, as cultural differences and historic inequities could cause problems.

He added: "No matter how sophisticated in First World terms a producer or ad agency might be, they face a brick wall when approaching black consumers."

"At the same time, those who have access to market bodies such as Sabta, do not have the

FINANCE STAFF
First World products and services to sell."

Mr Lavisa thought joint ventures between established white business and small black business was an obvious answer.

He warned: "There cannot be fair competition in a South African free enterprise society unless there is also positive assistance to counter the many imbalances of past policies and practices."

He said the black taxi industry was at the forefront in entering a new South African socio-economic era.

If it succeeded, the implications for future stability and prosperity would be profound.

Sabta, he said, was extraordinarily successful in Third World terms.

Now it had to move the taxi business from the informal sector to the semi-formal sector.

Said Mr Lavisa: "For this purpose, the 'Sabta 2000' strategic plan has been developed with two objectives: to improve taxi standards and develop new areas of business for the black transport entrepreneur."

"I truly believe the

black economic sector can push back first the social and then the political barriers which separate us."

He stressed that Sabta considered its future to be in developing commercial trading agreements.

"If we combine our different talents, expertise and knowledge, we can move to a new South Africa in whose prosperity we all share," he said.

332 Queen 1/1/89.

CITY PRESS, January 1



Because of the rise in the price of fuel, these commuters will pay extra on all routes used by Putco bus company.

Commuters face fare hikes early next year

By STAN MHLONGO

MILLIONS of bus commuters face fare hikes early in the new year.

A Putco bus company spokesman this week told *City Press* that the increases were unavoidable following the increase in the price of fuel which comes into effect on January 16.

Putco PRO Robin Duff said the increase in the price of fuel would cost his company R7-million a year.

"We had to do something to recover the increase in costs and will charge an extra five cents on all routes," said Duff.

But the increase introduced by Putco

would still fall far short of recovering the R7-million rise in costs "and has been kept to a minimum", according to Duff.

A Vaal resident, Oupa Masemola, said the fare hike - "even though minimal" - was not welcome because Putco scrapped a student subsidy scheme in December 1987 so as to cut down on losses.

The news of the proposed bus fare hikes comes in the wake of an announcement by the Central Statistics Service that bus commuter numbers have dropped by 33 percent.

Actions of town clerk may be investigated

By McKeed Kotlolo,
Pretoria Bureau,

The Atteridgeville City Council has resolved to ask the Transvaal Provincial Administration (TPA) to appoint a commission of inquiry into alleged irregularities involving the town clerk, Mr Solly Rammala.

The council's decision follows a call by council employees at a special meeting for the town

clerk to resign his post because the council failed to give them a promised 13,1 percent salary increase but gave him the increase retrospectively from July last year.

In a press statement yesterday, the township's deputy mayor, Mr Justus Tshungu, said the council met on Wednesday night and decided not to suspend Mr Rammala.

Instead, it agreed a

that a commission should be set up to investigate the allegations.

The council's estimated 500 employees — all members of the Transvaal Association of Employees of Local Authorities (Taebala) — downed tools on Tuesday morning in protest against tariff increases implemented by the council on January 1 and they also demanded the immediate resignation of Mr Rammala.

The workers also made several allegations against Mr Rammala.

Fresh allegations of irregularities surfaced on Wednesday with claims that a black council employee who did not meet the requirements for promotion to a senior post had had the requirements waived.

The post was not advertised, and the qualifications of seven years'

experience in local authority as well as an appropriate bachelor's degree were set aside.

A document in the possession of The Star, signed by the city secretary Mr George Mahlaele and by Mr Rammala on July 14 1987, recommends that the requirements be waived in the case of the employee in question "to avoid delays with unnecessary advertisements".

COMPANIES

Good growth in earnings forecast for Presto

MEANINGFUL growth in earnings are forecast for Presto Transport Holdings, the road container carrier specialising in inter-city movement and consolidation, says Presto chairman John Sampson in his annual review.

"Although recent measures to reduce consumer demand are expected to lead to a reduction in economic activity, our group sees considerable opportunities for growth," says Sampson. "We will endeavour to always posi-

tion our company in specialised niches of the inter-city trucking market, without overly exposing our company to a single client or sector that may impact adversely upon us."

No individual client accounts for more than 5% of Presto's turnover and the client base remains substantially contracted.

8 Day 31189 332

ZILLA EFFAT

Until recently, Presto's growth was restricted by the outmoded permit system. But, says Sampson: "In spite of restrictive permits and the capital intensive nature of our business, we have in a relatively short time already become an important carrier in the long-haul market."

"We also enjoy the unparalleled benefit of already having costly facilities in place in the major centres, all of which

will easily cater for the envisaged volume growth."

Presto, which was listed on the JSE's transportation sector last year, showed a jump of 88% in earnings to 10.5c (5.6c) a share for the year to July, exceeding the prospectus forecasts of 9c by 16.7%.

The maiden dividend of 5.25c (forecast: 4c) a share is covered two times.

The net asset value jumped 115% to 54.2c (25.2c) a share.

Caught in the conflict: The men behind the wheels

Those who control transport have power over those who must use it. Which is why Natal's bus drivers are key actors at the centre of the violence JO-ANN BEKKER reports

BUS drivers who ferry residents to jobs in Pietermaritzburg from the city's surrounds are both kingpins and targets in the political violence ravaging the area.

If they do not report for duty tens of thousands of commuters who rely on buses for the two-hour journey to work stay at home. But, seemingly because of this power, the drivers have been singled out for attack.

Since May last year — when bus drivers played a significant part in the huge stayaway in Pietermaritzburg in protest against the all-white general election — three Transport and General Workers' Union drivers and a union messenger have been killed in the area. Two were seriously injured in attacks.

The drivers' are clearly aligned in the bloody feud in which Inkatha and the United Workers' Union of South Africa are pitched against the United Democratic Front and Congress of South African Trade Unions: between 80 and 95 percent of the 168 drivers of Sizanani Mazulu Transport belong to the TGWU, a Cosatu affiliate.

Ironically, Sizanani is owned by the KwaZulu government — although it is administered independently by the KwaZulu Transport Services Corporation Ltd, which has developed an amicable relationship with the TGWU over the years.

TGWU unionists fear the corporation, which provides essential passenger bus services in KwaZulu/Natal, is being leaned on to take a tougher stand against the TGWU.

The fears, which management repudiates, are heightened by the fact that on April 1 Sizanani will take over the only other major bus service in the Pietermaritzburg area. The Pietermaritzburg Transport Department, at present owned by the municipality, services the townships closer to the city and also has a majority TGWU membership among bus drivers.

On the other hand, the union claims the state has not taken sufficient action to curb attacks on its drivers.

Although the names of alleged attackers — who the TGWU claim are members of Uwusa — were given to the police, none of those named have been charged or brought to court.

In one instance, Uwusa member Ova Mncwabe was charged for the murder of TGWU messenger Colin Dohole, but the case was withdrawn before it came to court.

Since the attacks on drivers began in May last year, eight TGWU drivers have been detained under Emergency regulations — including the union's vice-president and Cosatu's southern Natal head, Alfred Ndlovu.

TGWU drivers have been singled



Inkatha's David Ntombela

out for verbal attacks by Inkatha "warlords". VV Mvelase, urban representative of the KwaZulu legislative assembly and a member of Inkatha's Central Committee, confirmed in recent court papers that he had told a meeting of 15 000 people at the Mpumza chief's kraal that the violence in that area "had been caused by some of the drivers of Sizanani Mazulu Transport ... I said that some of those drivers used the buses illegally at night to pick up Cosatu and UDF members in order to launch attacks against moderate Zulus, members of Inkatha and Uwusa."

In January, David Ntombela, chairman of Inkatha's Mncane branch, asked the KwaZulu Transport Corporation to withdraw its buses from his area, because bus drivers had threatened to kill him and were responsible for burning the house of an Inkatha-supporting woman. Management refused his request.

The TGWU has dismissed the allegations against its members, pointing out there is strict control on tickets and no access to buses after hours.

But the union acknowledges there is "retaliatory violence" against Uwusa members, although it does not concede TGWU members were responsible. In May — after a TGWU driver allegedly shot at by Uwusa members died in hospital — two Uwusa members working at KwaZulu Transport, bus inspector Dube and Wilson Mda, were shot dead on a bus by one of the passengers.

Throughout the conflict, Sizanani management and the KwaZulu Transport Services Corporation have stressed their role is, in the words of the corporation's managing director, Eddie Marshall, "to transport passengers under all circumstances. We have a commitment to get them to work," he said.

The union has complained that management is not taking adequate steps to protect drivers. Union officials have suggested certain bus cabins be

equipped with two-way radios and bullet proofing. More recently they requested cameras, so their allegations against Inkatha supporters could be backed up with concrete evidence.

Although discussions are continuing, management has agreed to none of these measures so far.

The murder of two TGWU bus drivers in January this year resulted in work stoppages which have had far-reaching results.

On January 16, Sizanani driver Phineas Mdluli was ambushed and shot dead, allegedly by Inkatha supporters. The bus he was driving at the time went out of control and three to four elderly women on board narrowly escaped injury.

The TGWU says the women have been too frightened to come forward as witnesses. The police say Mdluli was transporting a mob when the shooting took place. But the union maintains an audit of the driver's route and ticket sales disproves this.

The day after Mdluli's shooting no Sizanani drivers reported for work. The following afternoon drivers returned on condition they do not have to drive after 5pm or before 5am — the vast area Sizanani covers means many drivers usually begin work at 3am and end at 8pm.

At 5pm on January 17, drivers stopped collecting new passengers. Drivers of the Pietermaritzburg Transport Department did the same in solidarity. The result was chaos in the city, as workers waited up to 10pm to find alternate transport.

Drivers agreed to return to usual hours of work the following day, after management agreed all drivers in areas worst affected by the violence could drive in convoy, and that extra police would be requested to escort buses where necessary.

Then, on January 26, driver and deputy shop steward Patrick Magwasa was shot by someone in a white combi, as he was fixing the roof of his Taylors Halt home. He died a week later.

As drivers heard of his shooting they filtered back to the Taylors Halt depot. Without holding a general meeting, one by one they handed in their equipment, collected their possessions, and left the depot. By 4.30pm only 35 of the 108 buses were back on the road.

The following morning about 40 drivers reported for work and drove, 80 more reported but did not drive. About 35 bus drivers did not appear. Management informed the union it intended dismissing all drivers who did not report the next day.

Giving an update on the current situation, Forrest said one shop steward has resigned, fearing for his life. Another was dismissed for refusing to drive at night after Mdluli's death.

Six bus drivers have resigned, and 18 have been dismissed for "absconding" after Magwasa was shot. Marshall said as far as management was concerned the dismissals were final.

Putco ups fares in 10 days time

BUS tariffs for Putco's 194 million black passengers — 67 million in Johannesburg alone — are to be increased by 5c across the board from January 16 to offset the increase in the fuel price.

Putco spokesman Mrs. Dianne Page said tariffs were going up in Pretoria, Durban and on the Rand as a result of the 10c a litre hike in the cost of petrol and diesel announced jointly last year by the Minister of Economic Affairs and Technology and the Minister of Finance.

Fuel

"Cash and weekly tickets will go up by 5c from January 16 and monthly tickets increase by the same amount from February 1. This is to offset the R7 million which the increase in the diesel price will add to present fuel costs of R47 million; expenditure which our company cannot absorb," she said.

But commuters on Johannesburg's municipal buses will not have to pay more because fuel represented only a very small percentage of the council's transport service costs, said acting director Mr Gert Tighy.

Tollgate chief explains Arwa share deal

332 CMB 1/1/89

By BRUCE WILLAN

THE pending takeover by Tollgate of 58,5% of the issued share capital of Arwa stands to make the Claasen Trust a R20m "paper" profit after costs on the initial investment.

Johan Claasen, who represents the Claasen Trust is also chairman of Tollgate and Duros.

The fact that the Claasen Trust paid about R2,5m for the 10 584 245 Arwa shares and are now selling them to Tollgate in return for 9 027 290 Tollgate shares worth about R30,6m, has raised serious doubts as to the integrity of the deal.

Commenting on the deal, Johan Claasen said yesterday that the companies involved were fully aware of the sensitive nature which surrounds a deal of this kind, particularly when one of the directors represents the vendors of the shares.

He, however, points out that in four years Arwa has turned around from a turnover of R13m and a loss of R700 000, to a turnover of R100m and a pre-tax profit of R11m. This reflects in the share price and its inherent value.

The deal, which is only part of a complex restructuring and diversification programme undertaken by Tollgate management, is to be put to the vote of shareholders on January 11, 1989.

Duros, the holding company of Toll-

gate, will be exercising its right to vote, says Claasen.

But, he stresses that he will not be taking part in the proceedings because of the possibility of people making the wrong assumption and accuse him of partiality.

Claasen adds that at the time the deals were negotiated this was taken into account and it was decided to use additional merchant bankers not within the group for the deals to distance Duros and Tollgate from the market.

This he said indicates the willingness of the parties concerned to be as impartial as possible.

Claasen has an impeccable record and has never had to answer for his actions and he intends to keep it that way.

As chairman of Duros, Claasen said he is not able to influence the decisions taken by the board of directors in voting as his shareholding does not outweigh the collective shareholding of the other directors.

This indicates that the decision taken by both the Tollgate and Duros boards to acquire Arwa has been on the merits of the company and within the constraints of the group policy.

Should the deal be approved along with the acquisition of 25% of Gants, a similar offer to the minority shareholders of Arwa will be made.

Revolutionary rail service for Cape soon?

by TOM HOOD
Business Editor

A REVOLUTIONARY light railway commuter service for the Western Cape is being investigated by Tramway Holdings, a leader in the field of bus transport.

Using new technology, a light-rail system could transport 250 passengers in an electrically driven train at a top speed of 80km/h.

It would provide transport for between 5 000 and 20 000 commuters during peak hours.

"We are investigating this kind of transport mode," said Mr Hennie Diedericks, chairman of Tramway Holdings, a subsidiary of Cape-based Tollgate Holdings.

Pilot scheme

"We are starting a pilot project in Port Elizabeth this month and, hopefully, areas like Cape Town, Johannesburg, Pretoria and Durban will follow. The Western Cape is ideal for a light rail service."

The use of new light-rail technology is seen by the company as a way of solving the problem of swift, reliable and cost-effective commuter transport.

It is used overseas — in London, the Docklands Light Railway runs between the City and the rejuvenated Docklands development area.

Mr Diedericks said: "Heavy railways are outdated, buses are becoming very expensive and black taxis have their limitations."

The Tramway team investigating the Port Elizabeth light-rail project is headed by Dr Wessel Pienaar, a transport economist and executive director of the Southern African Bus Operators' Association.

The formation of the investigating team is seen as a logical move in the face of accelerating urbanisation, the establishment of regional service councils and the move towards privatisation, particularly by SA Transport Services (Sats).

First phase of the development is the planning of a 20km light-rail system between the business centre of Port Elizabeth and the residential area of Motherwell.

There is no public transport apart from buses between residential areas in Port Elizabeth and the city centre.

A decision about this project is likely to be taken next month, according to Tramway, and the project could be completed within four years if approved.

"Land for the proposed line is already available and appropriated," said Mr Diedericks.

An underground rail service in Johannesburg had been discussed for years, but the cost

was too great, he added. A light-rail service could be a second choice.

"We have not studied the Western Cape in detail, but we would obviously serve the existing areas first and add on to the developing areas later."

Longer routes could be run as express services with few stops, while shorter routes could have more stops.

No company could provide the capital for a light-rail system, so the support of the government and regional councils would be needed.

"You would be replacing in a big way the Sats services and cutting off the involvement of black taxis."

Decision soon

Growth of Blue Downs and Khayelitsha near Cape Town was encouraging for the transport industry and a decision should be taken soon about a system for those areas.

It would take four or five years to get the line going from the time the decision was made.

Mr Diedericks said: "In our environment we need a mass transport system which is flexible. Fuel prices and other prices are skyrocketing."

Heavy railways are out of date, buses are becoming very expensive and black taxis have their limitations."

332

W/EXHIB 7/1/89

A motorist travelling from Johannesburg to Durban in a light vehicle with two axles has had to part with R15 at three toll plazas on the N3 Highway, and the same amount again on the way back. Is the toll road worth it? Our Correspondent in Johannesburg reports.

Pay or delay is question on the new toll roads

ARCUS 9/1/89 332

TO PAY or not to pay? That is the question facing motorists travelling between Johannesburg and Durban these days.

Those deciding against using the three toll roads — Tolcon's Tugela Plaza and Mooi River Plaza, as well as the government-run Mariannhill Plaza — on the N3 Highway argue that the alternative roads are not as safe and viable.

Motorists using two-axle vehicles have to pay R6,50 at the Tugela Plaza, R8 at the Mooi River Plaza and 50c at the Mariannhill Plaza.

Tollroad Concessionaires (Tolcon), on the other hand, argues that it is operating at a loss at the moment, and to be able to build two roads on the N3 in the near future it has to stick to its present charges.

But organisations representing road users are in opposition.

Reduced fee

The Automobile Association's transport affairs manager, Mr Hugo Hagen, said the R15 toll fee was "too much, unacceptable and totally unfair to motorists."

The AA has been negotiating with Tolcon authorities for a reduction of the fees, and they have convinced Tolcon to reduce the toll fee from R10 to R8 for light vehicles with two axles at the Mooi River Plaza, he said.

The chairman of the Public Carriers' Association (PCA), Mr Phil Erasmus, said: "I don't believe that R15 is reasonable, because an existing road which we have paid for has been tolled."

"Between Frere and Cedara the alternate route is not good at all — it is the old Durban road which was abandoned in the 60s and it is about 18km longer."

The chairman of the Johannesburg branch of the Institute of Transport in South Africa (ITSA), Mr Robin Duff, said the toll roads were designed to high specifications and there was "a good case to be made for the toll fee of R15, considering the benefits one gets from using the road."

Sections

Tolcon's financial director, Mr Neil Douglas, said his company had obligations to build new sections of the N3 and widen, upgrade and rehabilitate old sections.

"Their section of the N3 was from Maritzburg and Alberton, but they had not yet taken over the section between Villiers and Alberton, he said.

"In all we will spend a total of R850-million on the N3 route," he said.

"The public should be made aware that the cost of building new roads is extremely high. It is over R2-million a kilometre, and the government does not have funds to build new roads."

"There is no way we can build the other two roads without charging the present toll fees."

Saldta flexes its muscles

THE South African Long Distance Transport Association, which was formed a year ago to gain rights for long distance black taxi and truck operators, is flexing its muscles and wants to protect members.

By JOSHUA RABOROKO

Formed by Mr Peter Rabali, Mr Thulani Khubeka, Mr Steve Modisha and Mr George Mashinini with only 300 members last year, today it boasts of membership

of 10 500, with 48 affiliated long-distance taxi associations and is spread throughout Southern Africa, including Lesotho, Botswana and Swaziland.

Taking the lead from urban taxi operators, who are rapidly gaining rights, it was the first organisation formed to protect long-distance taxi and truck operators.

Truck operators transport goods for rural dwellers who shop in the cities. Often run in conjunction with a taxi fleet, they are co-ordinated through Saldta and will travel where there is demand for them.

Effective

"Saldta's growth may be attributed to our effective method of communication with members," says chairman Mr Rabali, a former "pirate" taxi driver who now owns a fleet of five mini-buses.

Saldta keeps in touch with members' problems through monthly meetings with the chairman and secretaries of each affiliated association — called the Committees of

The power of long-distance operators is

beginning to show: last year they were estimated to contribute R200 million to the economy.

They own 16 000 vehicles — mainly mini-buses and trucks, consumed close to 200 million litres of fuel, almost R900 000 litres of oil and R20 million worth of spares.

The organisation has already persuaded some local authorities, including Johannesburg, to provide parking facilities and depots for Saldta members.

A sponsor has been found for a depot at city and suburban in Johannesburg and negotiations are underway with the city council.

It will include a workshop for taxis, a restplace for drivers, a filling station, Saldta offices and a hawkers pitch.

High on Saldta's list of priorities, is offering its trucking and taxi services to big business, particularly mining houses where employees get leave every 48 hours and need to be transported home.

"We can offer a door-to-door passenger and goods service for their

employees. What would be needed is permission for taxi ranks on the mines."

Traffic cops to get tough with taxis

After
10/11/89

332

Staff Reporter

CAPE TOWN'S traffic officers are to take tougher action against taxi operators who overload their vehicles or drive dangerously.

More officers will be posted to the traffic department's taxi unit to enable it to "increase enforcement action" and keep watch over the thousands of taxis in the city.

A report to the City Council's utilities and works committee says the traffic department receives complaints daily from the public, ratepayers' associations and taxi passengers about the "dangerous and inconsiderate driving behaviour of kombi-taxi drivers and, in particular, their disregard for the safety of others."

Lucrative market

The city's concern follows an "explosion" in the number of kombi-taxis in Cape Town. This industry is seen as a lucrative market, and the demand for taxi permits exceeds the availability of ranking space, the report says.

There are 2 200 registered taxis in the city and about 1 200 pirate taxis. The report says many of the registered taxis operate as pirates "outside the conditions of

their taxi permits, as 'poaching' is considered financially rewarding."

"In view of the magnitude of the taxi problem and the availability of manpower to operate in this specialised field, more emphasis has been placed on the enforcement of safety requirements such as driving violations, overloading and major defects."

3 685 cases

Between January and November last year, the traffic department took action in 3 685 taxi-related cases.

They arrested 324 pirate operators, and 32 for other offences. Action was taken against 84 operators for driving violations, 948 for overloading, 875 for vehicle defects, 855 for public driving permit offences, 226 for certificate of fitness offences and 341 for other offences.

The report concludes: "There is a need to increase enforcement action in respect of dangerous and inconsiderate driving violations which will require the allocation of additional manpower to the taxi unit. Based on the overall demand for service within the branch the reallocation or manpower to deal with this problem will be expedited."

Taxis under fire

CWL Tim 1 10/1/89 332

MORE fines were issued to minibus taxis last year than the number of such taxis in the city, a report from the traffic manager says. Action was taken against 3 685 taxis, though there are only 2 200 registered, and 1 200 unregistered taxis. Among those penalised were 948 for overloading, 875 for vehicle defects, and 324 drivers were arrested for pirate operations. The report said complaints about dangerous and inconsiderate driving by taxi drivers were received daily. Traffic manager Mr Wouter Smit called for more action against negligent drivers and recommended an increase in the manpower of the city's taxi unit.

Star 11/11/89 332

Sabta calls meeting on new 'apartheid' toll road

By Shirley Woodgate and David Braun

The South African Black Taxi Association (Sabta) has called an emergency executive meeting today to discuss the implications of the Commando Road toll plaza, aimed at the Soweto traffic heading north along the Western Bypass.

The meeting is being held as the Transport Ministry made it clear today that the Government was not prepared to abandon its toll roads policy, but would be receptive to alleviating any hardships caused to residents.

The Ministry's attitude was spelt out in an interview by a spokesman for the Minister of Transport, Mr Eli Louw.

Sabta communications manager Mr Jabu Mabuza said a statement would be issued later today.

He was reacting to information published in The Star yesterday that a short section of the proposed M4 link between the eastern and western sections of the Springs-Krugersdorp toll highway will be built within four years. The purpose of the link was to give tolled access from Soweto to the N1.

Mr Louw's spokesman said the Government's policy remained that toll roads would be a primary method to provide funds for the improving of existing roads and the construction of new roads.

Concessions for residents

He said: "However, the Minister has indicated that he is prepared to listen to local communities, Members of Parliament and people who have problems with the concept of toll roads.

He has already spoken to several groups in different parts of the country and this has, for example, led to certain concessions being made for local residents in the Mooi River and Ennerdale areas."

Politicians have dubbed the Commando plaza and the recently opened Grasmere toll plaza "the Reef's apartheid tolls".

Last night, the Progressive Federal Party transport spokesman, Mr Les Dishy, slammed the secret move to push up transport fees for the poorer section of the community.

"The blacks of Soweto and the coloureds in Ennerdale were forced to live far from their work places by the apartheid laws of this country. Now the Government has seen fit to slap toll fees on to their already high cost of commuting," he said.

He called on the department to "come clean" with the public.

"What has happened to the billions of rands raised through the Government's fuel levy which was intended to pay for roads?

"What other Reef roads are going to be tolled in the future?"

Taxi drivers 'forced to use the shortest route'

Municipal Reporter

Black taxi drivers who telephoned The Star last night after a television broadcast on the proposed Commando Road toll plaza sharply criticised official statements that they would not be obliged to use this route to get on to the Western Bypass.

Drivers complained that although there were two alternative roads to get to the city, they had to take the shortest route to remain competitive.

The toll would be added to the fares and this would have a ripple effect on the economy.

A Tollway spokesman said the Soweto highway and Main Reef Road still

offered alternative routes into the city.

"But the black taxis will benefit by the Commando Road toll as they will be able to complete more journeys. They will generate more income as they will carry more passengers."

He said Tollway had not consulted the South African Black Taxi Association as the Commando Road toll was still in the planning stage.

The Commando Road toll plaza was due to come into operation by 1992 and was one of six or seven planned for the Springs-Krugersdorp toll highway.

The full 85 km N17 toll road was expected to be completed by 1995.

Taxi bodies up in arms over cost

By Shirley Woodgate,
Municipal Reporter

The Soweto Taxi Association plans to ask the Department of Transport to consider wiping the toll plaza on the proposed Commando Road link with the Western Bypass off the drawing boards.

This is their reaction to the revelation that Soweto traffic using Commando Road was to be linked

to the N1 via a tolled portion of the M4 link in the east/west Springs/Krugersdorp toll highway.

"The cancellation of plans for the toll plaza would be in the interests of not only the taxi industry, but also of the public served by the Southern Africa Black Taxi Association.

"SABTA and the STA in particular, understand not only the need for

funds to build new roads, and the rationale behind toll roads, but they are vehemently opposed to the envisaged toll on the link between Commando Road and N1 on the following grounds:

SOARING

"Our members are already subjected to unacceptably high regular petrol increases.

"Vehicle prices are

continually soaring. An example is that a car costing R15 000 in 1985 had increased to R40 000 in 1988.

"Research conducted last year by a Johannesburg-based research company showed that on average each taxi made 13 trips between Soweto and Johannesburg daily.

"This means that every taxi would be tolled at least that many times

every day.

"The most unfortunate thing is that these costs would inevitably have to be passed on to the commuter who invariably falls into the lower wage bracket and lives far from his work place, not by choice but by design," said the statement by Mr Pat Mbatha, chairman of the Soweto Taxi Association and treasurer of Sabta.



Minister ready to solve toll road problems

Political Staff

ARCS 12/1/89 332

ALTHOUGH the government was not prepared to abandon its policy of toll roads, it would be receptive to alleviating any hardships caused to residents, a spokesman for Transport Minister Mr Eli Louw said.

He had been asked to comment on the growing public protest at toll roads.

The latest row centres on a proposed Toll Plaza at Commando Road for access to Johannesburg and the N1 near Soweto.

Mr Louw's spokesman said the government's policy remained that toll roads would be a primary method to provide funds for the improving of existing roads and the construction of new roads.

He said toll roads were not unique to South Africa. They were used also in the Far East, Europe and America.

He said: "However, the Minister has indicated that he is prepared to listen to local communities, members of Parliament and people who have problems with the concept of toll roads."

"He has already spoken to several groups in different parts of the country and this has for example led to certain concessions being made for residents in the Mooi River and Ennerdale areas."

"He will definitely be prepared to listen to people to see if anything can be done to iron out problems."

Concern about lost schoolkids in Soweto

Sowetan 20/11/89

THE matron of Orlando Childrens' Home, Mrs Maggie Nkwe, has expressed concern about new Sub-Std A pupils who get lost after school.

She told the *Sowetan* yesterday that since schools re-opened last week, she has had at least two cases — but she believed there could be more.

She said this problem came up every time at the beginning of the year.

As a result, she said, many of these children are either taken to police stations or stay with unknown families for some days while their parents search for them frantically.

"I believe this is a serious problem which needs the attention of the parents, teachers and the community if we are to avoid our children going

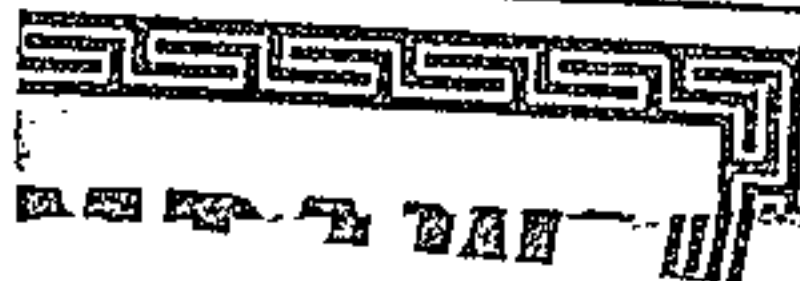
By NKOPANE
MAKOBANE

through trauma in their first days at school," she said.

To illustrate the seriousness of the problem, she said a family whose child went missing this week, had told her that the child was now afraid to go to school because "it will get lost".

Mrs Nkwe appealed to teachers — although she is aware it will not always be feasible — not to release beginners who stay far, until someone had come to fetch them.

"Education is the key to building a nation and children must be made to look forward to going to school. It is for this reason we need parents to look seriously into this matter," she said.



MONDAY'S petrol price hike would increase passenger and haulage rates by anything from 4% to 30%, transport operators said yesterday.

Public Carriers Association CE Ian Moss said members had reacted with extreme bitterness at government action which was using fuel as a "convenient milking cow".

He said the arbitrary manner in which fuel price increases were implemented would make it difficult for businesses to plan ahead effectively.

Operators could expect about a 4% increase in costs, although it was extremely difficult to estimate the increases which would arise from the hike.

SA Black Taxi Association president Thutane Mgcoya said no requests for fare increases had been received from members.

However, Sabta had approved a 30% fare increase after the fuel hike in September, which not everyone had imple-

Public transport rates will rise by up to 30%

RICHARD BARTLETT

mented. He expected this would now come into full effect.

SA Bus Operators' Association (Sabo) administration manager Eric Cornelius said most members would be likely to increase fares by around 5c a trip.

□ Sapa reports that AA director-general Peter Elliott condemned government's tactic to extract payment from the motorist by adding exorbitant taxes on fuel.

□ CHRIS CAIRNCROSS reports from Cape Town that a National Energy Council spokesman said there was no foundation to speculation that a second increase in the price of petrol was likely to follow soon on the heels of Monday's increase.

13/01/84

332

PUTCO

332

Profits behind a smokescreen

■ Putco has been a laggard on the JSE — but then it conceals quite a lot

Each year in its annual report Putco reaffirms its belief in the free enterprise system as the best means of providing reasonably priced mass transport. All else being equal, this would be true. But questions arise when one considers the socio-political environment in which it operates, not to mention the extensive bureaucratic controls to which the group is subject.

Under such conditions, can Putco reasonably be expected to fulfil its mission to provide a low-cost mass transport service, acceptable returns to shareholders, and a satisfying environment for employees? Would more than half its passengers have deserted if it was indeed providing the service required? Declining passenger support has caused it to reduce its work force by

more than 27% over the past three years. Putco is viewed in the market as being a dog — as reflected in the fact that the present share price of 180c is at a 72% discount to tangible net worth. But should shareholders be satisfied with this?

Putco is not responsible for residential apartheid and, willy nilly, blacks still need transportation. At the same time Putco is viewed by many of its customers as one of the most visible symbols of apartheid — hence the dramatic loss of support seen when the mini-bus industry appeared.

Yet, despite contraction of its business, Putco has seldom been stronger financially than it is today. Shareholders have been rewarded with an unprecedented flow of dividends over the past two years — two

“special” 17,5c dividends; an ordinary dividend of 7c from Putco in 1988; plus a maiden 3c distribution from Putprop, shares which were given to Putco shareholders free of consideration in July. This total of 45c compares with 23,15c for the previous 12 years, largely a period of strong growth.

Not that this has done much to enhance Putco's standing with investors. Apart from being, because of its business, one of the most controversial companies on the JSE (a negative for investor perceptions), it is one of the most difficult to understand because of its complex inflation accounting system and the effect this has on disclosed EPS. To be fair, the annual report includes a supplementary historic cost income statement, but there is no corresponding balance sheet.

Table 2

OPERATIONS SHRINKING

Year to June 30		1982	1988	Total	AV.AN Compound
Revenue (Total)		R178,4m	R302,3m	69,5	9
Operating costs		R159,2m	R283,2m	77,9	10
KM Travelled		183m	135m	(26,2)	(5)
Passengers		396m	194m	(51,0)	(11)
Bus Fleet		3 320	2 791	(15,9)	(3)
Per Bus:	Revenue	R53 735	R108 312	101,6	12
:	Op. Costs	R47 952	R101 469	111,6	13
:	Passengers	119 277	69 509	(41,7)	(9)
:	KM	55 120	48 370	(12,3)	(2)
Replacement Value		R56 500	R142 000	151,3	17
Per Passenger:	Revenue	45,1c	155,8c	245,5	23
:	Op. Costs	40,2c	146,0c	263,2	24
Per Km:	Revenue	97,5c	223,9c	129,6	15
:	Op. Costs	87,0c	209,8c	141,2	16
Passenger/Km:	Total	2,16	1,44	(33,3)	(7)

depreciation thus calculated exceeds the replacement provision charged against income, there is a residual gap between gross and net replacement values, plugged by an item called "shortfall in replacement charges." To complete the confusion, this shortfall is also deducted from gross non-distributable reserves arising from the fleet revaluation so that the balance sheet balances.

Apart from the fact that few investors are likely to follow all this, it is debatable whether it is all necessary. No one would quibble with the concern about inflation, but surely we have lived with it long enough to be able to judge whether a company's financial poli-

cies are appropriate simply by keeping an eye on balance sheet structure. That Putco has been able to generate net cash resources of R21,9m and lend an additional R15,7m to Putprop, equivalent in total to nearly a quarter of historic cost group assets, is enough to suggest financial policy has been too stringent. If so, shareholders may have been prejudiced by a too-restricted dividend flow and by the effect on the share price.

Table 1 compares 1988 financial statements and selected ratios calculated on historic as well as current cost. On conventional accounting criteria, Putco turns out highly profitable, with a pre-interest return on cap-

ital employed of over 30% — a far cry from the 11% current-cost return.

The question of which of these is the most meaningful is subjective and depends largely on what one wants to know — the current-cost return gives an indication of the probable return on new investment, while the historic cost calculation recognises that operating assets have useful lives spanning a number of years and are not replaced annually at inflated prices.

More important here is that the relatively high historic cost return supports the premise that earnings retentions may have been excessive. Provided the indicated level of profitability can be maintained, Putco should (like most other industrial companies) be able to use borrowings to augment cash flow in funding the business, enabling a more realistic return to shareholders by way of dividends. Of significance is that last year's total dividend of 24,5c (including the 17,5c "special" distribution) was covered 2,5 times by historic cost earnings, much in line with industrial sector averages.

Such a policy would, I believe, yield better results in maximising shareholder wealth, without impinging on any of the other corporate goals. There is enormous value in Putco. But, as the share price indicates, the value is unlikely to be realised while returns to shareholders remain restricted by a policy of trying to fund the operation internally.

Brian Thompson

CAPITAL EXPENDITURE

The storm before the calm

■ Capex seems anomalously buoyant, but this situation is unlikely to last

High interest rates, the clamp on consumer spending, the capital drain from SA because of disinvestment and political uncertainty — these are just some of the factors which ought to be putting the brakes on capital expenditure. Not so: just the opposite is happening.

In the early part of 1988 gross domestic fixed investment (GDFI) grew by more than 19%. And apart from the final quarter of 1986 — when it rose 17% — last year was the first time since 1982 that GDFI has recorded double-digit growth. So what's going right — and how real is this growth? What is fuelling it and how long will it last?

There is real growth, but from a low base. Since the early Eighties GDFI has dropped from over 27% of GDP to a low of 18,7% in mid-1987. Much of the investment which is therefore taking place now is based on renewal rather than expansion.

The factors fuelling investment depend on the sectors involved. Both political and economic forces are at work. Privatisation is playing a role in the case of toll roads where the institutions are investing large sums on road projects.

It is also important to remember that fixed

investment is a lagging economic indicator, with a tendency to follow rather than lead the economic cycle. Projects tend to be completed long after business confidence may have evaporated. In general terms, perhaps with the exception of mining, it seems that growth in capex will peak in mid-1989 before it again resumes its predominantly downward trend.

The nature of the current expenditure is very different and on a much smaller scale than that of the boom years of the late Seventies and early Eighties. At that time private sector production capacity had to be boosted dramatically to meet the almost overwhelming demands of the parastatals — responsible for 65% of GDFI then.

Eskom, for example, was embarking on a R14bn programme to double generating capacity to 40 000 MW by 1990 — a programme curtailed in 1985. Sasol, then State-owned, was in the throes of its massive Sasol 2 and 3 projects. Transport infrastructural development was also proceeding apace to handle not only the increased traffic resulting from this activity but also the boom in mineral exports — hence the doubling of the Richards Bay coal line.

Today the big projects — with the exception of Mossgas, the Lesotho Highlands water project, and Sasol Chemical Industries' world-scale polypropylene plant — have all but disappeared. And Senbank chief economist, Johan du Pisanie, points out that even these are on a smaller scale than in the past and are generally spaced over a longer period than the multi-billion rand schemes of the early Eighties. "These R4bn to R5bn projects spread over several years have little impact on annual GDFI of R32bn (1987)."

Much of the investment is going into industry. Barlow Rand upped capex from R660m in 1987 to R1,1bn last year, and R1,5bn has been budgeted for 1989. Vice-chairman and CE, Warren Clewlow, points out that since 1984 his organisation has invested R4,4bn in capital works compared with R2,2bn on acquisitions. He believes this high level of capex is one of the factors that has contributed to the organisation's good performance in recent years.

"Capital investment decisions are approved only if they enhance the quality of earnings, entrench or expand the group's share of markets — or assist in developing markets, particularly in the export field.

The stated objective of Putco's accounting system is to ensure provision of adequate funds for replacement of the bus fleet at ever-increasing vehicle prices. This involves making a provision against profits, in addition to the normal depreciation charge, which more often than not in recent years has exceeded historic cost profits and has, therefore, resulted either in a current-cost loss or, as in 1988, a token profit.

If the need to provide these funds is as great as the company claims, investors can be forgiven for asking why it has over the past two years been able to pay out far more than it earned. The 1988 dividend total of 24,5c came from earnings of 9,1c (giving negative retentions of 15,4c a share), while 1987's 17,5c dividend was paid despite negative current-cost earnings of 44,3c (giving an even greater negative retention of 61,8c).

Going back further, in the 14 years from 1975 to 1988, a total 65c a share was distributed out of negative earnings of 18c. The balance sheet at June 30 1988 shows a net cash balance of almost R22m, excluding R15,7m which has been lent on indefinite terms to Putprop. Putco seems to have recognised that the situation is a bit ridiculous and is reviewing its accounting policies.

As Putco is the first to say, it is one of the few companies in southern Africa to use current-cost accounting. Why? Is it affected by inflation to some exceptional degree? Or, as some claim, has the use of current-cost accounting been a smokescreen to submerge the actual profits with a view to minimising negative reaction to fare increases?

Table 2 analyses changes in key operational data between 1982 (the peak year in terms of numbers of passengers carried) and 1988. As far as inflation is concerned, the two most important statistics are bus replacement cost, which has compounded at an annual rate of 17% over the six years, and operating costs per kilometre travelled, which showed a 16% annual gain. In a capital-intensive business such inflation can cause problems, but whether any worse than has been experienced by other sectors is arguable.

Operationally, the crunch came in the decline in passengers carried, which have fallen at an average rate of 11% over the six years to less than half the 1982 peak. This had a substantial negative effect on asset utilisation (bus occupancy) and has created a dilemma. The company cannot cut services enough to restore previous levels of asset utilisation without aggravating the loss of passenger support, which would then require further service cutbacks, etc.

So though services have been reduced —

RATING THE SHARE

	Current cost	Historic cost
Pre-tax margin on turnover (%)	6,4	11,0
Tax rate (%)	87,5	50,8
Dividend cover (times) ...	0,4	2,5
Return on capital (%)	11,2	30,5
Net return on equity (%) ...	1,4	15,5
EPS (c)	9,1	61,7
Net worth (c)	635	398
Share price	180c	180c
P/E	19,8	2,9
Dividend yield* (%)	3,9	13,6

*The 17,5c "special" dividend is excluded from the current cost yield calculation, but included in the historic cost yield.

the bus fleet is down 19% from its peak and kilometres travelled have been cut 30% — the extent is far exceeded by the decline in passengers. The average Putco bus transports 42% fewer passengers each year than in 1982.

Viewed another way, whereas previously operating costs per kilometre were shared by 2,16 passengers, the ratio has fallen to 1,44 resulting in a horrendous 24% average annual increase in operating costs per passenger over the period. For Putco, the effects have been largely offset by the growth in revenue (including subsidies). But it is apparent the margin between revenue and operating costs has virtually halved from just over 12% in 1982 to 6,7%.

Despite this, the present cash-flush state of the group may give rise to the question as to whether revenue is not excessive. The answer is simple — no, because revenue is, in effect, controlled by the Department of Transport (DoT) which must approve fare increases. DoT does have an axe to grind, since it bears the cost of the difference between fares actually paid by passengers and the value (including profit margin) of the service provided by Putco — in other words, its revenue.

These subsidies are not disclosed, which is a pity because publication would remove any suspicion that the company is stinging its customers. The usual figure mentioned is that the subsidy represents about 30% of revenue but this almost certainly understates the position. Revenue per passenger has risen at a compound 23% (one percentage point less than costs) over the past six years, whereas fare increases have been more in line with inflation. Hypothetically, if the 1982 subsidy was 30% of revenue, by now it should be more than half — reason enough to expedite the protracted negotiations to implement the new contract-based government transport policy.

If revenue is not excessive and profits are seemingly marginal, why is the group cash-flush? One answer is the contraction of business owing to the decline in passengers having slashed funding requirements for asset replacement. As noted, the operating bus fleet has been reduced 19% and it is not coincidental that current emphasis is on refurbishment of the remaining fleet rather than replacement.

Amounts being set aside for replacement are well in excess of requirements and end up — literally — as money in the bank.

The effect on Putco's financial position has been remarkable. Net indebtedness of the overall group (including Putprop, but excluding inter-company loans) has declined by R58,1m since 1985, while dividends paid over the three-year period totalled R11,9m — all out of negative earnings of R26,6m. Virtually all remaining debt is in Putprop, with Putco itself showing net cash balances of R21,9m.

Asset replacement provisions are at the heart of Putco's current-cost accounting system. The present system, instituted from the start of the 1983 financial year, is a hybrid in that while the group continues to revalue its bus fleet annually to replacement cost, asset replacement provisions charged against income are calculated in accordance with the method allowed by DoT.

This amounts to an annual allowance equivalent to one-fifteenth (based on a 15-year life cycle) of the current value of the fleet, and in theory ensures that sufficient funds are provided to replace that portion of the fleet due for renewal. In practice, it doesn't because the full provisions are not tax-deductible; so half the difference between the provisions and normal historic cost depreciation goes to the Receiver.

The balance sheet gets a different treatment. Still starting with the gross current replacement value, the fleet is depreciated to its average life (7½ years at June 30 1988) to arrive at a net replacement value. Because

Table 1

INFLATION ACCOUNTING EFFECTS

Year to June 30, 1988 (Rm)

	Current cost	Historic cost	Change
Turnover	302,3	302,3	—
Pre-tax profit	19,2	33,1	-13,9
Taxation	16,8	16,8	—
Net earnings	2,4	16,3	-13,9
Dividends	6,5	6,5	—
Retained earnings.....	(4,1)	9,8	+13,9
Balance Sheet		(Estimated)	
Fixed Assets	117,2	54,3	+62,9
Property	25,0	17,3	+7,7
Buses	84,2	29,0	+55,2
Other	8,0	8,0	—
Investments	16,2	16,2	—
Current Assets	113,1	113,1	—
Total Assets	246,5	183,6	+62,9
Interest-free liabilities.....	75,0	75,0	—
Creditors	39,8	39,8	—
Deferred tax	35,2	35,2	—
Borrowings	3,5	3,5	—
Net worth	168,0	105,1	+62,9
Total funding	246,5	183,6	+62,9

Bus subsidy to end for coloured schoolchildren

13/1/89
Municipal Reporter

Johannesburg's coloured schoolchildren who, unlike their white counterparts, can no longer obtain subsidised bus fares, will have to pay adult rates from next week.

The House of Representatives refusal to subsidise transport in Eldorado Park and Klipspruit West had forced Putco to cancel school buses, said Mr Keith Brighton, operations executive for the south-western area.

332 WALKING DISTANCE

Despite city council claims that the House believed the service was no longer needed because all children could now be accommodated at schools within walking distance of their homes, he warned that more than 2 000 children travelling to schools in and outside the area could be stranded on Wednesday.

Putco is also reviewing school services to Ennerdale, Noordgesig, Coronationville, Bosmont, Fleurhof, Riverlea and Dobsonville.

Mr Brighton stressed that El-

dorado Park residents were rate-payers of Johannesburg which offered concession fares to all its white passengers, including pupils. It was logical for coloured rate-payers to expect the same.

The subsidy was essential to offset Putco's R1,5 million annual loss on pupil fares.

Putco claims there is a continuing need for the service and accused the council of making "an arbitrary and irresponsible decision without proper research".

Mr Brighton warned of "inadequate communication" which would result in "emotive chaos" when schools opened.

Putco had for many years run a subsidised service in Eldorado Park.

As part of its social responsibility it had also provided a cheaper, unsubsidised service for pupils. But since bus services were now run on the tender-contract basis by two other operators, Putco believed its social commitment had lapsed, Mr Brighton said.

Scrap fuel tax, says MIF as petrol-hike anger mounts

Staff Reporter

THE Motor Industries Federation yesterday called on the government to scrap its proposed fuel tax as public anger at Monday's petrol price hike mounted.

Slamming the increase yesterday, MIF president Mr Alex Hawes said he objected to it in the "strongest possible terms" and warned of the "ripple effect" it would have on the economy.

MIF executive director Mr J H van Huyssteen expressed shock at the hike and accused the government of loading its tax burden on petrol consumption instead of spreading the fiscal needs along a "wider front".

But a request by maize farmers that Monday's diesel price increase be held off until after harvest time was turned down yesterday by the Deputy Minister of Economic Affairs and Technology, Mr George Bartlett.

In a statement he said the representations from the National Maize Producer's Organisation (NAMPO) had been sympathetically received and carefully considered. "Unfortunately it is not possible to postpone the increase for farmers only."

Mr Van Huyssteen noted that the fuel price had gone up by 23c since last year's September 1 increase, triggering further infla-

tion across the entire economic spectrum.

In Cape Town and other coastal areas motorists will pay 9c extra a litre after midnight tomorrow, while consumers in the north-western Cape face a stiff hike of 12c a litre. In other areas the price will be 10c a litre.

And in its first fare hike since September 1988, City Tramways will be charging between 2c and 15c more per journey, depending on distance.

Long-distance clipcard-holders travelling from Atlantis to Cape Town will have to fork out 15c

To page 3

From page 1

Fuel tax

extra daily, bringing a single trip to R1,89, while cash payment will cost R4,30 for the journey, Tramways spokesman Mr Bob Krause said yesterday.

Likewise, commuters travelling between Khayelitsha and Claremont will pay 75c if they use a clipcard, or R2,17 cash once the increase comes into effect.

Mr Krause stressed that Tramways had delayed implementing the full costs of the September 1 increase and noted the "hardship" that the increase would cause to passengers.

In January 1979 passengers paid 20c to travel by bus from Sea Point to Cape Town and 25c for the journey from Nyanga to Claremont, he added.

Taxi fares were not immediately set to rise, though an SA Black Taxi Association spokesman yesterday indicated that the situation was "subject to review".

OK Bazaars managing director Mr Gordon Hood "deplored" the petrol price increases, which he said would come as a further blow to the already struggling consumer.

He hoped that those suppliers whose prices remained unchanged when the petrol price was lowered last year would do the same now.

And, warning of manufacturers who could exploit the price hike, Checkers marketing director Mr Johan Williams said the supermarket chain would fight to keep prices down.

Bullish, w/c Accus
but no 14/1/89
bull is 332
Laser's
view of
SA scene

From DEREK TOMMEY

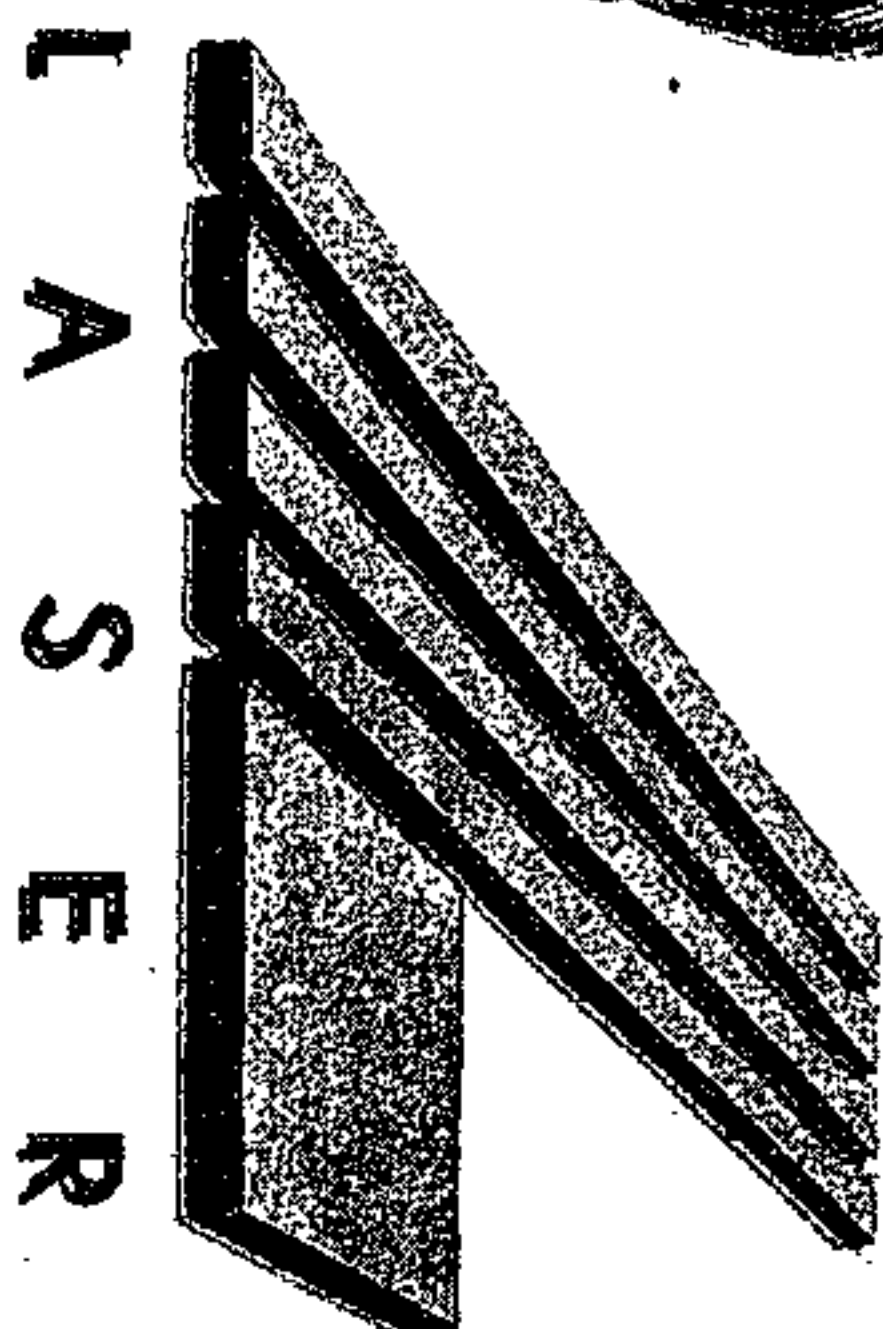
JOHANNESBURG. — Laser Transport Holdings MD Mr Denis Kaye is a useful man to know when attempting to gauge the economic outlook.

As head of SA's biggest furniture removal organisation, which depends for much of its business on the prevailing level of personal confidence, he usually knows what is happening well before economists, tax-gatherers and others who believe they have a finger on the pulse.

TWO MEASURES

He has two measures of economic activity — the volume of business caused by people moving between suburbs and towns and cities as they trade up to better houses or move to better paid jobs and the volume of import and export business as people leave or come to South Africa — according to whether they see a bright or poor future for themselves in this country.

Right now Mr Kaye is extremely bullish. "Business is very good," he said in an in-



Denis Kaye ... "business is good"

terview this week. The improvement in the economy had helped a great deal.

Mr Kaye would not give details of this year's increase in group turnover as this would only be reported to shareholders in mid-January.

But he was willing to talk about his export and import figures. The slowdown in emigration had depressed his export trade by 46 percent in

the first 11 months of the year.

But his import trade was up 238 percent, though from a low base.

"There has been quite a surprising increase in the number of people arriving in South Africa, mostly technicians or engineers, and destined for Johannesburg," he said.

A few South Africans who had emigrated in the past few

years were also returning, but their numbers remained small, he said.

Laser Transport Holdings owns Stuttards Van Lines, Fraser International, Van Nimwegen International, Pickfords, and Jack Wellsted.

It also owns Transplant, which handles the removal of household plants.

Laser came to the share market in the 1986 boom and

has justified the faith of its shareholders.

Turnover in 1987 rose 26 percent to R80,4million, operating income before tax rose 34 percent to R8,96million and net income before extraordinary items increased 69 percent to 5,20million.

In the first six months of this financial year, the company increased its earnings by 20 percent to 34,6c a share, even though turnover rose only five percent, mainly as a result of the tailing off in the number of emigrants.

Mr Kaye attributes part of Laser's success to the policy of having each trading company operate autonomously, with its own independent board of directors, its own competitive marketing strategy and its own national marketing campaign.

This policy has led to some extremely competitive advertising on both TV and radio.

Following deregulation of the transport industry Laser has formed another company, Lasertans, to take over from the big retail chains the distribution of their goods.

Already one major chain was using Lasertans and Mr Kaye said this business should grow strongly. Maintaining operating vehicles costing R300 000 to R400 000 was a skilled business, retailers were realising that this was a business best left to specialists.

Laser's results for the year to December will be issued on January 20 and should prove interesting.

Coloured education bosses monitor transport scheme

16/11/89
Municipal Reporter

Coloured education authorities will monitor school attendance in Johannesburg suburbs where school buses have been discontinued.

If necessary, an internal service will be provided at no extra cost to parents, said the city's housing director, Mr F W Robins.

This follows a Putco announcement that it had been obliged to pull out all school buses in Eldorado Park and Klipspruit West because the authorities had refused to subsidise the service.

White children go to school on mu-

nicipal buses subsidised by Johannesburg City Council.

The threatened halt to the school bus service between Eldorado Park-Klipspruit West complex and Coronationville, Noordgesig, Bosmont and Riverlea from October last year was only averted after the South-west Management Committee appealed to the council to provide temporary finance to carry on until the end of the school term.

But despite representations by SWMC to the Minister of Education and Culture in the House of Representatives to secure a future bus service, this request had been turned down.

Mr Robins said the Minister had advised that due to the opening of new schools in Eldorado Park and Klipspruit West, there was no further need for a school bus service from Wednesday when schools reopen.

From this year all pupils will be accommodated at schools within walking distance of their homes.

Parents who choose to send their children to schools in other areas will have to pay their own transport costs, said Mr Robins.

The SWMC has appealed to parents to note the discontinuation of the bus service and to make alternate arrangements, he said.

Magnum says new airline about to take off

A NEW airline grouping, ranking second only to SAA in passenger services, is set to emerge in a move before privatisation of the national carrier.

Magnum Airlines, City Airlines and two smaller commuter airlines are about to enter the stable of an unlisted Pretoria-based investment company and an overseas company.

Magnum GM Ivan Jackson said at the weekend a deal was concluded at the end of last year for the purchase of Magnum Airlines and a contract had also been signed with Natal-based City Airlines.

City Airlines director Doris White

ZILLA EFRAT

said any announcement at this stage would be premature.

The names of the other two airlines involved in the deal were not given.

Jackson said contracts still had to be signed with two small commuter airlines. The deal was not connected with Albert Vermaas's Chieftain Airlines.

He added when all the deals were concluded, the new airline would be the largest domestic airline after SAA in

route structure and potential passengers. The intention was to create a private airline offering passenger services, but the group would also become involved in freight and charter.

Jackson said the new group was being formed as the prospect of privatisation of SAA drew nearer.

The new group's shares would be held by a local and an overseas company.

He declined to name them.

Jackson said, as speculation mounted about the identities of the companies involved, that a detailed announcement would be made this month.

Key Market Movements — JAN 12 to JAN 13

REUTERS

Gold			JSE	Currencies				Ffurt close	Lon close	3 months	Johannesburg Stock Exchange		
NY close \$/oz	Lon PM \$/oz	Lon PM R/oz	Kruger-rand	R per \$ Comm	\$ per R Comm	R per \$ Fin	\$ per R Fin	DM/\$	R/£	BA	All Gold BD Index	Indust BD Index	JSE Ov'11 Index
404,50	405,55	968,73	1150	2,3887	0,4214	4,0000	0,2525	1,8330	4,2554	15,55	1053,4	2696,4	2095,0
			NO MOVE										
402,25	404,15	958,52	1150	2,3727	0,4186	3,9600	0,2500	1,8222	4,2352	15,50	1051,6	2685,7	2091,0

Sats may go private in 1991

THE earliest date for the privatisation of any of SA Transport Services (Sats) business units would be 1991, chairman of the Sats privatisation task group Thomas Greef said yesterday.

He said prospective shareholders and the JSE demanded a profit history and three years would be the shortest possible time in which to show the performance of Sats' business units.

He did, however, refer to statements by Transport Minister Eli Louw that the Translux road passenger service and the airways were possible candidates for early privatisation.

Greef was expanding on the Legal Succession of SA Transport Services Bill at a Press conference in Johannesburg.

The Bill, which was published in Parliament last week, provides for Sats to

be succeeded by two legal entities. About 90% of Sats' R15bn assets will be put into a public company under the Companies Act which will have one shareholder — government. The company will be able to form separate public companies. All Sats employees will become employees of the company.

The second entity will remain a government corporation with the assets of the rail commuter service but the company will deliver the service to the corporation.

The main objective of the Bill is to transform the enterprise from one deli-

● To Page 2 ➡

First Sats units may go private in 1991

vering a service to one delivering a profit.

When the Bill is enacted by Parliament the three acts now governing Sats will be deleted, two with immediate effect and the third within two years. First the SA Transport Services Act (1981) and the SA Transport Services Finances and Accounts Act (1983) will go.

Then the SA Transport Services Conditions of Service Act (1988) will remain to keep intact labour negotiations until Sats has aligned itself to industrial relations practiced in the private sector.

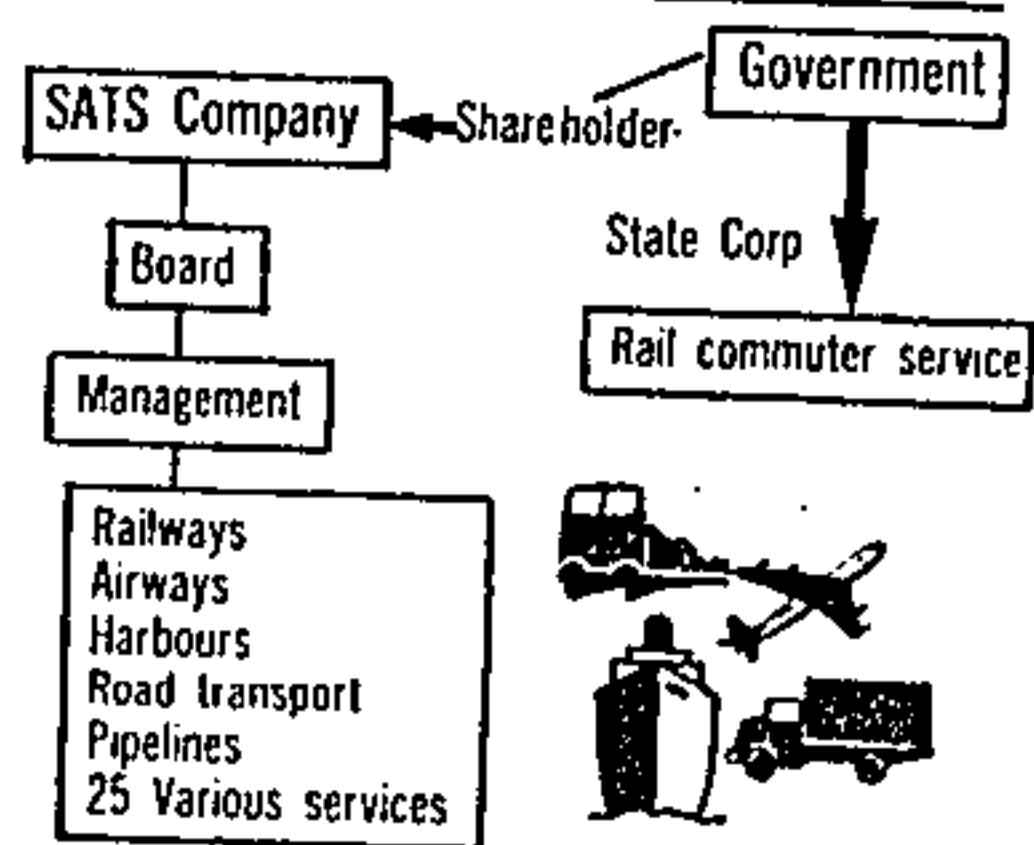
The company will immediately become subject to the Income Tax Act and about 120 provisions in various acts that have not been applicable to Sats under current legislation. Deregulation of transport legislation will further expose the corporation to competition.

Under current legislation the President, through the Transport Minister, has authority over Sats. His control will change to that of major shareholder. Government will, however, continue to


control tariffs and fares.

Meanwhile, the 25 various internal services, such as catering and mechanical workshops, will be evaluated in terms of business principles by the board and could be contracted out.

NEW SATS STRUCTURE



New airline second only to SAA

 Pretoria Correspondent *Stew 17/1/89* Cause the overseas shareholder could change, although this shareholder would still be part of the same overseas group.

A new airline group which will be majority-owned by an unlisted Pretoria-based investment company and will incorporate Magnum Airlines, City Airlines and two smaller commuter airlines, is about to be formed. (332)

The new airline will be the largest domestic airline after South African Airways (SAA) in the number of routes operated and passengers carried. It is being formed in view of the possible privatisation of SAA.

Mr Ivan Jackson, general manager of Magnum Airlines, said it was premature at this stage to make any announcement about the new airline be-

"As soon as this is finalised we will make an announcement," he said.

Mr Jackson refused to name the Pretoria investment company under whose umbrella the new airline would fall.

But, he said, the overseas company would have only a minority shareholding in the new airline.

Mr Jackson said they also had to finalise contracts with two smaller commuter airlines. He did not want to name them.

day, January 17, 1989

332

Court blow for 11 minibus taxis

Supreme Court Reporter

FINAL orders have been granted in the Supreme Court against 11 minibus taxi operators who plied the Cape Town to Ciskei and Transkei route. The court will decide tomorrow on 12 other operators.

The 11 operators were ordered to pay the costs of the application.

The application was brought by six Peninsula bus companies — Transkei Blue Line Bus Service, Motale Bus Service, Koncoshe Eagle Transport, Elite Express Bus Service, Broadway Bus Service and Chilwan's Bus Service.

An interim interdict — issued on December 2 last year — was extended till tomorrow to enable

the bus companies to effect service on the 12 other operators.

Mr Justice Rose-Innes has rejected an application for orders against 89 taxi operators because the applicants had not properly identified them.

The companies had sought an order against 112 taxi operators who started their operations when the bus services were boycotted after they had increased fares.

In papers before the court they alleged that many of the minibus taxis operated unlawfully on the route.

Inquiries with various licensing authorities had shown that in most instances the registration numbers of the minibus taxis were unknown.

In other instances the registra-

tion numbers did not correspond with the make of the vehicle registered.

The only conclusion which could be drawn was that where discrepancies existed the vehicles operated on false and possibly stolen licence plates.

The six bus companies were required to operate on a daily basis along the route on set timetables.

Between them they employed 500 people and if the minibus taxis were permitted to continue their unlawful activities, the bus companies would be forced to lay off a substantial number of people, they said.

Mr Gavin Woodland, instructed by Mr Stephen Kriger of Roup, Wacks, Kaminer and Kriger, appeared for the bus companies. The 11 operators were not represented.

COMPANIES

LASER Transport Holdings, SA's largest removals group, has increased its taxed profits by 27% in the year ended December 1988 in spite of a 50% decrease in international business.

Taxed profits increased to R6,6m (R5,2m) and earnings jumped to 66c (52c) a share.

A dividend of 25c (20c) a share, covered 2,6 times, has been declared.

Operating profits, which rose 19% to R71,5m (R60,5m) for the year, increased by 27% in the second half of the year over the comparing 1987 period due to an improvement in the domestic removals divisions.

Turnover was up 12% to R90m (R80,4m) and pre-tax profits rose 30% to R10,5m (R8,1m).

A 38% increase in net income before

Laser improves taxed profits 27% to R6,6m

ZILLA EFRAIM

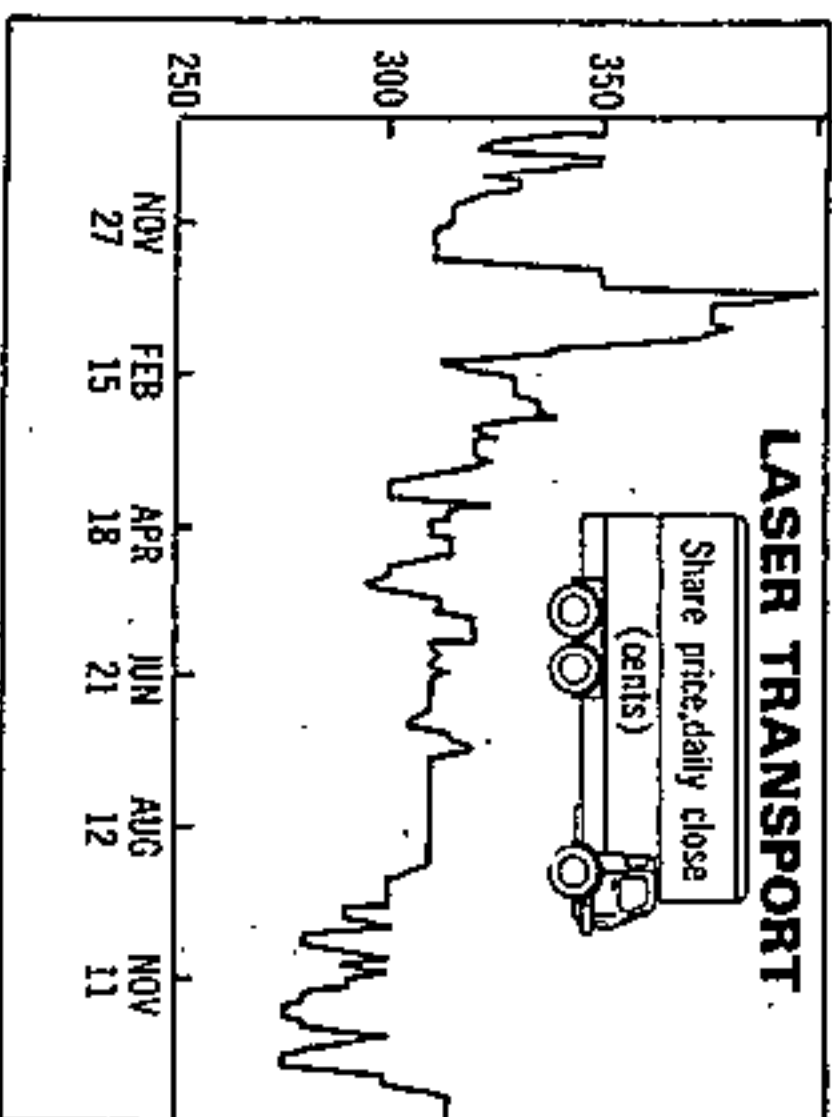
interest and taxation was the result of improved utilisation of assets and increased margins.

Interest payable more than doubled due to increased interest rates.

This increased interest bill reflects substantial property developments which Laser is undertaking to house its growing number of branches, says CE Denis Kaye.

But he says the short-term costs of these developments will have considerable medium term spin-offs.

During 1988 Laser opened branches in



Vanderbijlpark, Welkom, Richards Bay and Nelspruit.

The branches, which are proving to be extremely profitable, provide better utilisation of the company's assets.

But he says recent increases in the fuel price will cost the company R400 000 in the year to come.

Kaye says the results show that Laser is not dependent on its export business. The decline in emigration was more than made up for by strong growth in SA operations.

All subsidiaries are operating to budget and the new commercial arm, Lasertrans, is showing encouraging results.

Kaye says a growing number of man-

ufacturers are using outside contractors to distribute their products and Lasertrans has recently signed new contracts.

Domestic removals, the largest part of Laser's business, are buoyant and further growth is expected this year, says Kaye.

The import market, moving immigrants and contract workers to SA, is improving and is good business as it is quoted in US dollars, says Kaye.

Kaye foresees good growth in Laser's local market share, currently between 12% and 15%. The company is considering further acquisitions in 1989.

Magnum to buy 3 airlines 332

B/day 19/11/89
MAGNUM Airlines has been identified as the group that is purchasing three other commuter airlines in a bid to become the largest passenger-service airline after SAA.

A contract for the purchase of Natal-based City Airlines had been "signed but not delivered", Magnum marketing manager Robyn Pithel confirmed yesterday.

Deals with two other unnamed commuter airlines had not yet been finalised, Pithel said.

Ivan Brownlees, who emerged as the principal in the failed bid for the controlling stake in Putco in 1987, has been

ZILLA EFRAT

linked to the negotiations.

Brownlees said yesterday any comment at this stage would be premature.

Pithel said Magnum and a minority foreign shareholder would hold the three other airlines.

Once the deals were concluded Magnum would rationalise its airfleet and take on a new corporate identity and image.

This would probably result in a fleet of differing aircraft arising in the next three to four years which was more suited to expected consolidated operations, Pithel said.

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IN CAPE

Recruitment-CT ● 2315

A white yes, a black no

By EDDIE KOCH

PLANS to privatise services run by the SA Transport Services (SATS) have sparked widely conflicting responses from trade unions operating in the public sector.

The militant South African Railways and Harbour Workers' Union (Sarwhu) says SATS plans pose a threat to the jobs of their members as well as the welfare of black township residents.

On the other hand, the Federation of SATS Trade Unions (Fedsats), an umbrella of "moderate" unions officially recognised by the government, has hailed privatisation as a move towards profitability and higher wages in the sector.

"At our congress last year, members expressed an in-principle rejection of privatisation because it usually involves staff cuts and a pruning of services to the community in the interests of profit," said Sarwhu education secretary Mike Roussos.

"We also believe government plans for the railways are designed to release more funds to finance militarisation and reform programmes which our members have rejected."

Despite these general reservations, Sarwhu is prepared to consider the details of the privatisation programme in formal negotiations with Sats. "But so far, management has only spoken to Fedsats — even though our members and the communities they live in are likely to be most heavily affected," said Roussos.

Sarwhu claims to have signed up more than half the industry's 90 000 black workers, and is in the process of negotiating a recognition agreement with SATS. The Fedsats unions have 130 000 members of all races.

Abraham Koekemoer, general secretary of Fedsats, said: "Residential segregation creates heavy transport costs and the government has been

prepared to accept these losses for the sake of an ideology.

"We have always opposed this, because we believe workers have been forced to subsidise the ideology through their low wages. Privatisation will now lead to greater efficiency, more profitability and higher wages."

Koekemoer said his organisation had visited the United Kingdom to examine the effects of the privatisation of British Rail and had come back convinced that it contained considerable benefits for workers.

"We especially welcome the announcement that SATS workers will be able to buy shares in the new company. Many English railway workers are getting more in dividends from their shares than from their pensions."

Asked to comment on the fact that the railways has traditionally been a source of sheltered employment for unskilled white workers, who make up the bulk of Fedsats' membership, Koekemoer said they were satisfied with a written guarantee from SATS that no employees would be retrenched in the privatisation process.

Meanwhile Sarwhu, an affiliate of the Congress of South African Trade Unions (Cosatu), has joined three other unions operating in the public sector to form a private sector co-ordinating committee. This forum plans to launch a major campaign in February which will include mass rallies to discuss the implications of privatisation.

Other unions in the committee are the Postal and Telecommunications Workers' Association (Potwa), the SA Municipal Workers' Union (Samwu), and the National Education, Health and Allied Workers' Union (Nehawu).

N/Mail 20-26/1/89

332

Soweto toll road welcomed

(332)

By Kaizer Nyatumba

Star 20/1/89

The Soweto region of the Southern African Black Taxi Association (Sabta) accepted the inevitability of toll roads as long as alternative routes were available and the public had a choice whether or not to use the toll roads, the region announced last night.

Addressing a press conference in Johannesburg, the chairman of the Sabta-affiliated Soweto Taxi Association, Mr Pat Mbatha, said they welcomed the proposed toll road between Johannesburg and Soweto, which they believed would relieve traffic pressure.

Mr Mbatha said Sabta had been assured by the Department of Transport that none of the present roads connecting Soweto with the city would be affected by the envisaged R1 billion toll road.

● Sabta public relations officer Mr Jabu Mabuza yesterday announced that his organisation had met the Johannesburg Traffic Department to discuss taxi drivers' alleged negligent driving. They had agreed to set up joint committees to handle any problems. The Traffic Department also promised to look into possibilities of allowing taxi operators to use lanes reserved for buses in the city.

Court acts against 2 more taximen

*CHM (ind)
21/1/89
332*

Supreme Court Reporter

A LEGAL wrangle in the Supreme Court between six Peninsula bus companies and minibus taxi operators trading between Cape Town, Ciskei and Transkei has ended with final orders being granted against a further two operators.

This brings to 13 the number of minibus taxi operators who have been interdicted and restrained from conveying passengers between Cape Town and the two territories.

Mr Justice H L Berman said on Wednesday that he could not issue final orders against 100 taxi operators because they had not been identified and because documents could not be served on them personally.

The bus companies had sought an order against the taxi operators who started their operations when the bus services were boycotted after increasing their fares.

They had alleged that many of the minibus taxis operated unlawfully on the route.

The application was brought by six bus companies — Transkei Blue Lines Bus Service, Motale Bus Service, Komooshe Eagle Transport, Elite Express Bus Service, Broadway Bus Service and Chilwan's Bus Service.

Mr Gavin Woodland, for the bus companies, was instructed by Mr Stephen Kriger of Roup, Wicks, Kamlin and Kriger. The taxi operators were not represented.

No increase in Sabta taxi tariffs

DESPITE general cost of living increases as a result of the petrol price rise, Sabta has announced that its members will not increase passenger fares this month.

A spokesman for Sabta, Jabu Mabuza, said the organisation had taken into consideration the escalating costs its passengers had to face following the increase in the price of petrol on Monday this week.

He said the situation would be reviewed in March.

Meanwhile, Bophuthatswana Transport Holdings announced yesterday that it would increase bus fares in the Rustenburg area towards the end of this month. - Sapa

22/1/89.



NATIONAL

Light rail plan for parts of Cape Town

By TOM HOOD,
Business Editor

A LIGHT rail service between Cape Town docks, Green Point and other parts of the city is envisaged by Metrail, a consortium formed by four leading companies to provide equipment for future metropolitan transit rail systems in South Africa.

The consortium believes the service could fit in with the proposed harbour and power station site redevelopment.

"It could be a fantastic tourist attraction," said Mr Louis van Ass, national consortium co-ordinator.

A monorail system similar to Sun City's could be suitable for Cape Town, he said.

"Feasible"

"We can be looking at three or four years of planning, but we believe it is feasible."

Metrail's proposal follows a recent report that Tramway Holdings is investigating the viability of a light rail system in the Peninsula.

A light railway — which would require City Council backing — would probably be operated by Tramway Holdings because of the company's expertise in handling mass passenger transport in the Cape.

The advantage of transit rail systems for cities was that they were able to carry passengers at the lowest cost per passenger-kilometre, said Mr van Ass.

Metrail claims it can complete a project from concept through detail design, manufacture and supply, civils, rail and overhead infra-structure and sub stations to operating know-how and maintenance.

Port Elizabeth is the first area being investigated for a light rail service, with Durban about 12 months behind. Pretoria is also keen to start a service, said Mr van Ass.

"The National Transport Commission is going to make funds available for Port Elizabeth and that will get the ball rolling."



TRAVELLING LIGHT: Light rail services, like this one in Europe, may become a feature of Cape Town.

A French company, Alsthom, has joined the consortium as the technology partner. It is the single largest modern rail-road manufacturer in the world and leading partner in the Channel Tunnel project, says Mr van Ass.

It is the contractor for Spain's new high speed TGV rail system, part of which is to be completed before the next Olympic Games for about R1 000-million, and Taipei's mass transit system.

Mr van Ass is manager of the railway department of Industrial Machinery Supplies (IMS), the South African company leading Metropolitan

Transit Rail Consortium (Metrail). IMS, is one of South Africa's top suppliers of equipment and technology to the power, mining and utility industries.

Other companies are EMS (Pty) and Genrec (Pty). The consortium will receive financial advice from Duros Projects.

Countries such as France, Britain, Germany and the United States scrapped old tram systems years ago, but were looking at light rail systems again as a cheaper means of mass passenger transport, Mr van Ass added.

State President may leave hospital today

Political Correspondent

PRESIDENT Botha will be discharged from 2 Military Hospital in Wynberg soon, possibly today.

He was taken there last Wednesday after a mild stroke.

A spokesman for the President's office said today Mr Botha was continuing to make good progress.

Mr Botha will have to rest for six weeks. He will spend most of this time at Westbrooke, his official residence in Rondebosch.

Meanwhile, the acting President, Mr Chris Heunis, today chaired this year's first full meeting of the Cabinet at

Tuynhuys.

Arrangements for the coming session of Parliament, which starts on February 3, are being discussed.

It now appears there will not be the usual formal opening of Parliament with its pomp and ceremony. There will probably be a low-key informal opening with Mr Heunis speaking in the Great Hall to a joint session of the three Houses of Parliament.

There will then, for the first time, be a joint debate on the opening speech. In the past the Houses had separate debates on motions of no-confidence put by leaders of the opposition.

Johannesburg taxis and traffic police will co-operate

Sowetan 24/11/87
332

THE Johannesburg Traffic Department on Sunday assured black taxi drivers of greater co-operation in matters which had caused problems in the past.

At a meeting between a delegation representing Sabta (South African Black Taxi Association) and the department it was agreed that: taxis taken to the testing grounds for roadworthy certificates would no

longer be impounded until the owners settled outstanding traffic offences and taxis would no longer be fined for using bus lanes to off-load passengers in Commissioner Street.

Recess

It was also agreed recess bays would shortly be provided along Booysens Road to enable taxis to off-load without

obstructing passengers.

From next week a pointsman would guide taxis turning at Sauer and Market streets to off-load along Market Street and the restriction reducing the number of passengers in 15-seater taxis because their gross mass did not tally with the 63 kg allowed per passenger would be suspended pending further investigation and negotiation. — Sapa.

Star 25/1/89

A question mark over minibuses

BY CONRAD BERGE

News that serious study is being given to the introduction of "light rail" passenger transport in major South African cities raises the question of what will happen to minibus taxis which have burgeoned throughout the country in recent years.

Many whites, who have never been prisoners of SA Transport Services (Sats) and Putco, and who see minibuses as a traffic hazard, would probably not mind minibuses being muscled out.

It is unlikely that the authorities have this in mind, but the results of today's planning idleness may influence attitudes in the future.

Light rail may not succeed on merit alone. Restrictions on competition may become necessary to salvage the fortune invested in it. In Johannesburg, the cost of implementation will be about R2 billion.

Preliminary studies for Johannesburg show the light rail tentacles extending mainly to the northern and old southern suburbs.

No lines are proposed to Soweto, probably because they would compete with Sats investment in heavy rail commuter services.

Light rail can be expected to have comfort and image standards acceptable to whites, and this in turn means that Soweto rail commuters may have to make part of their journeys in smart light rail carriages and part in the relatively primitive conditions that characterise Sats.

This unhappy marriage could destroy light rail unless Sats, or its privatised passenger successor, does something radical with heavy rail commuter services. An alternative is that minibuses can take over at the end of the light rail tentacles.

Subsidised

Minibuses will almost certainly remain cheaper than light rail unless the latter is heavily subsidised.

It seems unfair that minibus operators who are not subsidised, who built up their businesses against harsh odds in earlier years, and who have moved mountains of restrictions since then, may have to face yet more obstacles. Restrictive legislation already exists.

Minibus operators cannot rely on the defence of moral and emotional arguments. They should strive to make their services indispensable through quality. They, too, have comfort and image problems.

To defend their position, minibus operators will have to take more notice of their passengers, manage their resources better and work together better.

They will have to weigh their continued emphasis on mass peak-hour transport against spreading their services throughout the day and to the yet untapped market of transporting whites.

Government and the white establishment also have decisions to make.

Can they really accept the contribution of minibuses to vehicle manufacturing, the highway industry (via tolls) and the petrol industry while excluding them from important areas of public transport?

Surely the safe path is negotiating an equitable place in public transport for minibuses and cutting them in on the expertise and material support that seems in such free supply.

STAR

25/1/89

332

The Star Wednesday

By CLARE HARPER

Accidents involving minibuses have increased by 20,1 percent, according to the latest Central Statistical Services (CSS) figures.

According to statistics compiled from January to October last year and compared to the previous year — car accidents have increased by 7,8 percent, light delivery vehicles by 13,9 percent and heavy commercial vehicles by 14,9 percent, while accidents involving motorcycles have decreased by 6,4 percent.

A CSS spokesman cautioned

Minibus accident rate up — drivers 'reckless'

that the figures merely indicated what type of vehicles were involved in accidents and did not mean the vehicles caused them.

In October alone, there were 4 282 accidents involving minibuses countrywide and 39 141 accidents from the period January to October.

More recent statistics have not yet been compiled.

In October the previous year, there were 3 288 accidents involving minibuses and 32 615

accidents from the period January to October 1987.

Updated figures on the proportion of minibuses to the total number of vehicles on the road were not available.

However, in 1985 there was a total of 4 569 520 vehicles on the road (excluding specialised vehicles such as tractors) of which 125 125 or 2,7 percent were minibuses.

Between January and November last year a total of 10 048 new minibuses was re-

gistered in the Transvaal alone.

According to a survey conducted by the CSIR on behalf of the National Road Safety Council (NRSC), minibuses were frequently overloaded and drivers behaved in an "inconsiderate and reckless manner".

Another report said in general 30,5 percent of drivers on the road were "inconsiderate".

The human factor was the largest cause of accidents (90,6 percent) followed by the

road and environment at 7 percent and the actual vehicle at 2,4 percent.

The NRSC said the overall number of fatalities in minibuses had increased by 35 percent (according to figures comparing 1987 with 1988).

The number of accidents involving all types of vehicles tallied 35 510 in October last year and 347 005 for the period January to October.

According to a spokesman from the CSS, the percentage

of accidents involving minibuses was 11,3 percent last year, and 10,2 percent in 1987.

This did not necessarily mean minibus drivers were more reckless than in previous years, it could be that there was a higher percentage of the vehicles on the road, the spokesman said.

A total of 795 people died during accidents involving all kinds of vehicles in October last year, whereas 735 people died in collisions in the previous October.

A total of 7 482 people died from January to October last year and 7 012 people died from January to October in 1987 in accidents involving all types of vehicles.

A further 428 pedestrians died in accidents involving all kinds of vehicles in October last year and 4 097 from January to October last year, whereas 407 pedestrians died in October 1987 and 3 944 people died from January to October 1987.

A spokesman for the Johannesburg Traffic Department yesterday urged motorists to drive safely.

R88m grant will also help train drivers

3/Day 26/11/89

Sabta asks for govt subsidy for services

332

THE SA Black Taxi Association (Sabta) had asked government for a grant of R88m over the next 10 years in order to compete with the heavily subsidised bus companies, the Social and Economic Update (SEU) noted.

The SA Institute of Race Relations publication said in its latest issue the taxi industry wanted part of this proposed subsidy to pay for the training of Sabta drivers.

The National Road Safety Council said taxis owned by Sabta members caused 218 road deaths and 5 679 injuries last year. The deaths amounted to 0.6% of all road deaths in 1987.

But Transport Minister Eli Louw has said that deaths caused by minibus accidents were lower a kilometre than those caused by all other modes of road transport.

The SEU said, nonetheless, driving standards were the focus of a campaign by Sabta.

Addressing other black social issues, the SEU also noted there appeared to be disagreement between government and Eskom about the economic importance of electricity.

It said the electrification of black townships was being impeded be-

THEO RAWANA

cause the state, local authorities and RSCs "do not regard it as a priority, believing that roads and water are more important".

Citing government statistics, the SEU noted there was no electricity in 95% of black households in the Free State, 93% in Natal, 87% in the Cape, 79% in the Transvaal as a whole, but on the Witwatersrand and in the Vaal Triangle the figure was 35%.

But, the SEU said, Eskom's chief executive, Ian McRae, believed it was "harmful to SA in general" to give electricity too low a priority.

Eskom officials said they believed it was unwise to ignore the economic benefits of electricity. By saving time on domestic chores, it freed people to engage in more productive activity, especially in the informal sector. And because electrical equipment — such as sewing machines and welding equipment — was quicker and more efficient, it enabled township entrepreneurs to increase their output.

In an effort to extend electrification to black areas, Eskom had proposed using cheaper technologies, but the authorities — central and local — would not fund them.

By MATHATHA
TSEDU

TENSION continues to grip Pietersburg taxi ranks following fierce fighting among taxi owners last Friday which left at least 7 people injured and four arrested.

In an effort to diffuse the volatile situation, officials of the Pietersburg Traffic Department and members of the South African Police met a delegation of taxi operators yesterday.

At the centre of the fighting is the lucrative Pietersburg-Johannesburg route. The two groups involved are the Lehlabile Taxi Association and the Zacharia Transport Association.

A spokesman for the Zacharia group said they were attacked by the Lehlabile group with hammers, pangas, crowbars, knives and a gun.

"We are a legal operation and the rank we are using was allocated to us by the municipality. But Lehlabile feels that no one else has a right to operate the Pietersburg route", he said.

The spokesman said there were no pirate taxis in their midst.

When this reporter went to the Lehlabile for interviews, he was hassled and expelled and told to come for interviews "at the end of the year".

This reporter had earlier been ejected from the meeting held at the traffic department. Sources who attended the meeting however said the Lehlabile group had brought attorneys to the meeting.

"Other operators from Hammanskraal and Mabopane, who have also been provided with taxi ranks, also voiced their complaints about Lehlabile. They have also been stopped from using legitimate ranks by these people," the source said.

The Zacharia group said they had been harassed since February last year. In December they obtained a Supreme Court interdict to stop Lehlabile from harassing and assaulting their members.

Four people appeared in the Pietersburg Magistrate's Court on Monday.

Tension in the ranks

Page 16

SOWETAN, Thursday, January 26, 1989

33219

European airline to compete in SA?

CMT Trif 28/1/89 332

By MALCOLM FRIED

A EUROPEAN airline is planning to enter South Africa's domestic air travel market.

Aeroleasing, based in Switzerland, was researching local conditions and had definite plans for expansion into the country — but would probably wait for local routes to be deregulated, marketing director Mr George Soutton said from Geneva yesterday.

South African Airways and private airlines have said they would not object to the European airline, but noted that a timetable for deregulation was still uncertain.

Mr Soutton said Aeroleasing had a fleet of 25 small to medium-sized aircraft but had not yet applied to the Directorate of

Civil Aviation to fly routes within South Africa.

It would do so "probably only" once SAA had been privatised and routes deregulated.

"This would mean a very big investment," he said, and the company had to be sure of a fair chance at competition.

Mr Soutton believed that with deregulation the local market would be under-exploited.

The government has given the aviation industry no indication of exactly when deregulation will happen, although the Minister of Transport Affairs, Mr Eli Louw, said last year that he favoured such a move.

A spokeswoman for the Department of Transport Affairs said yesterday that deregulation was not scheduled to begin until

1990.

Also, she said, Aeroleasing would have to get departmental permission to operate in South Africa.

SAA spokesperson Ms Zelda Roux said the company would welcome the introduction of new airlines and the deregulation of the market.

"We haven't heard of Aeroleasing, but we would not object to their being here." Effects of another airline on the industry would be difficult to judge, she said.

The general manager of Air Cape, Mr Glynn Nortje, said more competitors "would obviously have an impact — passengers would have more choice".

A director of National Airlines, Mr Brian Frankel, said the airline would welcome others, but that an investment in the local aviation market would be "risky".

Toll road will not affect Soweto taxis

11 Day 32/1/89 THEO RAWANA 332

THE proposed Krugersdorp-to-Springs toll road would not affect Soweto's taxi business because the present roads connecting the township complex would remain open to use, Soweto Taxi Association chairman Pat Mbatha said at the weekend.

Reports had triggered fears that Soweto taxis and private motorists would be forced to use toll roads along the route, and moved the SA Black Taxi Association (Sabta) to seek a meeting with the Department of Transport.

Mbatha said in a statement facts that came out of the recent meeting with the department allayed any fears and an assurance was given that operators in the Soweto region could use the toll road at their discretion. The toll road would instead relieve traffic pressure.

In another development, taxis sent to the Johannesburg Traffic Department's testing ground for certificates of fitness would no longer be impounded for outstanding traffic offences, Sabta (Johannesburg/Soweto region) chairman Pat Mbatha, said at the weekend.

He said a meeting on January 19 between Sabta and the department had resolved the problem.

The parties agreed on the setting up of a special liaison committee to address matters affecting taxis and the department.

Dark windscreens outlawed by '91

The Southern African Black Taxi Association and the Johannesburg Traffic Department today said they had not been formally notified of an amendment to road traffic rules which will outlaw dark vehicle windows by 1991.

(332)
A Sabta spokesman refused to comment until he had seen the Government Gazette.

The chief provincial inspector with the Transvaal Provincial Administration, Mr J P Greef, announced yesterday that all motor vehicles in the province — especially kombi taxis with darkened windows and windscreens — should have them removed by January 1, 1991.

He also announced that any vehicle registered after today, must not have dark windows and windscreens. *Star 1/2/89*

Mr Greef said this followed an amendment in

the road traffic amendment which would come into effect from tomorrow.

He said the removal of dark windows and windscreens from vehicles should be viewed as a safety measure for both traffic and law officers and the public in general.

The move is expected to cost taxi-owners thousands of rands in replacing their windows, as most black taxis have darkened windows.

Concern had been expressed by security officers that darkened windscreens could pose a risk, as they are unable to see how many people are in a vehicle and what they are doing as they approach it.

The safety factor was apparently also a major consideration. Darkened windows could limit the view of the driver. — Sapa.

SA-Africa trader plans expansion

CHT TIMES

2/2/89
Financial Editor

AN international conglomerate which has discreetly moved huge quantities of South African exports to black African countries in recent years stepped into the limelight last night, announcing that it would expand its operations in this country.

Sicotra/Aeroleasing of Geneva, with African operations based in Kinshasa, is extending its air charter service to South Africa.

And its general manager of operations, Mr William Esson, said it would be in the forefront of expanding trade between Africa and Europe. He emphasized that his company considered South Africa to be "a vibrant part" of the continent.

The Deputy Minister of Foreign Affairs, Mr Kobus Meiring, and top officials from Zaire were among guests at a reception at the Mount Nelson Hotel at which Sicotra/Aeroleasing explained the range of its activities. It transports goods with a fleet of lorries, "a small armada of riverboats", modern executive jets and cargo planes and has a huge hangar and maintenance depot in Kinshasa.

Mr Esson said the company considered the future development of Africa would be strongly linked to Europe. The distances involved and the lack of facilities had so far hindered this. His company was opening up new markets on the continent and would increase its presence in South Africa.

● Full report — Page 11

9/11/89 2/2/89
Pilots meet
bankers in bid
to buy SAA

Own Correspondent

JOHANNESBURG. — The SA Pilots' Association was holding discussions with bankers in London and South Africa to raise the preliminary R2 billion estimated to acquire SAA, a spokeswoman, Ms Barbara Bester, said yesterday.

The pilots' association had made official representations to the Minister of Transport to acquire between 30% and 40% of SAA's domestic and international operation, Ms Bester said.

The association had informed Transport Minister Mr Eli Louw of their bid for SAA on various occasions.

Transport ministry spokesman Mr Leon Els said it was premature to put a price on SAA.

Axe for dark windows

News in brief

47 hurt in bus smash

FORTY-SEVEN people were taken to hospital after a packed bus overturned in Clermont, the black township near Pinetown, yesterday.

The accident happened about 6am in the main street of the township and ambulances and police vehicles were sent to the scene.— Sapa.

Cops seize drugs

COCAINE and mandrax tablets and powder with a street value of about R350 000 has been seized by the South African Police's narcotics bureau in two separate incidents in Johannesburg, radio news reports.

In the first incident, detectives arrested a 30-year-old Norwood man after they had found 503 grams of cocaine in his possession.

In the second incident, a 54-year-old Indian man and a 44-year-old white woman of Zuurbekom were arrested for possession of Mandrax tablets.

The tablets and powder have a street value of about R200 000.— Sapa.

De Beer for MP

THE LEADER of the Progressive Federal Party, Dr Zach de Beer, will become an indirectly elected Member of Parliament soon after this year's session starts.

The party's former indirectly elected member, Mr Nic Olivier, had moved to stand down in favour of Dr de Beer.



POPULAR singer Brenda Fassie, who recently tied the knot with her sweetheart Ntlanhla Mbambo, starts the day with a cup of tea.

Pic: MBUZENI ZULU

THE Southern African Black Taxi Association and Johannesburg Traffic Department yesterday said they had not been formally notified of an amendment to road traffic rules which will outlaw dark vehicle windows by 1991.

A Sabta spokesman refused to comment until he has seen the Government Gazette.

The chief provincial inspector with the Transvaal Provincial Administration, Mr J P Greef, announced yesterday that all motor vehicles in the province — especially kombi taxis with darkened windows and windcreens — should have them removed by January 1, 1991.

In effect

He also announced that any vehicle registered after today, must not have dark windows and windcreens.

Mr Greef said this followed an amendment in the road traffic amendment which would come into effect from tomorrow.

SOWETAN Reporter

He said the removal of dark windows and windcreens from vehicles should be viewed as a safety measure for both traffic and law officers and the public in general.

The move is expected to cost taxi-owners thousands of rands in replacing their windows, as most black taxis have darkened windows.

Concern had been expressed by security officials that darkened windcreens could pose a risk, at they are unable to see how many people are in a vehicle and what they are doing as they approach it.

The safety factor was apparently also a major consideration. Darkened windows could limit the view of the driver.



All vehicles, including these taxis, will have to remove their darkened windows by January 1, 1991.

Tinted window laws are 'not very clear'

The Southern African Black Taxi Association (Sabta) and Johannesburg's traffic department said yesterday that they had not been formally notified of a road traffic ordinance amendment which will outlaw dark vehicle windows by 1991.

A Sabta spokesman refused to comment until he had seen the Provincial Gazette.

The Transvaal's chief provincial inspector, Mr J P Greef, announced on Tuesday that all motor vehicles in the province, especially kombi taxis with darkened windows and windscreens, must have them removed by January 1, 1991. Vehicles registered after today must not have dark windows and windscreens.

Mr Greef said this followed an amendment in the road traffic rules which would come into effect from tomorrow.

He added that the re

moval of dark windows and windscreens from vehicles was a safety measure for both traffic and law officers and the public in general.

The move is expected to cost taxi-owners thousands of rands in replacing their windows as most black taxis have darkened windows.

Mr David Baker, chairman of the Window Film Association, which represents 95 percent of window glass importers and most of the people who sell tints, said the industry welcomed legislation which banned very dark tints, but the word "dark" needed to be defined because the notice did not distinguish between light and dark tints.

He said the legislation would effect the industry, which had a turnover of R2 million a year and employed about 300 to 400 people. About 10 000 cars were tinted a year.

Local link for air charter service

SA 'included in African trade'

on 11/19/89
2/2/89
332

By AUDREY D'ANGELO
Financial Editor

THE development of trade links between Africa and Europe must include SA, senior executives of international conglomerate Sicotra/Aeroleasing emphasized in Cape Town yesterday.

The group, which already runs import-export services between SA, other parts of Africa and Europe, is preparing to expand its air charter service to this country.

It introduced this side of its activities to local business people at a presentation in the Mount Nelson last night.

Group operating manager William Esson said that Sicotra (Society, Industrial, Commercial and Transportation) was founded 14 years ago, operating in East, West and Central Africa and expanding into Europe.

It operated "vast import and export handling, storage and distribution depots, a fleet of huge bulk haulage vehicles and a small armada of powerful river steamers with flat barge utilities."

It also had "a large diamond processing centre, which is the largest independent exporter of diamonds from Zaire to world markets."

"It owns extensive pig and poultry farms and fruit and timber estates. Our recent merger with Aeroleasing of Geneva also makes the group part of the largest private air charter and air

cargo company in Europe and the second largest in the world."

Aeroleasing was founded 22 years ago and now has a fleet of executive jets and Boeing cargo aircraft. Its Africa service is based in Kinshasa, chosen for its central situation.

Esson said its aircraft were already flying in and out of SA carrying its own executives and cargoes. "Three of our Falcon jets arrived in Cape Town on Tuesday night."

"All we are doing now is offering a charter service to executives from outside firms."

It had 35 modern private executive jets and turbo-prop aircraft.

Asked if it was preparing to compete with SAA on scheduled routes if deregulation came, Esson said no thought had been given to this "at this stage."

He said the air service in Geneva and Kinshasa offered sales and service in addition to the charter of aircraft.

It had recently opened a new multi-million aircraft hangar and service maintenance depot in Kinshasa and was building a modern cargo terminal at Ndjili. "A glance at a map is evidence of the strategic location of these sites."

Esson said group MD Paulo dos Santos was convinced that the development of Africa depended on its trade links with Europe and SA was "a vibrant part of this continent."

"The biggest factors governing the development of commercial activities on the continent are the

vast distances involved and the facilities available. When speaking of facilities these naturally include not only the transport itself but the facilities and service available at the destination.

"Sicotra/Aeroleasing is at the forefront of this trade expansion. The group already has a presence in SA and will build on the strong national and international ties it has formed with other major corporations operating here which include, among others, Premier International and National Airways Corporation."

He said his group had "the people, the market knowledge, the infrastructure and ability to operate efficiently and effectively in Africa."

"It is now our intention to expand our sphere of operations in this country. Sicotra/Aeroleasing will be extending its air leasing and air cargo activities into SA and is already negotiating with a number of private aircraft companies in SA."

"We are already flying busy executives to the far corners of the world. Our passengers include company directors, engineers and heads of state."

"Our service is discreet and professional. And as all our aircraft are Swiss registered our service is politically neutral."

Esson said Sicotra and its import-export arm, Sopex (Society for Import and Export), were about to move from offices in the Heerengracht Tower of Cape Town Centre to a larger suite in the main tower.

9/11/89 2/2/89
**Pilots meet
bankers in bid
to buy SAA**

Own Correspondent

JOHANNESBURG

The SA Pilots' Association was holding discussions with bankers in London and South Africa to raise the preliminary R2 billion estimated to acquire SAA, a spokeswoman, Ms Barbara Bester, said yesterday.

The pilots' association had made official representations to the Minister of Transport to acquire between 30% and 40% of SAA's domestic and international operation, Ms Bester said.

The association had informed Transport Minister Mr Eli Louw of their bid for SAA on various occasions.

Transport ministry spokesman Mr Leon Els said it was premature to put a price on SAA.

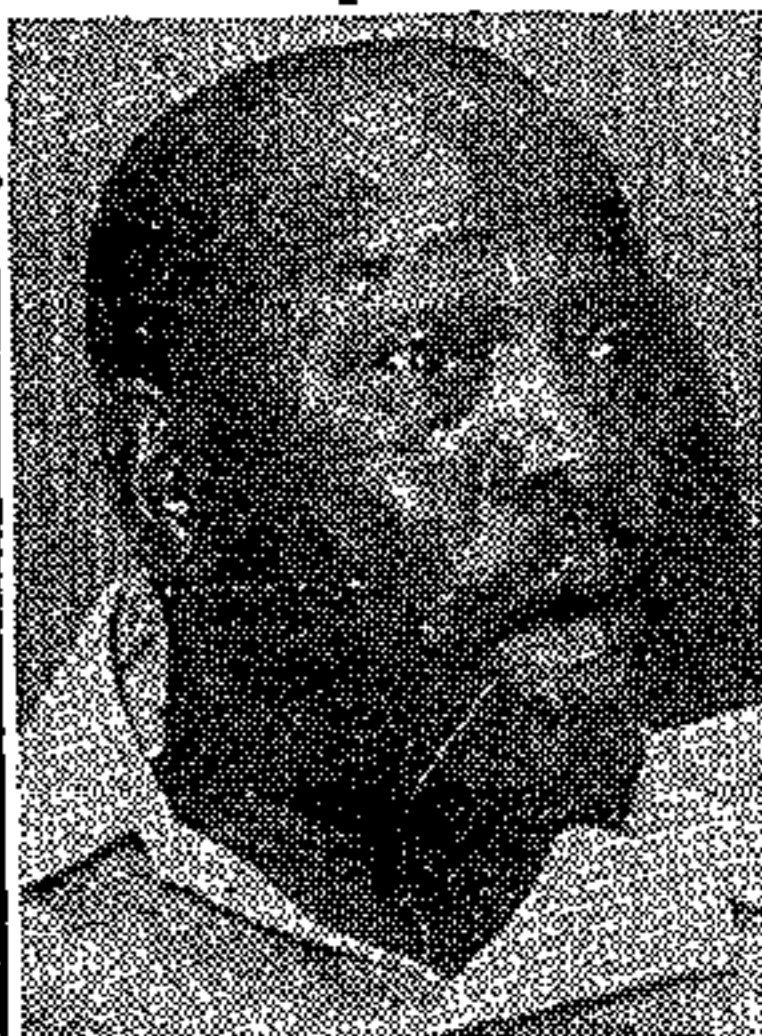


TYPICAL scene at the Mohlakeng taxi rank. Commuters have to wait for a long time.

OUTCRY OVER FARE INCREASE

Sowetans
3/2/89
332

THE Mohlakeng Taxi Association is to increase its fares by 20 cents on all routes with effect as from Monday, despite an outcry by commuters about the poor service in the area.



MOHLAKENG Taxi Association's PRO Mr George Thotela.

The association's public relations officer, Mr George Thotela, yesterday said the high price of fuel, spares, tyres and maintenance of their vehicles had forced them to increase the fares.

He said: "This is the first time since 1983 that we increase our fares and we are asking the community to co-operate with us."

Gripes

The association was aware that there were certain grievances which commuters had against taxi operators. These were receiving attention from the association, he added.

Residents say their grievances include:

- Shortage of taxis, especially during peak hours;
- Alleged assaults on commuters and rude

By JOSHUA
RABOROKO

behaviour of taxi drivers towards passengers;

- Long queues at taxi ranks and no service rendered to some parts of the township.

Mr Thotela said they were aware of some of the complaints and the association would try to resolve them soon.

He agreed that some taxi drivers were rude towards passengers and "our advice is that anybody who has a complaint should come to us."

A visit to the local taxi rank has revealed that passengers wait for about 30 minutes to one hour for taxis.

A resident, Mrs Jane

Resaba, said: "Most of our taxis take long trips to outside areas because they claim we pay them very little. They make more money when they take such trips."

"We wait for long hours for taxis. Most of them do not go to certain parts of the township and we are forced to walk almost a kilometre before we get taxis."

Several other residents interviewed said the fares were unfair and accused the association of not consulting with them.

Mr Thotela said in future they would consult with residents whenever fares were to be increased.

Regarding taxis going to other areas and ignoring the local

commuters, he said the matter was receiving attention.

Gorbachev

harder to dismiss the multiparty idea, as he did last month, as "rubbish". Of course he will argue — and rightly — that democracy is rolling forward. He may genuinely be pleased with the vote for reform.

The people have not said they hate him personally — though, so long as meat and decent medicine are scarce, he is nothing like as popular at home as most Westerners assume. But they hate the establishment he heads.

The elections in the important screening stage were, in many places, massively rigged. Yet millions of people at the final count had the guts to call the party bluff.

Mr Gorbachev has every reason to be appalled at the depth of anti-party resentment displayed by the elections, astonished by the people's evident growing rejection of the one-party ideology, worried by the sense that even a small dollop of democracy is so hard to control, depressed by the intra-party confusion that may now ensue.

It is unlikely he bargained for this — but where can he go?

Tasty morsels

The trouble with his programme is that the Soviet economic system is so hard to alter without threatening its dismantling. Neither can he fiddle with the ideology — or ask the voters what they think of it — without the risk that it may crumble.

Neither, it is now clear, can he offer tasty morsels of democracy without the people clamouring for more.

So he is trapped in a dilemma. To reform Russia he probably, eventually, has to abandon Marxism and the party's increasingly unjustifiable "leading role". That could lead to his own political demise, either at the hands of the impatient people or of the party bureaucracy fuming at Sunday's disgrace.

He is a brilliant politician under no immediate threat but now he and his reeling party have stepped on to a tightrope and there seems no safe way to get down.



By KEN OWEN

CAZ. Timis 3/4/89

Let's privatise all the varsities, more or less

MANY years ago I heard a New York radio reporter ask a workingman in Harlem what he would do if a machine took over his job. "Man," said the workman, "I'll smash that machine."

That episode comes to mind often as the debate on post-apartheid economic policy among liberals, or people who call themselves liberals, becomes steadily more extreme. There's not much point in devising a perfect, market-driven system if the intellectual Luddites end up smashing it.

I throw out the thought as a reminder that purist theory may have its uses, but in the end there can be no entirely self-correcting system. Politics in a liberal state is by definition a matter of compromise, and there is no way of sealing off the debate from the prejudices or mad passions of the mob.

Educated become agitated

Nor indeed, should it be sealed off. But neither should it be controlled by the mob, and I find it alarming that educated South Africa tends to become agitated whenever it encounters an idea for the future which has not received prior approval from the violent beasts loosely known as "the Comrades", lest they do something violent and beastly.

The universities are quite the worst. Like the British universities under Margaret Thatcher, they are trapped under a regime which they detest but which both feeds and controls them. They have made themselves dependent on hand-outs from the politicians, and the hand-outs have become (here and in Britain) the means of their chastisement. They rebel at their peril.

It is fascinating that, in both countries, the only way out that seems to have presented itself to the liberal university communities is to try to change the government, as though they would be more free under different masters. The contradictions which arise from this situation are sometimes comical, more often sad.

The University of the Western Cape, which has set itself up as the centre of radical thought in this country, has had to take advertisements in the newspapers to plead for public understanding. Its immediate problem is that government has changed the subsidy system, withholding half the funds for every student who fails.

Inferior system

For UWC, which receives a large proportion of bright but poorly educated students from the inferior school system, this emphasis on academic success is an obvious threat. So it pleads for help from the society which it plans, if one believes its past boasts, to turn on its head.

British intellectuals, equally ironically, are complaining that Mrs Thatcher's government, by linking funding to "productivity", is destroying intellectual quality. The charge is at best a half-truth — even before Mrs Thatcher, the British universities were steadily sacrificing difficult studies (Classics, mathematics, philosophy) to the new cheap-speak of the sociologists, and to other soft options. The real problem is not intellectual quality, but the fact

national debate of immense significance by pointing out that the universities simply will not be able to afford the special help which they have been giving to bright, but poorly educated, students (not all of them black) who would not otherwise pass.

The debate evoked by his proposal to lower aims of at least some universities to accommodate the under-educated hordes now emerging from the school system has been remarkable for the passions it arouses. It has been even more remarkable for revealing the extent to which the university community believes it is at the mercy of the government; and that, indeed, would plain the obsequious homage which the university faculty so often pays to the prejudices of under-educated hordes whom they expect soon to be governing.

The ANC, we are regularly told, will not accept free market solutions to the problem of education. It may be true that socialism fails everywhere, but black people want socialism and who are we to argue? To challenge the idiotic prescription forward by "the people" via the more respectable high schools and the trade unions is to oneself "irrelevant". And so forth.

That this obsequiousness is cowardly doubt true, but irrelevant; what matters more is the underlying assumption that the way a university, or a minority community of kind, will be able to survive after "liberation" will be on its knees, backside up. It demonstrates how much the universities have been reduced to being mere civil service institutions.

Interestingly, Oxford and Cambridge, long endowed, are less threatened by Mrs Thatcher than the poorer British universities, but in South Africa there is no such thing as an "independent" university, and that is sad. Sadder still is the apparent assumption that there is nothing to be done except to adopt "approved" policies, "approved" doctrines and silence "approved" speakers.

Yet last week Liberty Life gave a demonstration of an alternative to the state when it endowed a chair in the management of business economics. The terms of the endowment are not known to me, but I am sure the university would not have agreed to it without the independence of its teachers and integrity of its research.

Every major business in South Africa, enjoying the triumphant progress of neo-liberalism on the campuses, must have reflected that it can either give its money to the Receiver-General to pass on to the universities in state-determined conditions, or it can give the money directly to the university and set its own conditions.

No answer to education crisis

To suggest that this might prove to be a complete answer to the South African crisis of learning would of course be ridiculous; the scale is of such proportions as to test the resources of the state. I do not argue, as some of the purists do, that education should be privatised.

But some education should indeed be privatised, at least to the extent of creating a native to the institutions of the state which focused the self-interest of the universities on strategies to placate the state, after liberation as the case may be. For as distinct from socialists on the one hand and libertarians on the other — the choice is clear. They would support whatever combination of state and private systems offered the widest range of choice, and the minimum interference.

They would demand low taxes, or at least concessions, for aid to education (though the system has serious drawbacks) to enable it to create their own education system, and would seek to negotiate — rather than impose solutions — to the inevitable conflict of interests that would arise between students, donors and faculty.

The alternative is to rely on the state, a

rks for press — judge



Judge Van Winsen

The objective remains the same: to ensure the processes so that justice press freedom."

and that almost all the adjudications had been "well accepted" by the public. He believed the council had a central role in fulfilling its

and when we found weak points we went public with them every time."

According to Judge Van Winsen there was still a difference of opinion between the Media Council and the government about the council's proper role.

"We regard ourselves as a professional body performing a professional function," he said, "although sections of the government, such as (Minister of Home Affairs) Stoffel Botha, would like us to mount a monitoring exercise and undertake a partial obligation to see that the press is conforming to the requirements of the (Media Council's) code of conduct."

"He would like us to carry out a double function — to see what transgressions there are and haul the offenders before the court, as it were, in other words, to undertake a police function as well. But he's rather come away from that recently, for reasons of practicality and policy."

Has the press tried to maintain the highest possible standards? Judge Van Winsen said that while "some members of the press certainly have lived up to it, others have not, as is indicated by the fact that we have had to conciliate. But I would say most of the press is trying to maintain that high standard."

Judge Van Winsen and Mr Steyn agreed that the press had been "assiduous" in fulfilling both spirit and letter of the Media Council's rulings.

Mr Steyn added: "The Media Council



MaBereTHE Mthombeni

IT'S A HARD BLOW

THE Government decision to outlaw vehicles with darkened windows and windcreens, which was announced by the Transvaal Provincial Administration's chief inspector, Mr J P Greef, has not been welcomed by taxi drivers.

Mr Greef also announced that any vehicle registered after Wednesday must not have darkened windows and windcreens. He said the move should be seen as a safety measure for both traffic officers and passengers. The year 1991 is the deadline for the removal of all tinted windows.

Taximen's comment on darkened windows ban

By PHANGISILE MTSHALI

mini-bus costs about R700 they said.

They dismissed the authorities argument that darkened windows limit the driver's view as unfounded.

The Southern African Black Taxi Association refused to comment until its investigations were completed.

"Darkened windows do not affect the driver's view in any way," said "MaBereTHE" Mthombeni of Alexandra who bought his taxi already with tinted windows three years ago.

"If the traffic officers want to check on overloading they can always stop the car and count the heads through the window as they have been doing for years.

"Besides this, the ban will increase unemployment as the factories that darken windows will be closed down and have to retrench their staff," he said.

Long distance taxi drivers said darkened windows help to keep the vehicle cool inside and they saw them as a safety measure.

"I drive over 500 km to Venda and dark windows keep my passengers cool and comfortable as they act as a sunscreen," said Mr Yani Mafunisa.

"Darkened windows protect us against robbery when we do late night deliveries into the townships," said Mr Charles Matodai.

"Robbers usually do not trouble us because they cannot tell whether I am alone or I still have passengers. Without darkened windows I can never guarantee that I will be safe after a night delivery."

The drivers also

contend that darkened windows also keep away vandals if the car has a breakdown and has to be abandoned on the road.

"The vandals cannot tell whether the car is manned if it has darkened windows," said Miss Benita Maise.

Inquest told of shooting

By ALINAH DUBE

A PRETORIA North inquest magistrate was yesterday told that the police were not allowed to fire bullets into the air but had to aim at a target when dispersing a crowd.

This was said by Sergeant Dion Louth who fired at people during separate incidents in Mamelodi on November 21, 1985. He was being cross-examined by Mr Dikgang Moseneke, counsel for the families of the victims, before Mr J N Pretorius.

Policeman

The policeman told the court that about 3500 people had gathered at the administration board offices when he arrived at 8.30am. He said the number of those present kept increasing as some showed black power salutes and shouted "SAP go away."

Asked by Mr Moseneke if he happened to fire into the air at any stage, the witness said it was according to the police standing orders never to shoot into the air. He explained that the police had to aim at the target when shooting.

The inquest was postponed until June 19.

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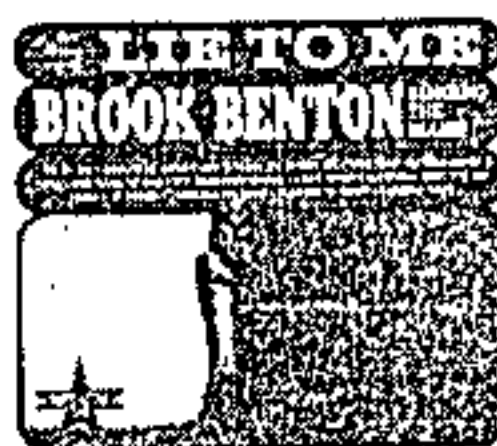
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S 23112

Black taxi drivers face up to their black managers

Taxi drivers are 'grossly exploited' says a Cosatu union which has set a precedent by moving into a black-dominated industry

By DREW FORREST

A COSATU-linked union has started a major recruitment drive among black taxi-drivers — raising the intriguing prospect of labour conflict in a black-dominated industry.

The Transport and General Workers Union has already recruited more than 450 drivers in the Vaal area, most of whom are employed by black fleet owners.

It says many of the drivers are "grossly exploited", and that union attempts to improve their conditions have met with fierce employer resistance — including victimisation and threats of violence.

According to the TGWU, the employers in question are members of the Orange-Vaal Taxi Owners' Association, which is in turn an affiliate of the 45 000-member SA Black Taxi Association.

TGWU general secretary Jane Barrett said a number of drivers had also been organised in Bloemfontein, and that the union's national executive committee would be meeting shortly to discuss launching a more systematic, national organising drive.

The taxi industry has seen extraordinary growth in the past five years, and plays a key role in the transportation of black workers. In the two years up to March 1988, the Department of Transport granted more than 60 000 operating permits.

Barrett said she had learnt from the Department of Manpower that all drivers working for fleet-owners were covered by some form of protective legislation. However, because no previous attempt had been made to organise drivers, employers across

the industry appeared to be ignorant of their legal obligations.

She said that minibus taxis carrying more than seven passengers were regarded as bus-operators, and were covered by the wage determination for the bus passenger industry. This sets a range of minimum conditions, including a basic wage of R140 a week.

Employers with fewer than 11 taxis were exempt from the determination. However, their drivers were protected by the minimum standards stipulated in the Basic Conditions of Employment Act.

Asked for details of the working conditions in the Vaal, TGWU's regional secretary, Swayi Mokoena, said many of the drivers were so badly

ly treated that they could not provide for their families.

Many drivers were employed on a casual basis, which meant that they received no UIF, pension or workmen's compensation benefits.

Some earned as little as R50 a week, and a crude incentive system — in terms of which the full wage was paid only if the driver met a work quota — was widespread.

Mokoena said the frequent criticism of poor driving and overloading by black taxi-drivers had to be seen in the context of the quota system.

In addition, drivers worked long hours — in some cases, a 16-hour day every day of the week, including weekends.

Mokoena said he had sent letters

both to the taxi owners' association and individual employers asking for discussions on a range of issues including union recognition.

No reply had been received. "We are fighting with people who are dodging us," he said.

Mokoena said there were strong indications that drivers were being victimised because of their union membership. The TGWU branch chairman had been fired, while an dismissed driver was told by his employer: "Go to the union and ask them to get you a job."

At least one union member had assaulted by committee members of the association, he alleged, while the union organiser had received a threat.

"The employers don't show solidarity with the drivers and union, even though they live in the same townships," Mokoena commented.

He said the union's next step was to ask for the appointment of a conciliation board — the first step on the route to industrial court or strike action.

The Orange-Vaal Taxi Owners' Association could not be contacted while Sabta representative Jabu buza declined to comment on the association's labour relations problem, saying his organisation had not directly approached by a trade union.

However, another source indicated that Sabta had no policy on unions and would find it difficult to do one, given that it had both owners and employee drivers in its ranks.

Quick to learn the lesson

(332)
Fmmu
3/2/89

There are sceptics who doubt whether the unquestioned success of entrepreneurs in the informal sector will ever advance into First World sophistication. They need have no such fear, to judge by the news that the black taxi movement is to ask for 10-year subsidies of R88m to enable it to compete with the heavily subsidised bus industry.

Some of us, in our naive way, may have thought that the Zola Budd men had done pretty well on their own, so far. In an instructive demonstration of how markets work, comfort, convenience and security have enabled them to build up a major business in spite of charging a higher price.

How wrong we were. Now it transpires that all they were really after was an entry ticket to the kleptocracy.

We have no doubt that government will find it easy enough to turn down this request. Even the economic illiterates in our Cabinet will surely see that there can be no point

in pouring countless millions of taxpayers' money into minibuses, Putco and the Sats suburban rail lines, just so that they can compete with each other.

In any event, one of government's main fiscal concerns right now seems to be a way of getting more money out of black taxis, which it fears are undertaxed — in itself a massive concealed subsidy.

What is needed is less subsidisation, not more. If black taxis are really candidates for support — which, frankly, we doubt — let it come from the acknowledged policy of cutting subsidies to Putco and freeing the market mechanism, not distorting it further.

And if the black taxi industry wants to preserve the image it has rightly built up as a shining example of private enterprise at its best, it really shouldn't let itself be seduced into such nonsense. ■

TRANSPORT INDUSTRY

Haul together now!

Four private-sector road transport organisations may merge into a single body to represent the industry.

The four organisations are the Public Carriers' Association (PCA), whose members haul goods for customers; the Southern African Bus Operators' Association (Sabo), which represents private-sector bus operators; the National Association of Private Transport Operators (Napto), whose members haul their own goods; and Savrala, which represents the truck hire industry.

If they merge they will also form an academy of transport to serve the industry's training needs once the present transport permit system is replaced by a quality system. It will also offer training to the informal sector.

PCA chairman Phil Erasmus says: "There's a real need to bring the informal sector, which is in deep need of training and discipline, into the formal transport industry. We don't want a black taxi situation in the freight industry when transport is completely deregulated."

Some serious problems will have to be resolved before the new organisation is formed. One is that SA Transport Services (Sats) is a member of Napto, but in competition with the PCA.

Explaining the merger plans, Erasmus says: "The spur was the rape of the transport industry in 1988 when additional taxes on fuel, increased licence fees and the tolling of existing roads added R2bn to the industry's costs. We all made our separate representations to the government, but failed to convince it that its actions were harming the industry and the country. We reasoned we

stood a better chance if we spoke with one voice."

Negotiations began in November. An 18 ha site with training facilities in Honeydew, near Johannesburg, has been earmarked as the new home. It will also house the proposed academy.

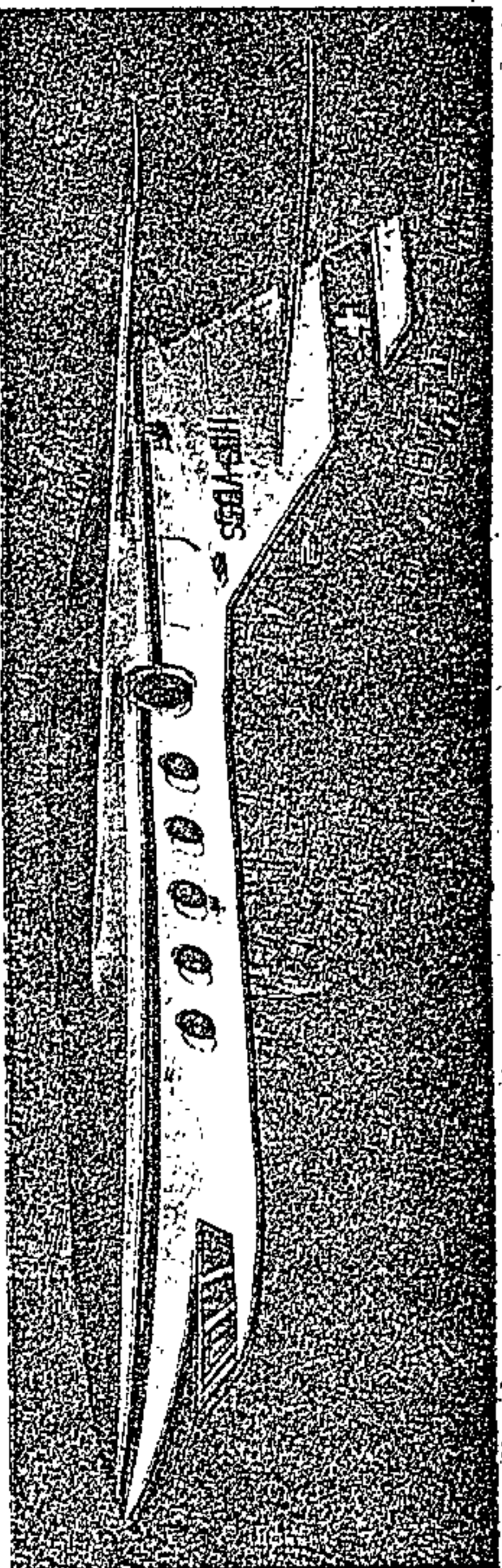
Jackie Walters, who became Sabo's executive director on January 2, sees the possible merger as only the first step in uniting the transport sector.

"We're trying to get the movement started by getting the road vehicle operators to unite. If we succeed, we'll go multi-modal and include air- and sea-freight carriers," he says.

Napto executive director Andre Jacobs says the academy will be formed even if the bodies do not unify. He adds that Napto will agree to unification only if the new body offers a more cost-effective way of dealing with the industry's problems.

It will not agree to Sats being expelled as a member. "We cannot have an association without Sats. How can one form a body to represent all modes of transport and exclude Sats?" he asks.

Africa's skies are opening up again to SA travellers and Cape Town is to become the HQ for a wide-ranging air charter group which says "we'll take you anywhere, any time".
ROGER WILLIAMS reports.



AT YOUR SERVICE: A 12-passenger Falcon 20 twin-jet — one of the fast executive aircraft operated by Aeroleasing.

New service will boost local economy

AN EXPANDED, world-ranging air charter service to have its head office in Cape Town, has been hailed by commerce and the travel industry as an ex-

citing move towards re-opening Africa's skies to South African executives and travellers. With SAA already oper-

ating to the Ivory Coast, Zambia, Zimbabwe and Malawi, the new charter operation will offer not only more air links within

the continent but also with other parts of the world.

William (Bill) Esson, operating manager of and spokesman for the new international charter venture, said: "We'll take you anywhere, any time."

Sicotra/Sopex's air charter service is an adjunct to its considerable export-import operations in Africa and Europe, with its base in Kinshasa, Zaire — chosen for its central African situation.

Karl Twigg, regional director of the Association of South African Travel Agents, said: "This is an exciting development

with prospects of air travel to parts of Africa with which we do not have scheduled services. It could widen travel horizons considerably."

Cape Town

Air Charter

Services

for World

Cape Town's 4/2/89 332

35 aircraft

Esson disclosed in Cape Town that merging the charter interests of the Cape-based Sicotra/Sopex group with Aeroleasing of Geneva would give the combined operation a fleet of 35 executive jets and turbo-prop aircraft.

The fleet includes the latest Falcon 900, the Falcon 50 and 20, the Learjet 35 and 55, a 21-seat DC9-14, the Beechcraft 200 and 300 and Cheyenne turbo-prop and the turbo Twin Otter, designed for short and remote landing strips. The fleet also has Boeing cargo aircraft.

Aeroleasing says it is the biggest private air charter company of its

kind in Europe and the second biggest in the world.

The extent of Africa's trade with South Africa was dramatically exposed this week in a study by the French-language magazine Afrique, which showed the continent swallowed R4,5 bn of South African goods on in the first seven months of 1988.

Fast travel

Esson said that, to start, two of the new group's aircraft would be based in Johannesburg — "but, as demand grows, we will have to base some of our aircraft in Cape Town as well."

"While our aircraft have for long been in and out of Cape Town — three Falcons were here this week — they have not been available to the public, which they will be now."

"We will be offering fast executive travel, discreetly on demand. Our rates will be competitive with business class on scheduled airlines but we have

THE expanded, Cape-based air charter service announced this week, with the prospect it offers of additional air transport links with Africa and Europe, can only benefit the local economy, says Anthony Coombe, president of the Cape Town Chamber of Commerce.

"It is certainly an exciting prospect that an overseas airline is planning to extend charter services to SA, and Cape Town in particular."

"There is undoubtedly a considerable demand for direct flights in and out of Cape Town, both for freight and also for passengers."

"Perhaps the most exciting prospect is that tourist charter flights may be included in the package, which is something that this chamber has advocated for many years."

'Leading growth industry'

"The recent record tourist season once again exposed the limitations of our existing air services for tourists wishing to visit Cape Town over the holiday season."

"Travel agents have recorded that a far greater number of tourists could have been brought to Cape Town had more seats on aircraft been available."

"Tourism is probably Cape Town's leading growth industry and every additional tourist brings new spending-power into the local economy, creating jobs and benefiting all who live in the region."

"The prospect of new air services operating on SAA's scheduled routes is also welcomed. The chamber has strongly promoted the deregulation process, and the deregulation of transport is already far advanced."

"Its extension to air services would be a logical and positive development."

no intention of running scheduled services or competing with established airlines on regular routes."

Esson said details such as charter fees to specific destinations were still being calculated but added:

"Our aircraft are furnished to the highest executive standards and flown by top crews, backed by service and maintenance facilities in Geneva and Kinshasa well up to international standards."

Bus lines in bid for more facilities

By MEG BRITS

AS Cape Town increases its slice of the tourism cake, private inter-city bus operators are pushing for proper loading and parking facilities.

These will become available should the town planning committee's scheme for a "tourism centre" in the city get off the ground but the operators are keen to have an immediate interim solution.

The mayor's ad-hoc committee for tourism is concerned that the present facilities are not only inadequate but among the worst in the country.

Inter-city coaches pick up and put down passengers in front of the city's main station but bus operators complain that there is no space to park extra buses legally and no shelter for passengers.

Another problem arises because several bus lines operate from the same point and passengers are easily confused. The operators are not allowed by SATS to erect information booths or to have people carrying destination placards in the area.

Bad impression

A subsidiary problem is that there are few holding bays outside the city's major hotels and that operators are often fined for parking illegally.

At an informal meeting on Friday, mayor Mr Peter Muller told representatives of the coach line operators that his committee was seeking an immediate solution to the problem. He said the tourist's first impression of Cape Town was hardly likely to be favourable in the present circumstances.

Mr Johan Ferreira, owner of the Interkaap busline, explained that his company alone was handling around 660 passengers a day including those travelling to and from the airport.

It was suggested that the mayor's committee approach SATS to come to some arrangement about allowing the private operators to use the SATS bus terminus at the station and perhaps the soon-to-be vacated SAA offices.

However, the operators have agreed to meet again to draw up a comprehensive schedule of their arrivals and departures so that an approach to SATS can be made by the committee.

Nafcoc to review transport

THE National African Federated Chamber of Commerce is to hold a major conference to focus on advantages and disadvantages of the Government's intention to privatise the transport industry.

Sowetan 6/2/89
By JOSHUA RABOROKO

Co-ordinator of the conference, Mr Steve Mokoena said the conference whose theme is *Black involvement in the Overall Transport*

Industry, will be held at Claridges Hotel, Cape Town, on February 13-14.

Mr Mokoena told the *Sowetan* that transport has been one of the major events on the organisation's calendar. In view of the recent development in the transportation industry and realisation by many entrepreneurs of opportunities existing the need for such a summit could not be overemphasised.

surprised that a conference of such a nature could take place without their organisation.

Issues

"We always had a working relationship with Nafcoc which is the respected body organising black business people. Fundamental issues have to be addressed regarding privatisation in the country," he said.

Welcomed

He said all people with vested interests in the transport industry would be welcomed to attend.

However the largest single body in the transport industry, the Southern African Black Taxi Association (Sabta) yesterday said they were not invited and would not attend.

Sabta's communication manager, Mr Jabu Mabuza, said they were

Mr Mokoena said: "Real bread and butter issues such as finance, insurance, government contracts and others will also be discussed. An eminent group of speakers has been assembled to address the conference."

Interests

He added that companies with vested interests in the industry like motor vehicle manufacturers, petroleum companies and many others could attend.

Universities and State organisations interested in the industry's affairs will be welcomed.



City has high accident toll

Staff Reporter

ABOUT 30 000 accidents a year take place on Cape Town's roads, causing an average of 310 deaths and leaving 650 people seriously injured.

These are among the horrifying statistics that encouraged The Argus and Firestone to sponsor another series of Better Driving Courses this year.

According to Cape Town's Traffic Manager, Mr Wouter Smit, the statistics do not adequately reflect the extent of the problem.

Suffering

"One only has to think of the pain and suffering of the families of those who die to appreciate that the Traffic Department, the private sector and the public have to take responsibility for what happens on Cape Town's roads, and to find ways of improving the situation," Mr Smit said.

"The driving courses offered by The Argus and Firestone are an example of what needs to be done to rectify this problem as 80 percent of road accidents are caused through human fault," he added.

The Argus-Firestone project

comprises four three-day courses which will be presented by the Cape Town Traffic Department at the Killarney race track over four months, starting in March.

First introduced last year, the courses are aimed at offering existing road users the opportunity of honing their driving skills under expert guidance, enabling them to adapt to changing traffic circumstances and to deal with

potentially dangerous road situations.

The dates of the courses are March 14, 15 and 16; April 18, 19 and 20; May 16, 17 and 18; and June 6, 7 and 8.

Two other courses are being organised for taxi drivers in March and April. These courses will be presented over three days to 30 taxi drivers nominated by the SA Black Taxi Association and the WP Black Taxi Association.

Readers are invited to apply for the free course by submitting an 80-word motivation of why they should be accepted for the Better Driving Course. The reader's name, address, home and work telephone numbers and driving licence number should be included with the entry.

Entries should be addressed to The Argus-Firestone Better Driving Course, P O Box 1896, Cape Town 8000.

Man, 28, dies in fall from train

Staff Reporter

MR Farouk Hoffman, 28, of Manenberg, died when he fell from a train he was trying to board at Claremont.

Police said the accident happened when Mr Hoffman was on his way to the Mardi Gras at Wynberg. It is believed he was sucked on to lines by the train's vacuum.

Mr Thomas Engelbrecht, 25, of Malmesbury, was killed when he was struck by a train between Abottsdale and Malmesbury.

Mrs Johanna van Wyk, 31, of Hex River Valley, died after a

train struck her 150m from Hex River Valley.

Mrs Cora Walters, 40, of Prieska, was killed when a minibus overturned on the Vredendal-Lamberts Bay road. Her son Booje, 6, was seriously injured and four people were slightly hurt.

A man was killed and seven were injured when their minibus taxi overturned after hitting a lamp post in Jans Smuts Drive near Pinelands. Their identity has not been established.

Mr Ernest Groenewald, 50, of Canterbury Street, Diep River, was knocked down and

killed by a car on the N2 freeway near Macassar.

Eleven people were injured, two seriously, when two cars collided on the Old Mamre-Darling road near Atlantis. Emergency service personnel used mechanical jaws to free two injured.

Back in the swim

DURBAN. — Bathing was resumed at all Natal beaches after two beaches, Ballito and Scottburgh, were closed at the start of the weekend because of problems with shark nets after the big seas last week. — The Argus Correspondent.

BRUCE ANDERSON

Micor's profits increase 44%

MICOR Holdings has improved attributable profit by 44% for the six months to December in spite of a fall in turnover.

Attributable profit before an extraordinary item of R215 000 was R1,92m. Earnings a share were 66,2c or 58,8c after deduction of the extraordinary item — the final disposal costs of a powder coating plant.

Directors say the increase in the group's attributable profit reflects the improved re-

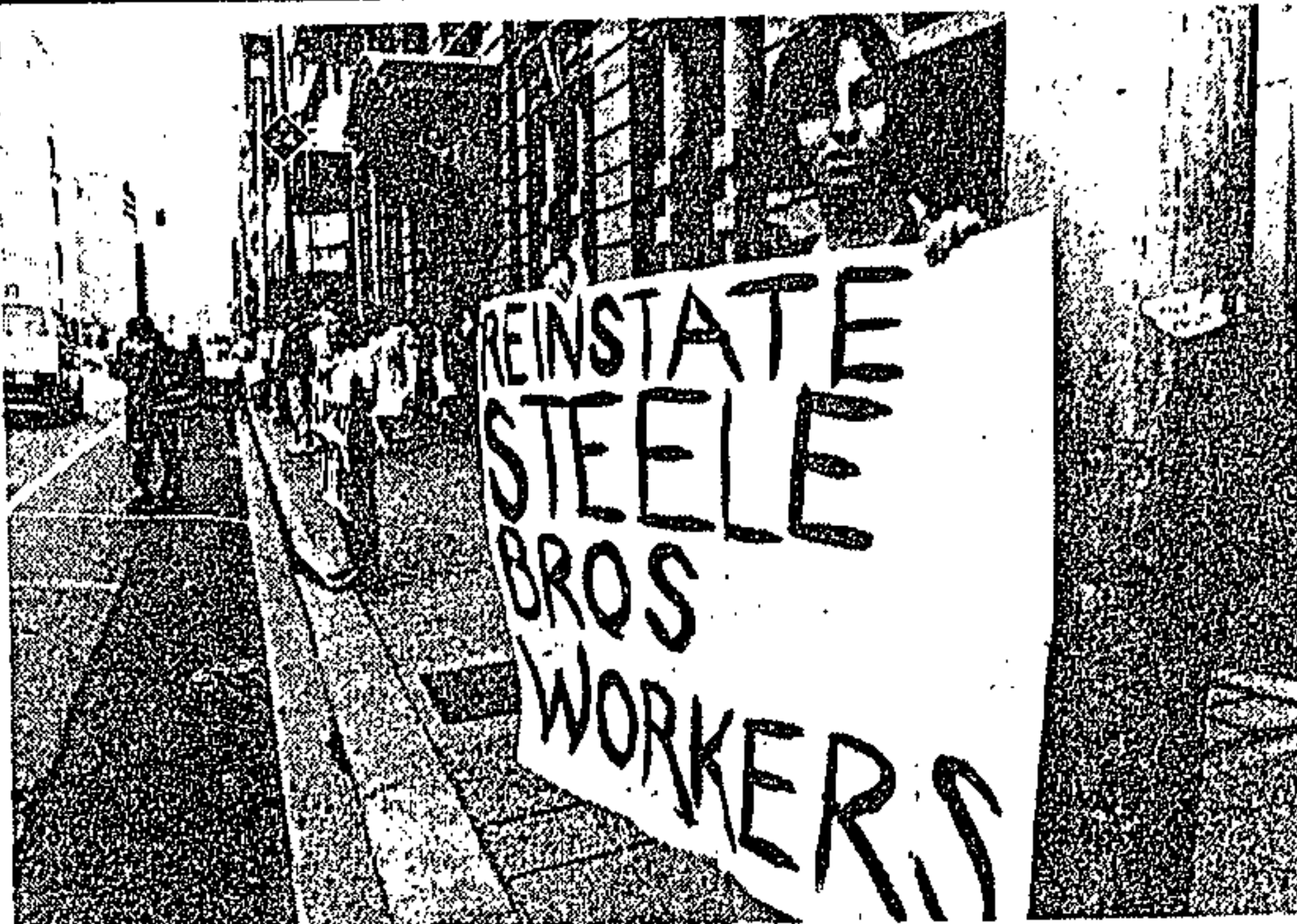
sults of all major divisions. "The drop in sales is not significant since for our activities turnover bears little relevance to profit."

Micor's activities include air and sea freight, insurance broking, industrial finance and travel. In spite of the imposition of additional import surcharges in August 1988 a continued high level of imports has enhanced the

performance of the group's freight divisions.

Directors say second-half profit should not be less than that achieved in the comparable period last year.

The group has disposed of the loss-making activities of the industrial division over the past few years and the remaining industrial activities are trading profitably.



Placard-bearing pickets outside First National Bank head office on Simmonds Street, Johannesburg, yesterday protest at Industria-based Steele Bros plans to move to Bophuthatwana. Picture: ROBERT BOTHA

Pickets 'picked wrong target'

BRENT MELVILLE

PICKETS at First National Bank's Johannesburg head office claimed yesterday it was linked to a company moving to Bophuthatwana.

Bank executives said the demonstrators were picking the wrong organisation because FNB had no direct interest in the Industria, Johannesburg, Steele Bros company.

Paper, Printing, Wood and Allied Workers Union' members and supporters said they were dispersed by police.

Wits University SRC vice-president Anton Roskam said the picket

began at 12.45pm and was broken up 20 minutes later. The SRC labour committee organised the protest.

"At least one union protester was detained," he added.

SAP spokesman Frans Malherbe said no action had been taken and no arrests made.

FNB senior GM Jim McKenzie said the bank had "absolutely no interest in Steele Bros". FNB nominees owned shares "but we have no say in what Steele Bros do".

Passenger transport loss

GERALD REILLY

PRETORIA — The passenger transport sector suffered a huge loss of R16,9m in the quarter to end-September Central Statistical Service says.

This compared with a loss of R1,8m for the same quarter in 1987.

However public goods carriers (non-governmental institutions) showed a net profit of R74,9m in July-September compared with R58,9m in the same period in 1987.

Public goods carriers and public passenger transporters showed capital expenditure increases on new assets of 141,7% and 56,5% respectively. The value of new vehicles purchased by public goods carriers

during the quarter was R126,2m, 91,9% of total capital spending.

Passenger transporters spent R14,9m on new vehicles — 82,8% of total spending.

Public Carriers Association technical manager Hugh Sutherland said tonnage carried had probably reached a peak and there would be a gradual easing off towards the end of the year.

Between 1984 and 1987 cargo volumes fell off by about two thirds. However during 1988 tonnage returned almost to 1984 levels.

R3bn chase for

R3bn chase

From Page 1332

Durban projects.

Project leader Wessel Pienaar says: "We are looking at all the metropolitan projects. Light-rail systems have become a reality for South Africa. What happens in PE will set the scene for the rest of the country."

The Port Elizabeth project will link the CBD with the northern suburbs.

Pretoria also wants to relieve pressure on its CBD area and is looking at a system to be built in seven years.

Durban is considering a system linking the CBD with Inanda.

Cape Town is looking at routes from the old power station site through the proposed docks redevelopment area and possibly to Green Point. It would be a tourist attraction.

Johannesburg has the most complex requirements. Mr Van Ass and other experts believe it has no option but to go underground.

The first study into a mass-transit system was undertaken by the Johannesburg City Council in 1955. A total of R5-million has been set aside by the Department of Transport for another feasibility study to cover residential areas developed since 1955.

Tram orders

STimes 14/2/87

THREE large industrial groups and three private transport operators are vying to build and operate light-rail systems which could cost up to R3-billion for five cities.

The light-rail systems will carry intra-city passengers in vehicles that look like trams. They are designed to reduce traffic congestion.

Tenders for the first electric system — in Port Elizabeth — are expected later this year. The cost is estimated at R350-million, and is to be completed by about 1992.

It will probably be a prototype for the others — in Pretoria, Cape Town, Durban and Johannesburg. They will serve only certain parts — or corridors — of the cities.

Main contenders for the supply of rolling stock are Metrail, a European-South

By Udo Rypstra

African consortium, Siemens in collaboration with Union Carriage & Wagon and Duwag, and GEC with Dornier.

The Government is looking at turnkey packages. It wants the builders to operate and maintain the systems as well.

For this reason the three manufacturers are negotiating with the main private transport operators — Tramway Holdings, part of the Tollgate group, Putco and the South African Black Taxi Association (Sabta).

Finance

Rolling-stock suppliers hope a third of the funds needed for the projects will be supplied by the Department of Transport, which has set R125-million aside for the Port Elizabeth project. The Metrail consortium

says it can assemble packages that range from design to operation by importing expertise from Europe. But it would prefer an SA partner.

Metrail, whose existence was announced a few weeks ago, consists of Swiss-controlled Industrial Machinery Supplies (IMS) as leader, Alstom of France as designer, engineer and, if required, operations partner; project leader EMS; and Genec for manufacture, erection and assembly. Duros says it will organise finance both here and abroad.

IMS's Mr Fik-It, Louis van Ass, who formulated his company's Mosses tender proposals, has taken over as light-rail project leader. He says Alstom is one of Europe's leading experts in the design of light-rail systems. Tramways Holdings is involved in advanced studies on the Port Elizabeth and

... by **JULIE WALKER**

Rock-bottom Racy racing out of the penny league

S/Times 12/2/89

332

189

RACY Group Holdings shares are among the penny stocks, but could be worth twice the current 80c.

Racy comprises two major divisions — Hendlers Industrial Carriers and Diesel City. Hendlers was started in 1971 by brothers Ralph and Cyril, who had only one truck between them. Elder brother Elliot established a Durban branch in 1977.

Racy became an indirect subsidiary of TIAC (Trade & Industries Acceptances) in 1981, and four years later the business of Diesel City was acquired.

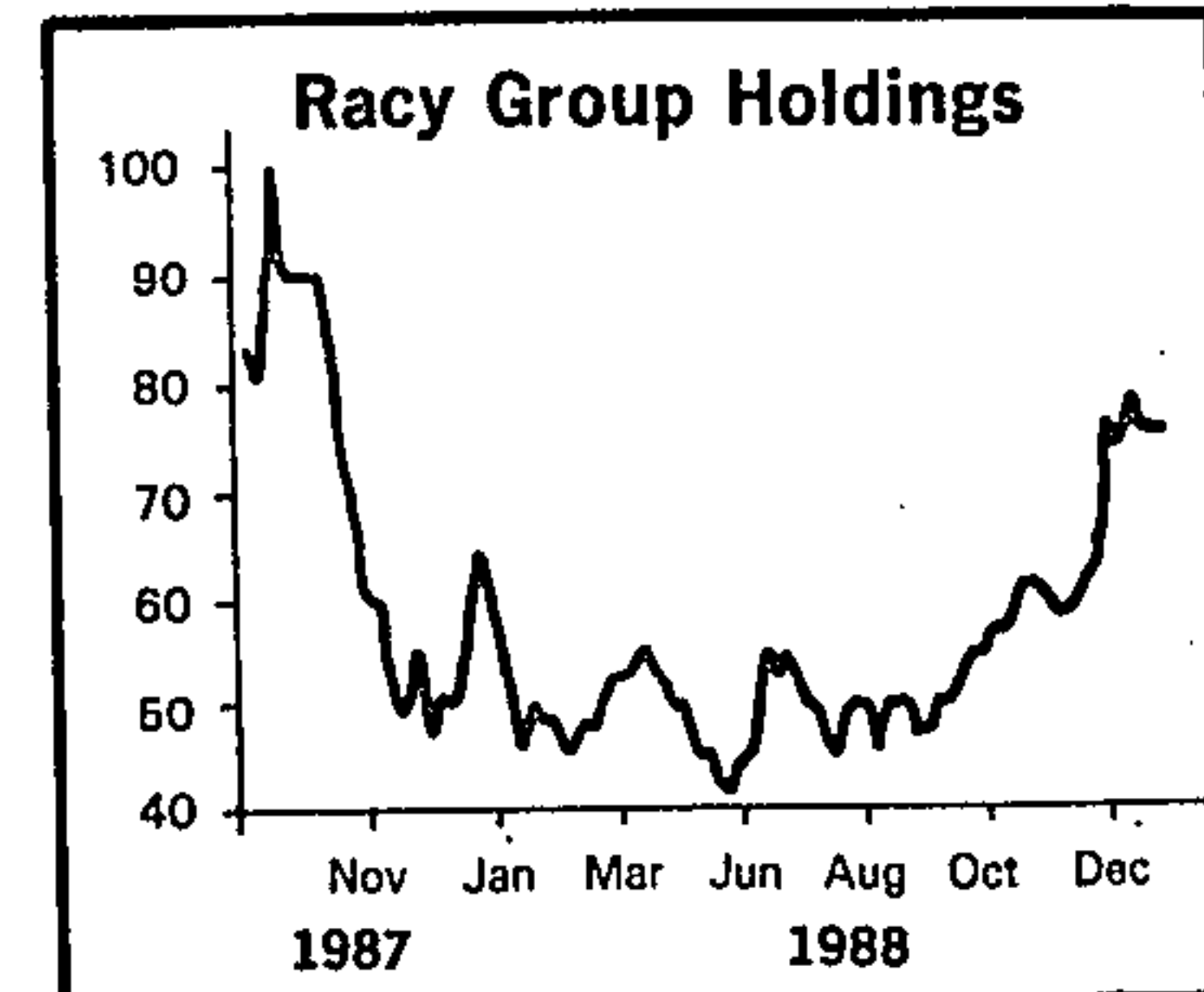
Racy was listed on the JSE in August 1987 when 7.2-million shares were offered at 75c. Since then the share price has been as low as 42c.

HAPPY

Managing director Allan Jacobson is more than happy with the business, saying: "Everyone keeps saying the economy is slowing down, but we are increasing the capacity of our fleet because demand is so strong."

Hendlers carries for a variety of industries and has warehousing facilities in SA's three major centres. No single customer accounts for more than 7% of turnover, so vulnerability to a particular field is limited.

"We carry mostly finished goods, nothing messy," says Mr Jacobson. He believes that deregulation of the transport industry will take a



long time, but Hendlers will be ready to take advantage of the opportunities.

The fleet comprises only a few different models to make maintenance more simple.

For a newcomer to enter road transport even at Racy's modest size would cost R75-million. Those companies already in the driving seats are also in the pound seats.

REBUILDERS

Diesel City's workshops are equipped to rebuild, repair and install diesel engines for mining, industry and transport.

Diesel City also imports parts for wholesaling, and has franchises for engine, mechanical and electrical parts and fuel-injection systems.

"We are an accredited dealer for Atlantis Diesel En-

gines (ADE), which has a big future in SA for engines up to a certain size," says Mr Jacobson.

Diesel City rebuilds an engine with a warranty that it is as good as new in terms of the hours of service at a saving of between 65% and 70% on the price of one out of the box. Clients range from mines to Government departments to company fleets.

"We can remake an engine

in five to six days. We have a range of engines which can be borrowed by the client in that downtime so that he does not lose money while his vehicle is off the road."

A large capital investment was made in the stock of engines for this purpose, but it has been worthwhile.

Another innovative idea is the leasing or rental of an engine. "We have reached an agreement with a bank to allow the lease or rental of an engine only. A customer does not have to buy an engine outright or lease a new vehicle.

"Buying an engine ties up capital which could be put to better use elsewhere in the business. We will even put engines on standby in the event that a client might need one."

Racy turned over R20-million in the six months to September, and expects to top R40-million for the year to March. Interim earnings were 8c a share. Last year's earnings totalled 11.5c, and the share price of 80c is 5.8

times historic earnings.

This year's earnings should be between 15c and 16c — a forward price-earnings ratio of only 5 times. The average historic PE for the transport sector is 8.5 times.

MAXIMUM

Racy's tax rate will be 37% compared with last year's 28%. Next year the company will pay the maximum rate of tax, but Mr Jacobson does not expect the bottom line to be below this year's.

The current dividend yield is 8.4%. Dividend cover was increased to 2.5 times at the interim because borrowings had risen to fund three acquisitions costing R3.5-million.

"We are 30% geared, and the figure will rise to 45% by March. But we are looking five years ahead with our expansion. We have bought the latest equipment and can move bigger loads while maintaining overheads."

The net asset value at the half-year was 72c — so buyers of shares at the current price are getting in at a rock-bottom price.

Huntcor oddlots on the way out

S/Times 12/2/89

HOLDERS of fewer than 100 shares in Huntcor can now

Bonuskor's listing on the JSE was terminated in August last year when its mem-

sue of ordinary shares by Huntcor to its controlling shareholder.

New taxi war fears

Sowetan 14/2/89 332

POLICE are investigating circumstances leading to the shooting and wounding of three Alexandra taxi owners — one critically — in what is feared to be the latest outbreak of a taxi warfare in the area.

Mr Lesley Masipa, who is the captain of the Alexandra Taxi Enforcement Squad, is lying critical at a Johannesburg Hospital after he was shot in the head by balaclava-wearing men in Sandton yesterday morning.

Another taxi owner, Mr Sam Lerutla was shot and wounded in the chest, while Mr Reuben Thobejane was also wounded in the shooting

By JOSHUA
RABOROKO

that has spelt fear for many taxi owners.

Sergeant Piet Fourie of the Johannesburg police yesterday confirmed the shooting.

Appeal

The police were also investigating 14 other cases in which taxi drivers were shot, assaulted, intimidated and harassed by members from a rival taxi association.

He appealed to residents who have information about the latest shooting to contact him by telephoning (011) 440-7219.

Stuttafords heads

African removals

SYLVIA DU PLESSIS 332

STUTTAFORDS Van Lines booked 549 export shipments and handled 295 import shipments last year — the largest number in and out of Africa, Laser Transport Holdings says.

The results place Stuttafords in the world's top five removal companies.

Star 14/12/89

332

Murray — getting the staff together

By Stan Kennedy

Morale at Cargo Carriers took a dip after the death of its founder Mr Des Bolton 18 months ago and the staff became nervous and unsure about their future and security. There were also some faults in senior management.

Mr Patrick Murray (49), a seasoned transport operator, having spent all his working life in the industry in the United Kingdom, Europe, America and Africa, was the man who was culled from a score of possible candidates to become the next managing director.

In his position for six weeks, he is aware of no magic formula that will change the successful nature of the company's business but he does have some ideas about a new direction it should take and bring a synergy to the organisation.

Exists

"The first area that struck me requiring attention was getting the staff together and working as a team. After all, no company, even the most successful, exists without people, without *esprit de corps*.

"I was not employed to put anything specific in place. In fact, I think the company has everything going for it — staff, abilities and disciplines. It was the imposition of the disciplines — there are more than 400 of them — that went astray."

Another contributor to its loss of tone was that the 3 000 staff had worked for a company with 900-odd vehicles as a private company for an enterprising person, Mr Des Bolton, who started the company, 30 years ago.

"When it moved into the arena of public companies the various disciplines were not established correctly.

"It is someone else's money now and more professionalism has to be introduced into the business."

Not that it did not have the disciplines but in today's highly competitive industry, they needed better administration and control, he says.

On his strategies to bring about a more business-like environment, he has already changed certain aspects of the company's structure,



Patrick Murray

in terms of authority, and in areas further down the line.

He believes most strongly that if an organisation is to be profitable, there must be incentives and authority given to people who are actually running the trucking side.

Up to October 1987, when it was listed on the stock exchange, it was very much a family business.

Later, Mr Bolton became ill and did not again carry out his normal management functions. This resulted in a bit of a hiatus and some deviation of purpose, despite meeting all its promises to shareholders in its first year.

In the six months to end-August 1988, turnover increased 19 per cent to R71 million over the corresponding period in 1987.

Mr Murray's first year will be one of the *status quo* until the staff becomes accustomed to the new management structure, new responsibilities and authorities. Where there are shortcomings, people within the company with the necessary expertise will be called in to fill positions.

It will be a year of consolidation, preparing the company for expansion and organic growth.

The effect of the proposed privatisation of SA Transport Services, he believes, will throw up a lot of opportunities for the company and it has to be ready to grasp them.

While some aspects of privatisation are still a bit muddy, when it does happen it will do the trans-

port industry a lot of good, he thinks.

Mr Murray is by nature cautious while being systematic in everything he does. The transport industry is exceedingly varied and is not a production line turning out a single product.

About 70 percent of his time is spent looking after people and getting them to make decisions that will ensure the business runs efficiently.

He says: "I see to it that there is no dawdling in terms of decision-making. A decision to me, right or wrong, is better than no decision at all. That is the way I work and that is what I am trying to instill into the directors of the various disciplines at our daily meetings."

The final decisions, of course, are his responsibility and, in a moment of levity, he says: "While it might be fair to say I am the final arbiter in the decision-making process, most people will either agree with me or be told to agree if there is no absolute majority on any issue."

He tends to be fairly lenient when a person bungles an assignment but not when they make the same mistake twice. "Once we can learn from it, twice it could cost us a lot of money."

Convinced

He is convinced that in making mistakes, people learn from them and become strengthened. They begin to feel secure in their positions and authority and tend to do a good job. If they are nervous, they will hesitate when making decisions and this could be costly in the transport industry.

But he is quick to upbraid anyone who keeps him in the dark on vital issues affecting the company. He wants to know, even if it means being called in the middle of the night, about all accidents.

After some years as a district officer in Northern Rhodesia, now Zambia, he joined United Transport in central Africa, where he did a five-year training course on buses, tourers and heavy vehicles. It included work on the bench.

"I never tire of the job. It is a fascinating industry."

Star 14/2/89

332

Taxi shootings blamed on a rival association

By Stan Hlophe

A spokesman for the Alexandra Taxi Association (ATA) accused a rival association yesterday of being responsible for the shooting of two of its members.

The spokesman, who declined to be named for fear of being the next victim, told The Star that the shooting of Mr Lesley Masipa and Mr Simon Lerotla was the "dirty work" of members of the

Alexandra-Midrand-Sandton Taxi Association (Amsta).

Both men are in hospital and Mr Masipa's condition is critical.

A spokesman for Amsta denied it was involved.

"We have nothing to do with the shooting and we also feel bad about the whole saga.

"We are presently involved in discussions with ATA to bring peace in the area."

Taxis 'nightmare' for Meadowlands residents

ANGRY Meadowlands residents have petitioned the Diepmeadow Traffic Department to stop the "overflow of speeding taxis" to their street during peak hours.

The Itumeleng Street, Meadowlands Zone 3, residents said they sent the petition because they feared for the safety of their children.

"The peak hour traffic, between 5pm and 6,30pm, has become a nightmare for us. We lock our children inside the gates and close windows because our street is not tarred and the speeding taxis raise a

By PHANGISILE MTSHALI

lot of dust," said a resident.

The director of the Diepmeadow Traffic Department, Mr Thomas Mabambe, said his office had received the petition signed by 200 residents from the area.

"We are doing all we can to prevent this overflow from Vincent Road but all streets are public roads and taxis are not breaking any rule by using Itumeleng Street as an alternative route during peak hours," he said.

FILED IN: 11/11/11
11/11/11
11/11/11

11/11/11
11/11/11
11/11/11

Suter wants to sell stake

ROBERT GENTLE

LONDON — Suter, the giant UK industrial group, said yesterday it would dispose of its 26% stake in the SA freight company, Grindrod, if a suitable buyer could be found.

Financial director Brian Hoare said: "If we had an appropriate offer, we would definitely consider selling."

The reason for the disposal of Grindrod, whose freight operations cover land, sea and air, would be "purely commercial" as the company did not fit in with Suter's main line of business.

Hoare said no contact had yet been established with potential suitors. As

for the fate of Suter's more extensive investment in the SA company, Refrigeration Investment, he said that was a long-term holding which Suter had no intention of relinquishing.

Suter's SA interests have been steadily decreasing since the acquisition in the UK in 1987 of the Mitchell Cotts engineering group. Virtually all of the latter's SA operations have now been disposed of.

Hoare said it was no longer accurate to describe Suter as having "extensive" SA interests.

Another taxi driver is shot

THE "taxi war" between rival Alexandra taxi associations has claimed another victim.

He is Mr Nicholas Sangweni, a member of the Alexandra-Midrand-Sandton Taxi Association who was shot in the chest by hitmen in Alexandra on Tuesday.

According to AMSTA spokesman, Mr Sangweni was shot by two men after off-loading passengers.

He was rushed to Alexandra Clinic and was transferred to Johannesburg Hospital. Police have confirmed the shooting.

Mr Masipa's shooting comes in the wake of the death of an Alexandra Taxi Association (ATA) patrol squad "Captain", Mr Lesley Masipa, and the injury of Mr Simon Lerolla, who was with Mr Masipa when they were gunned down on Monday.

Mr Masipa died at Johannesburg Hospital a few hours after he was admitted. Mr Lerolla

SOWETAN Reporter

was admitted to Baragwanath Hospital. A third man, Mr Reuben Thobejane, escaped unhurt in what was his second encounter with himen.

The spokesman for AMSTA denounced the latest incident and said it would not solve anything.

"Instead of talking we are fighting against each other. This will serve us no good. I wonder if the meeting scheduled for next Tuesday at the council chambers will ever take place after these incidents.

"This is the time for the police to intervene and act strongly. We are eager to see the culprits being brought to book from either side for the sake of peace."

'Ominous' truck price hike

MARC HASENFUSS

332
A 275% TRUCK rig price hike since 1986 was ominous for SA's road freight industry, Information Transfer Group (ITG) chairman Jonathan Harrod said in a statement yesterday. 8/10am/1991/2/87

The rig price increase from around R80 000 to R300 000 effectively precluded small operators from buying equipment, and with the 11% petrol price hike and road transport deregulations, they would soon be squeezed out of business or consolidated into larger operations.

Despite a near-20% increase in the sale of new trucks of over five tons since 1987, there had been a less than

2% increase in rolling stock on the roads.

Most rigs over five tons lasted between three and 11 years, and older rigs were dropped at about the same rate as new rigs were purchased.

Motor Industry Federation executive director Jannie van Huysteen said increased truck prices would not force small operators out of business as old vehicles were extensively upgraded rather than replaced.

Road transport deregulation would open the market, and not disadvantage smaller operators, he said.

Trencor well up at the half-way stage ^{Stev H 2/89} (332)

By Ann Crotty

Trencor's excellent first-half performance suggests that chairman Neil Jowell's earlier forecast of little earnings growth in financial 1989 is likely to be wide of the mark.

For the six months to December, turnover was up 41 percent and earnings per share surged 53 percent.

The interim dividend has been doubled to 20c a share, although this reflects an attempt to redress the growing disparity between the interim and final dividend.

Management says the increase in the year's total dividend will be roughly in line with the growth in earnings.

Turnover was up to R334 million and operating income rose 54 percent to R336 million.

The interest payment was up 153 percent to R38 million (R1.5 million), although gearing remained

at 41 percent. A drop in the tax rate restored the growth at taxed profit level to a 53 percent increase from R12.7 million to R19.5 million.

The dividend of 20c has been declared from earnings per share of 122.3c (79.7c).

Despite the strength of the first-half performance, management remains cautious about the full year.

"The growth in group income in the first half is not expected to continue in the remainder of the year and we expect earnings for the whole year to show a modest increase over last year's very high base."

This conservative stance reflects the consistently strong profit growth the group has produced since financial 1984.

Feeling in the market is that in view of the bullish forecasts from players in related industries, un-

less there is a major and sudden change in conditions, it is difficult to see Trencor not reporting a reasonable real increase in earnings.

Management says that all domestic divisions met their budgets, with the engineering division exceeding expectations.

"The export operations continue to make a significant contribution to earnings."

Trencor's holding company, Mobile, reported earnings up 52 percent to 30.5c (20.1c) a share and has declared a dividend of 4.7c (2.35c).



Mr Neil Jowell

rector general Ronnie Meyer says the DoT is now preparing the final draft of the Bill, which will break the monopoly that bus operators, including municipalities, have on scheduled routes.

Aiming at an overall improvement in the quality of public passenger transport, the Bill also seeks to ensure the eventual provision of minimum services where demand exists but is too small to interest big operators.

The DoT does not favour the present system where, even if the service provided is inadequate, an operator can retain the sole right to service a route, provided he adheres to his timetable.

"Municipalities provide services only on demand, and private companies provide only those services they see fit to provide. No one ensures the services are adequate," says Meyer, adding that in future serious consideration will be given to privatising all city transport.

This obviously excludes Cape Town and Port Elizabeth, for example, where the bus systems are already operated by private transport companies.

Meyer says passenger transport authorities (PTA) will be formed in all areas. Where they exist, regional services councils will be the PTAs and where they do not exist, for example in Natal and in rural areas, local authorities will fulfil that function.

PTAs will have to do "proper planning for public passenger transport in their areas. They will have to ensure that it is suitable and that minimum services are provided where needed.

"They will also have to subsidise unprofitable routes. This is not new. The Johannesburg City Council, for example, uses its rates fund to subsidise the Johannesburg Transport Department's (JTD) losses — R20m last year. The onus of providing and planning suitable public transport will be shifted from central government to regional authorities, where it belongs," says Meyer.

PTAs will call for tenders and be empowered to award one to five-year contracts for all routes, including those operated by municipalities. They will have to monitor the performance of contractors. Operators will be free to tender for their existing routes.

The DoT has already run a successful demonstration project in which it called for tenders for routes between Atteridgeville and Pretoria. Transport Resource Management and Davis Transport were the successful tenderers.

Meyer says the DoT has had "serious discussions" with Johannesburg about privatising the JTD which, with more than 440 buses carrying more than 50m passengers/year, is the biggest municipal bus operation in SA.

JTD director Ed Curtis, who has made a study of how London went about privatising its vast public passenger transport operation, is not averse to the idea. Like London, the Johannesburg council will probably bid for some of its own routes. Likely ones include

routes like Yeoville and Bellevue East which are among the busiest in the world. During weekday peak periods buses depart every two minutes.

The council will probably not be interested in routes such as Winston Ridge, where the recovery rate is less than 25% of operating cost. But it will have to subsidise those who buy the city's poorly patronised routes, says Meyer.

BUS SERVICES (332) RM/KL

Free for all 17/2/89

By 1990, municipalities will be able to start selling their unprofitable bus services to private enterprise. That is, if parliament approves the Passenger Transport Bill due to be tabled in two months' time.

The Department of Transport (DoT) di-

Trencor sparkles with 53% interim earnings increase

TRENCOR, the Cape-based transportation company, has turned in a sparkling interim performance but the directors indicate that second-half earnings growth will slow resulting in only a modest earnings increase for financial 1989.



● JOWELL

Earnings a share for the six months to end December advanced by an impressive 53% to 122,3c (79,7c) while the interim dividend was doubled to 20c (10c).

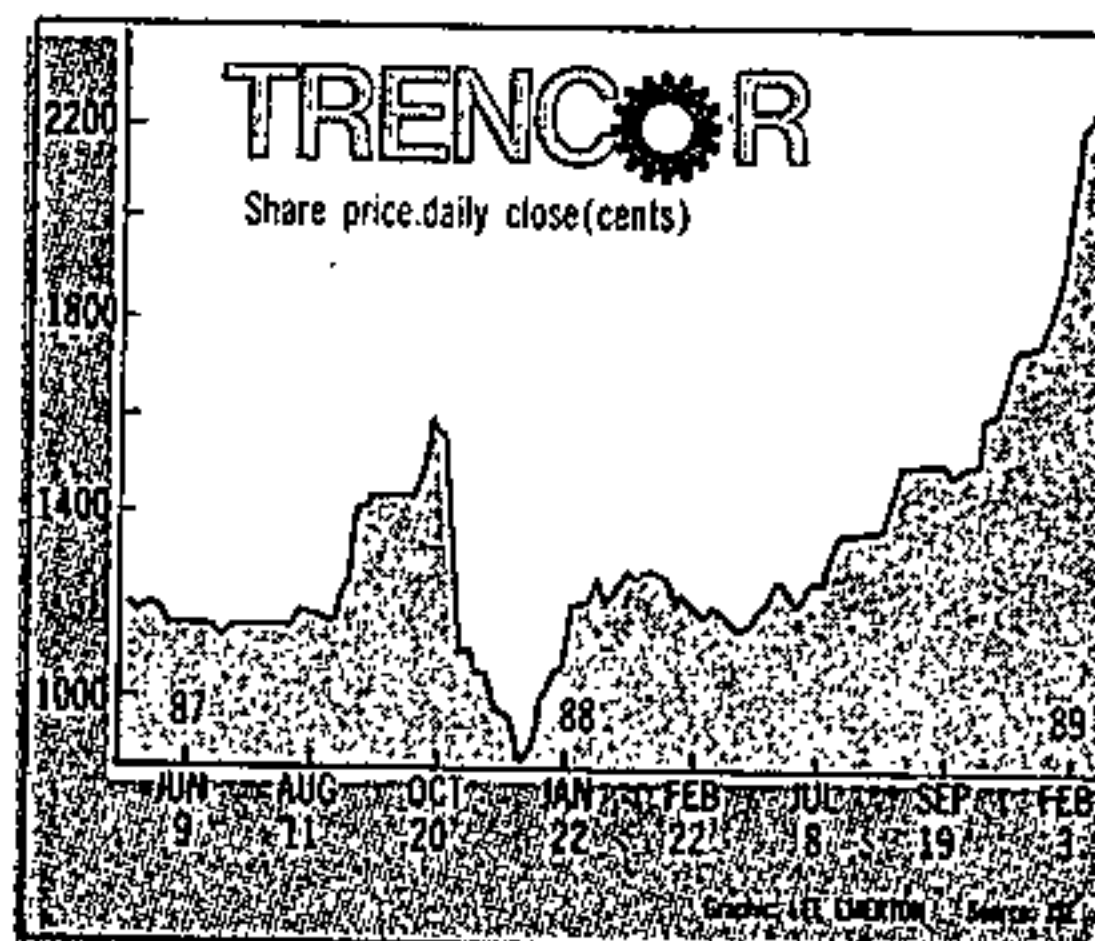
Turnover during the period rose by 41% to R334m (R237m), but a slight improvement in margins enabled pre-interest income to grow by 54% to R33,6m (R21,8m).

Trencor's domestic divisions met their budget during the first half of the year, with the engineering activities performing exceptionally well. The engineering industry is experiencing strong demand for its products. Conse-

STEPHEN RICHTER

quently, this division's performance exceeded the group's expectations. Export operations continue to make a significant contribution to earnings.

Interest paid jumped by 153% to R3,8m (R1,5m) which slowed the growth in pre-tax earnings to 47% or R29,8m (R20,3m). But the tax rate declined



slightly to 35% from 37% and the growth in taxed profits was therefore restored to 54%, or R19,5m (R12,7m).

Chairman Neil Jowell says the huge percentage jump in interim profits is an

unfair gauge of Trencor's interim performance. He explains: "Certain factors that were related to the export business were brought to account unevenly during the previous financial year."

Consequently, earnings for the final half of the current financial year may not match the comparable period of the previous year. Nevertheless, Trencor should show a moderate increase in its bottom line.

The directors say that the disparity between the interim and final dividend has widened in recent years. Therefore, in an effort to redress this difference, the interim dividend was raised substantially.

Jowell says the final dividend will depend on the group's performance for the remainder of the year as well as the directors' view of prospects for the following year. But it is expected that dividend cover for financial 1989 could slip slightly below 5,0 times.

Trencor's activities encompass five major divisions: trading, manufacturing, engineering, transport and tyres.

Mobile, which holds a substantial stake in Trencor, increased earnings by 52% to 30,5c (20,1c) and the dividend was also increased 100% to 4,7c (2,35c).

Road transport under govt fiscal pressure

FISCAL measures were being used to regulate road transport and were forcing freight back onto rail in order to make rail more profitable before privatisation, industry sources said.

Public Carriers Association CE Ian Moss said while on the one hand government was committed to deregulating the licensing of road transport to allow freer competition between road and rail, with the other hand it was introducing taxes that made road transport uncompetitive.

The fiscal measures included a 100% hike in licence fees for commercial road users to be introduced by April 1 accompanied by another increase in the price of diesel. This was preceded by two increases in the petrol price last year and toll road levies. Government had also indicated it would regulate driver times.

In 1988, the costs on road transport rose by between 25%-30% putting

HELOISE HENNING

pressure on the private-sector road carriers to pass the costs on to consumers.

Tollgate planner Wessel Pienaar said the dice was now loaded against road transport to divert freight back to rail.

Moss and Pienaar said consumers who chose road transport because of speed, convenience and reliability, were "now having to think twice about using such transport".

World tendencies were for road transport to grow while rail transport shrank. Moss said: "We must not interfere with the natural development of user choice."

Government interference in transport, a critical and central sector to the economy, would have a detrimental effect on the economy as a whole.

Challenge over racial fining

332

Soweto 17/2/89
THE Soshanguve taxi owner whose driver was recently fined R100 for transporting a white woman is to challenge the fine in court.

The court action follows an incident in which a driver of a taxi, Mr. David Mafumadi, was fined for carrying Miss Annete 'Palesa' Heunis to work last week. The taxi was stopped at a road block

By ALINAH DUBE

between Mabopane and Pretoria.

A traffic officer told Mr Mafumadi he was not allowed to carry non-black passengers.

Miss Heunis and her martial arts expert boyfriend, Jerry Tsie, are now residents in Mabopane. The couple settled in Bophuthatswana a year ago.

Trencor boosts income by 54%

Financial Editor

TRENCOR, the Cape Town-based transport and manufacturing group which has steadily increased earnings for the past six years, regardless of fluctuations in the economy, lifted attributable income for the six months to December by 54% to R17,5m (R11,5m).

The interim dividend has been doubled to 20c a share. But executive chairman Neil Jowell emphasized that this "should not be seen as a pointer towards the total pay-out for the year."

He said the reason for the size of the increase was to smooth out the difference between the interim and final payments.

Turnover rose to R334m (R237m) and income before interest to R33,6m (R21,8m). The interest bill soared to R3,8m (R1,5m) and the tax bill to R10,3m (R7,6m) leaving after-tax income of R19,5m (R12,7m).

Earnings at share level were 122,3c (79,7c).

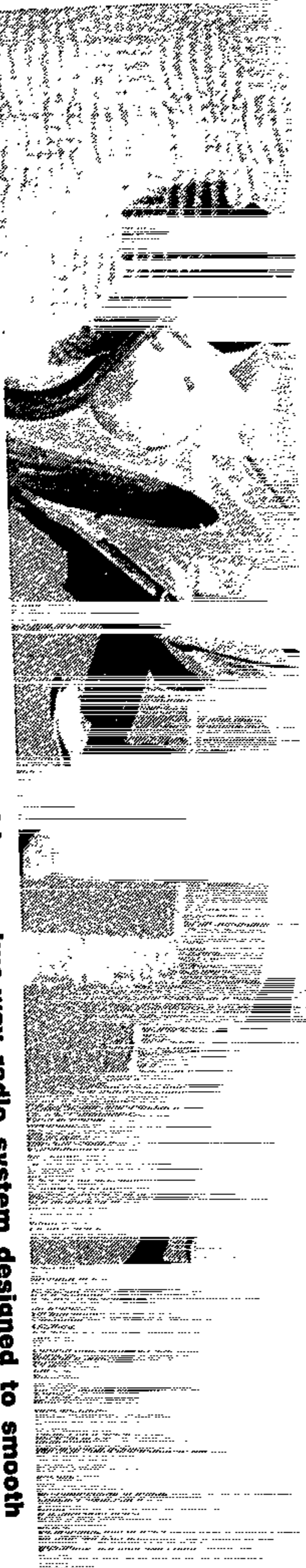
Describing these results as "satisfactory", Jowell said all divisions had performed well, particularly engineering.

"The group's export operations, which constitute a significant and hedge in current circumstances, increased their valuable contribution to earnings."

But he said trading conditions in the first half of the financial year were not strictly comparable to those in the same period the previous year.

"The growth in group income during the first half of the year is not expected to continue and we expect earnings for the whole year to show a small increase over last year's very high base."

● Trencor pyramid company Mobile lifted attributable earnings for the six months to December to R8,7m (R5,7m). The interim dividend rose to 4,7c (2,35c). Earnings were 30,5c (20,1c).



Pebta's regional operations manager, Wiseman Gidana, with new two-way radio system designed to smooth operations.

PE taxis upgrade their local services

Driver training, marshals to reduce accident rates

CP Correspondent

EVERYONE has been talking taxi in Port Elizabeth.

If it wasn't Mr Government Zini launching a communications system for the Port Elizabeth Black Taxi Association (Pebta), it was the national president, James Ngcoya, announcing a plan to train taxi drivers.

"We are preparing, with the emphasis on safety, for the road ahead," said Ngcoya of the South African Black Taxi Association (Sabta).

Speaking at the East Cape training centre in Strandale, Zini said Pebta had introduced two-way radios and marshals at taxi ranks to ensure a smooth flow of traffic.

"The marshals will be able to highlight bottle-neck areas and control traffic at peak hours. The service will benefit passengers," Ngcoya said Sabta was intro-

ducing training centres where the National Road Safety Council would assist with lecturers and training for member drivers in Natal and the Transvaal.

Ngcoya said Sabta would extend the scheme to other areas if it was successful.

Rex Botha, Marketing Director of Goodyear SA, said the sheer economic pressure to increase and improve output at the lowest cost influenced the tendency to violate traffic regulations.

Ngcoya replied that he hoped the communications system and marshals in PE would discipline reckless drivers.

Referring to the taxi rumpus early last year, Ngcoya said it was his wish that the defectors should return to the Sabta fold.

"I hope the radios are an incentive to unite us. We want progress. It is time to have a proper communication exercise."

Both he and Zini appealed for

more discipline and fewer accidents.

"Pebta is a guinea pig for the radio project," said Zini, "and we will be carefully watched by Sabta."

But competition is tough in the taxi business. And so it should be in an industry that is second only to the government in its consumption of oil, petrol and tyres.

Taxi permits are not easy to acquire, as the taxi drivers have to compete with monopolies such as PE Tramways and the South African Transport Services.

Linda Deli, taxi owner and member of the Pebta executive committee, said the Transportation Board determined the routes and they were not usually in conflict with those of SATS.

"The new outlying areas need taxis, but permits are difficult to get - the application is deserted and the opposition objects, saying we have enough taxis."

The Uncedo Black Taxi Association, said to be the transport wing of the East Cape African Chamber of Commerce, said they were "operating to meet the demands of transportation for the residents of this town."

The number of taxis in the streets of SA has grown from a couple of battered old Valentins into a huge business with more than 100 000 minibuses on the roads daily.

The township taxis, quicker, cheaper and more convenient than conventional buses, transport more than four million peak-hour commuters daily.

The industry also employs 300 000 people - 70 percent of the numbers employed in mining.

Sabta taxis have a daily passenger volume of five million - 17 percent of SA's workforce.

The average Sabta taxi carries about 300 passengers daily. - Pen

situation is highlighted by reports that police were investigating 14 cases in which taxi drivers were shot, intimidated and assaulted this week.

Alexandra Taxi Enforcement Squad captain Lesley Masipa was shot dead this week, while drivers Sam Lerutla and Reuben Thobejane narrowly escaped with gun-shot wounds.

Meanwhile, anger is mounting among East Rand taximen following a massive crackdown on taxi "pirates" that resulted in 29 arrests this week.

The Tokoza Taxi Association and Tokoza Taxi Organisation have openly criticised the enforcement of new traffic by-laws since January 16 by East Rand traffic inspectors.

The groups have accused traffic inspectors of being "naive and inefficient" in enforcing the by-laws.

Tokoza Taxi Association public relations officer Paul Ngubeni said: "The arrested taximen are not pirates - they meet all the requirements. 'Their only mistake was that they were not in possession of road transport documents, but the 'triangle certificates' pasted on their wind-screens is sufficient proof that their vehicles are roadworthy."

Ngubeni denied that "pirate" taxis operated on the East Rand. He said local taxi associations were equipped to check on taxi piracy.

However, Britz said some of those arrested were not local drivers, but "outsiders who have no business to be operating on the East Rand".



1 year-old grandson

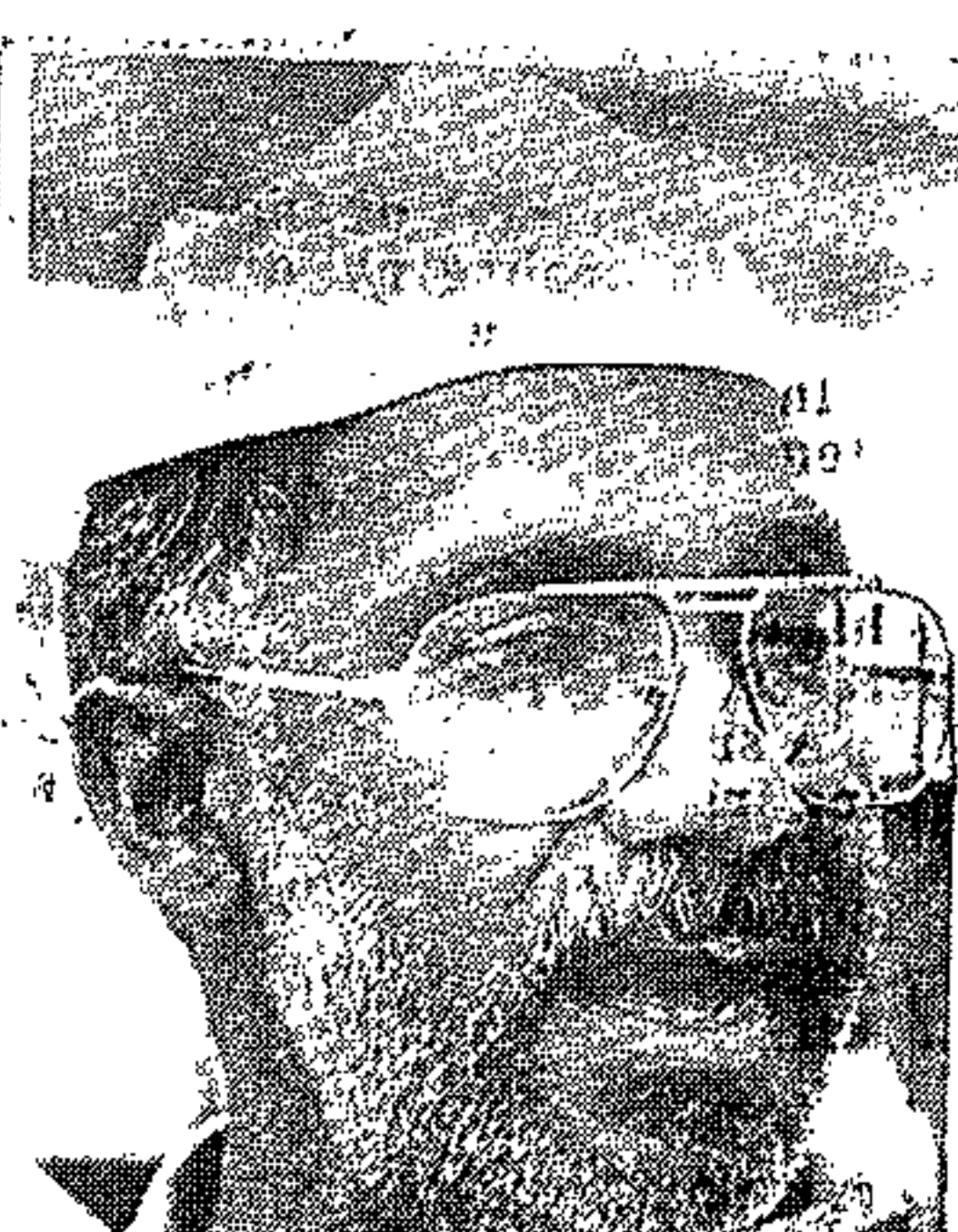
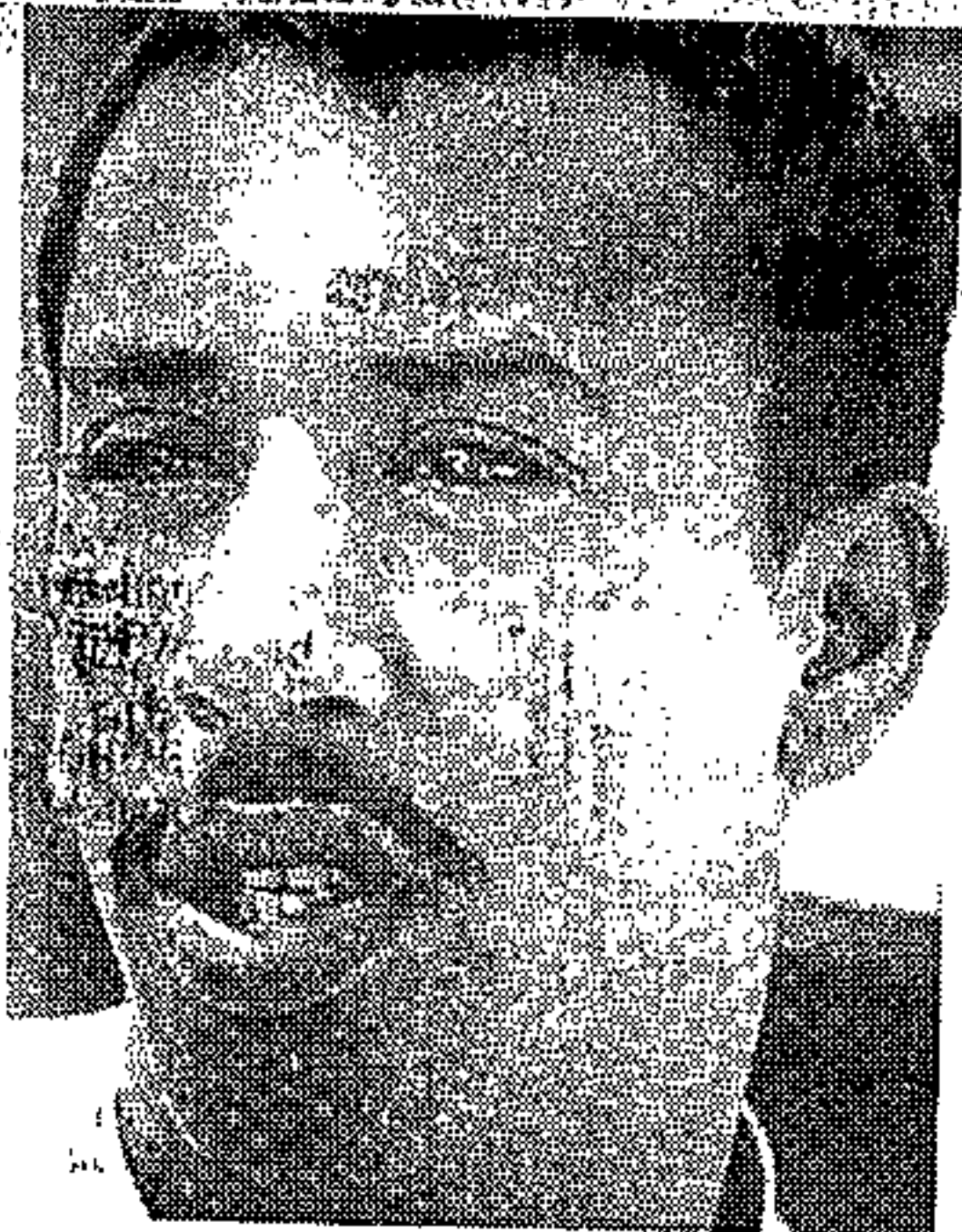
E Rand taximen in bid to end violence

By STAN MHLONGO

TWO East Rand taxi associations this week held an urgent meeting with senior traffic officer Barend Britz in an attempt to avert a

14/02/89

252



MUGAMAT DAVIDS ... "I think we'll get a lot more passengers."

ABDULLAH LOUW ... "I don't support City Tramways."

ALI SALIE ... "We won't increase our prices like them."

Minibus taxis geared for a boom

By **KEITH MORKEL**

INDEPENDENT minibus taxi companies are expecting a boom after last night's petrol price increase and several have promised not to raise their own prices for at least a year.

According to minibus taxi drivers and commuters on Strand Street, the increased City Tramways bus fares — which come into effect today — will drive people from buses into their taxis.

Minibus commuter Mr Faried Abass told the Cape Times that there had been only two independent minibus fare increases

since January 1987.

"On the other hand," he said, "City Tramways has raised their prices three times since March last year. They're doing the minibuses a favour."

Minibus driver Mr Ali Salie said that he expected more passengers because of the Tramways increase.

"We won't increase our prices like them. The larger minibus taxi companies probably will, but not us," he said.

Another driver, Mr Mugamat Davids, expected to get "a lot more passengers because of the increase in bus fares". "But of course we are going to have to

spend a lot more on petrol," he added.

Another commuter, Mr Abdullah Louw, said: "I don't support City Tramways because they raised their fares three times last year. These minibuses only did it once."

"We'll just have to go along with the petrol price increase," said commuter Mrs Belinda Moore. "I sometimes use the City Tramways buses when I can't get a minibus."

Mr Norman Shenker said he preferred minibuses to City Tramways.

City Tramways could not be contacted for comment last night.

Cape Times 16/1/87 332

Amber light for drivers of minibus taxis

By SHARKEY ISAACS
Staff Reporter

STEPS to improve the standard of driving of minibus taxi drivers in the Peninsula are being considered by Cape Town traffic chief Mr Wouter Smit.

Mr Smit outlined the proposals at a meeting of the Green and Sea Point Traders' Association last night.

He said it was "perhaps time" to consider alternative steps to punitive measures against taxi drivers.

Skollie problem

Alleged moving traffic violations by some minibus taxi drivers and a skollie problem were highlighted by Sea Point businessmen at the meeting chaired by city councillor Mr Chris Joubert.

Mr Smit said the problem was not confined to Green Point and Sea Point.

Recent statistics in the municipal area had shown that 353 taxi drivers had been ticketed for moving traffic violations and a further 3 500 had been ticketed for overloading.

The Peninsula's taxi service had swelled from 400 registered vehicles in 1983 to 2 200. There were also about 1 200 pirate taxis.

"Maybe it's time to train these drivers," he said.

The matter would be raised at discussions between liaison committees and taxi association officials. A driver education programme had already been effective at high schools.

Mr Smit said the taxi-driving standard could be improved with a series of lectures and courses.

A speaker from floor disagreed and said taxi drivers were but one segment of the city's motorists and it would be much better to teach everybody as there were many other bad drivers.

Dr John Sonnenberg, councillor for Sea Point, said the effect of the minibus taxi industry in boosting the economy was only part of the solution.

While the taxi service afforded many people the opportunity to earn an honest living in ferrying workers quickly to and from Sea Point and other areas, it also had enormous defects which could be overcome with greater control and an "educational programme".

Mr Joubert said three pedestrians had been knocked down by minibus taxis at the top of Regent Road, where a "satellite" police depot was situated. This was the main problem area.

Tourists

He believed the recent influx of skollies to the area was indirectly "linked" to the taxi service.

The police depot was described as "ineffective" by Mr Joubert, who said traders and tourists were often harassed by skollies who were not the usual vagrants of the area.

He and other traders intended to take up the matter with the Minister of Police. Hotel patrons had been advised not to shop at the top of Regent Road.

The driving licences of some overseas taxi drivers were withdrawn after three moving driving violations and it was time consideration was given to taking similar steps here, Mr Joubert said.

Nedlloyd Lines has 15 container ships in the pipeline

FIFTEEN new container carriers are to be introduced to the worldwide Nedlloyd Lines liner services through a major shipbuilding programme in the next five years.

Nedlloyd's SA region manager Joop

BID 22/2/87
MARC HASENFUSS

Weddepohl said the line operated the most extensive shipping network in the world, deploying 28 cellular carriers

with a total capacity of 53 000 20-foot equivalent units (TEU) as well as 25 conventional and semi-container ships.

The programme will put Nedlloyd in the upper echelon of the international top 10 with an extra 57 000 TEU slots.

Vlok asked to intervene in Alex taxi war

By Craig Kotze, Crime Reporter

Alexandra's escalating taxi war is receiving attention at ministerial level after a sixth fatal shooting.

Law and Order Minister Mr Adriaan Vlok's office has received a request for a meeting from one of the taxi organisations involved in the bloody feud. The request, made by a lawyer for the Alexandra-Midrand-Sandton Taxi Association (Amsta), is under consideration.

Latest victim is taxi-driver Mr Bongani Zungu (24) of the Alexandra Taxi Association (ATA) who was gunned down in the township on Tuesday night.

The war between ATA and Amsta has now claimed six lives and bullet-proof vests are in increasing demand in the township.

Among those killed are the chairman and vice-chairman of Amsta who were murdered by gunmen on Friday night. Mr E'Molema was shot dead in his car soon after Mr William Seopa (35) and his deputy Mr Lorain Mnisi shot.

Sats, Sabta link up for door-to-door service

SATS and Sabta are planning a novel "door-to-door" service for commuters.

A traveller will be able to buy a single ticket which will include a taxi ride from the station to his/her destination.

Talks were initiated by Sats passenger services chief director Gerhard Booyesen, who first approached Sabta officials at a conference. There have been three rounds of discussions.

At a meeting this week, Sats presented its proposals to Sabta's board.

Booyesen's deputy Charles Wright said:

15/Day 24/2/89
HELOISE HENNING

"We feel there is a need for a one-stop service and we would like to develop a ticket system with Sabta, whose taxis are already acting as a feeder to our train services."

A similar service involving buses and trains has been operating, but the bus services have lost business to the mini-bus taxis.

Most major bus companies, including transport giant Putco, have seen their commuter business steadily eroded over

the last four years with a concomitant drop in operating profits in spite of government subsidies.

Sabta transport consultant Paul Browning said what was commonly referred to as a "taxi" was actually an unscheduled mini-bus service with operational efficiencies dependent on the tight margin the operators were under through rising costs.

He said Sabta was seeking new business for its members and the Sats proposal provided such an opportunity.

Bid to resolve taxi wars

332

Sowetan 24/2/89
THE divisional inspector andra Midrand of the Witwatersrand Sandton Taxi Association in an attempt to resolve the ongoing bloody feud between members of the Alex- rival taxi associations.

Brig Pretorius told the Sowetan that the meeting took place in a "cordial spirit" and discussed various problems.

He said the rival taxi association — the Alexandra Taxi Association — has been called to attend a joint meeting with AMSTA and police in Randburg next Wednesday.

The latest victim is driver Mr Bongani Zungu (24) of the ATA who was gunned down in the township on Tuesday night.

New rail links a threat to bus firms

By UDO RYPSTRA

BUSES are to make way for light rail transit systems in many metropolitan centres over the next decade, bringing a sharp decline in growth for bus and minibus manufacturers.

Business will take a dive — unless bus manufacturers diversify and sub-contract components required to establish the LRT systems.

Until now, many manufacturers have regarded the introduction of LRT as a remote possibility. But — like Mosgas — metropolitan railways are to become a reality.

The first R350-million system — in Port Elizabeth — is due to be fully operational by 1992. Tender specifications are expected to be sent out in the second half of this year.

Rather than fight against the inevitable, South Africa's main transport operators — such as Tollgate, Putco and the SA Black Taxi Association — have expressed an interest in becoming partners in LRT systems.

Extend

Likewise, major companies involved in the manufacture of heavy vehicles and components for the trucking industry no longer see LRT as a threat, but rather as an opportunity to extend their expertise and influence in the sphere of transport.

A perfect example of this is Industrial Machinery Supplies (IMS), a leading South African manufacturer and supplier of fifth-wheel couplings and truck and trailer components.

With privatisation looming in the transport industry, it has now formed a consortium with Genrec, EMS and the French company Alstom — manufacturers and operators of LRT systems — to provide turnkey systems locally.

Siemens and GEC are other manufacturers and suppliers in the running.

The initial outlay for the systems being planned in Port Elizabeth, Durban, Pretoria, Cape Town and Johannesburg will be well in excess of R2-billion.

Imperial still hot on the acquisition trail

IMPERIAL Truck Systems, the powerful new force in long-haul trucking, is still searching hard for new acquisitions.

And, according to MD Stuart Reeves, it has "money to spend".

Since Imperial's entry into the long-haul business was reported in Trucks and Trucking in November, the company has acquired Speedbird of Durban, previously owned by Mr John Stapleton.

The company is also breaking new ground in its relationship with black customers and employees.

Influence

Says director in charge of franchising Gerhard Hartzenberg: "Drivers must be happy with the product — both because this will have a bearing on how they look after it and because they do have an influence on buying decisions."

With Hino now moving

into the top end of the market with high-tech V8s, and with companies increasingly employing black transport managers, "we must get close to them," he adds.

Recently Imperial organised a special Truck Day which was not only well attended by blacks but also by two mayors. Though the event was largely social, audio-

visuals and competitions also served an educational function. Mr Hartzenberg warned that setting driver incentives was a "subtle art" that could motivate or

demotivate. It was important not to move the goalposts, for instance. He admitted there was some driver resistance to monitoring devices. However, good drivers

wanted to be distinguished from others and therefore did not resent the devices, he said.

Much resistance had been overcome by companies that had had the foresight to share some of their savings with their employees.

But, he warned, objectives had to be attainable. Paying drivers on a kilometre basis could be dangerous, he said, but if properly structured, and managed, this method could be effective. Mr Hartzenberg said

drivers paid on this system could earn between R3 000 and R4 000 a month.

Blacks, he said, were often not consulted although they comprised the vast majority of employees.

With this in mind, the company is planning to launch an "Imperial Club". Mindful of the importance of pride, Imperial already gives drivers of new trucks top-quality rally jackets, caps, vacuum flasks and photographs of themselves with their new vehicles.



Imperial's Truck Day . . . a chance to socialise and get motivated by audio-visuals and competitions

By Don Robertson

THE Public Carriers Association (PCA), facing what it calls a Government onslaught, is to seek legal opinion on the validity of the Mooi River toll road.

The road will be the main issue to be discussed at a convention at Sun City on March 5. More than 400 hauliers are expected to attend.

The association has 450 members. Public carriers own about 15 000 vehicles and form the largest private organisation of its type in South Africa.

The conference will be addressed by speakers from America and Britain as well as concerned SA delegates.

Inflationary

The industry believes that toll roads, the increased heavy-vehicle levy and the higher fuel price are aimed at pushing private operators out of business.

Not only is the Government's approach inflationary, it is uncaring, say hauliers. Pretoria is prepared to accept a high casualty rate among hauliers because South African Transport Services (Sats) is there to take over their work load. Sats needs the work, says the PCA Focus under the headline, "Crisis convention".

Ian Moss, executive director of the PCA, tells Business Times that the Government is going against what it should be doing if it intends to privatise Sats.

"It has introduced fiscal measures which are the most onerous we have ever faced.

"It has caused an artificial situation which effectively makes rail transport more

Road hauliers to challenge tolls

competitive than it should be and at the same time has removed the decision on the mode of transport."

The decision to regulate the numbers of hours a driver may operate will also come under scrutiny at the convention.

Fatigue

Mr Moss says that of all road accidents last year, only 8% involved trucks. Only 25% of these accidents could be ascribed to fatigue.

The PCA's objection to the Mooi River toll road — it is using it as a precedent — is that the alternative route is unsuitable.

It also complains that toll fees were not discussed with private enterprise and that levies are demanded on existing roads.

The article in PCA Focus says that arguments, blamishments and appeals to reason have fallen on deaf ears.

Having discovered that there is easy money to be had by fleeing the transport industry, the Government is preparing to do so again and again.

"In the absence of a better idea, or indeed any idea, why not?" the article asks.

The PCA believes that more fuel price increases can be expected.

Although the Minister of Transport Affairs, Eli Louw, consults advisers, they are mainly from Sats, who question any opposition to new restrictive measures.

Consultation

"If transport operators are driven to the wall, there is always Sats from which, by a remarkable coincidence, Government's transport advisers are almost exclusively drawn," says the article.

"For hauliers, this represents the most serious threat to their livelihood, their very existence, that they have ever faced."

Mr Moss says that because



ELI LOUW

of the uncertainty in the industry, transport operators are reluctant to invest in new equipment. They are not sure whether they will be able to earn a sufficient return on assets. As a result, more and more are trying to get out of the business.

Amazing Elliott No 1 in world⁽³³²⁾

5/1 Tues 26/2/89
TWO of South Africa's removal companies are well placed in the rankings of Overseas Moving Network International.

The privately owned Elliott International is placed first in the world, its removals last year amounting to 2,075-million kilograms.

Stuttafords is ranked fifth, its shipments totalling 1,725-million kilograms.

Elliott chairman Tom Ansley says: "Although my company has won the Platinum Award for being No 1 worldwide, our shipments out of SA in 1988 declined by 20%, and our imports increased by more than 40% compared with 1987."

An export decline is predicted for the current year, and imports are expected to soar.

Mr Ansley will go to Greece in May to receive his award, the first time it has been made to an SA company.

Increased haul for Presto Transport

PRESTO Transport, the road container carrier, has increased its taxed profits by 17% to R860 000 (R737 000) for the six months to January.

Earnings rose 16% to 5,7c (4,9c) a share.

No dividend has been declared as the company pays only a single dividend at the financial year-end.

Turnover rose 36% to R24,5m (R18m) because of increased market share and volume of goods moved.

332 8124 271289
ZILLA EFRAT

Directors attribute the 7,5% (8,6%) fall in operating margins to costs incurred in upgrading the Durban container terminal to facilitate growing demand from the export sector.

Operating profits were up 18% to R1,8m (R1,6m).

The capital expenditure programme arising from increased sales volume resulted in gearing rising

from 10% to 44%. But the directors said gearing should be contained at the current levels in the light of anticipated movements in interest rates.

The interest bill fell 24% to R112 000 and interest cover rose to 16 times (10,5 times).

MD Stephen Leggatt expects growth to be stronger in the second half of the year. In April the fleet size will be increased by about 20%.

By Joe Openshaw

An application for permission to run 200 Tuk Tuk taxis — three-wheel vehicles with motorcycle engines — in Johannesburg will be considered by the council's management committee within the next fortnight.

The application was made last year by Mr Brian Tressider whose Tuk Tuk promotions company is already operating the six-seater mini-taxis in Durban (25) and Umhlanga (five).

Local authorities and the Road Transportation Board have given permission for five Tuk Tuks to be run in Ballito Bay.

A separate application to operate them in Johannesburg has been lodged by Mr Tressider with the local Road Transportation Board, whose approval must also be sought.

"On March 10, Tuk Tuks will be demonstrated in Port Elizabeth to the Road Transportation Board and representatives of the Port Elizabeth, East London and Cape Town licensing authorities," Mr Tres-

Council to consider

Tuk Tuk taxi bid

sider said.

The Tuk Tuk taxi, which originated in Thailand, is a convenient, quick, economy-class form of transport over short distances.

"It is planned to operate the Tuk Tuks in Johannesburg within a 5 km radius embracing the CBD and Hillbrow," Mr Tressider said.

Mr Chris Froneman, managing director of Rose's Taxis, said last week that his company would oppose Mr Tressider's application when it is heard by the Road Transportation Board.

Mr Tressider said permission to operate five motorcycle taxis had been granted by Pine-town but turned down by the Road Transportation Board, a decision against which he would appeal.

FINANCE

'Rules of entry' cause distortion

B/day 27/2/89 332

ENTRY regulations to the passenger transport industry should be eased with the swing to privatisation so that one distortion is not replaced by another, says a CSIR report released last week.

The report, by researchers Pauline Forshaw and Mark Freeman, was commissioned by the Department of Transport.

It says SA Transport Services (Sats) had fought strongly in the past, using all the forces of the legal structure for protection, to keep the private sector from encroaching on its domain.

Despite Sats's dominion over public transport, the private sector has continued to grow, the report says, referring to inter-city passenger coaches, private airlines and mini-bus taxis.

It adds that those operators who have managed to obtain licences are as "active and assiduous as Sats in invoking the protection of the legal system to keep out new entrants".

Forshaw and Freeman say the broad solution would be to make all operators play the game by the same rules — by transferring the publicly owned entities to

HELOISE HENNING

private ownership, or by phasing out public services where existing private services exist.

"At the same time, entry regulations must be eased to ensure that one distortion is not replaced by another."

They also suggest operator subsidies need to be carefully examined, as these were an additional distortion.

A problem of passenger subsidies had been that no distinction was made between user and operator subsidies. In effect the subsidies became operator subsidies for administrative convenience.

Subsidy allocations in SA had also not led to route costing systems, and the authors question how many operators are aware which of their routes are potentially viable.

The moves toward privatisation already adopted by Sats would boost its profitability, and it could therefore be run under its new structure for several years to enable government to sell it at a higher price. Deregulation before sale of assets would also take time.

Honourable Member to the State President's speech in the House of Assembly on 13 August 1987.

The MINISTER OF JUSTICE:

(1) Yes.

Mr Nelson Mandela visited by other prisoners

51. Mr C J DERBY-LEWIS asked the Minister of Justice:

(1) Whether a certain prisoner, whose name has been furnished to the Minister's Department for the purpose of his reply, was allowed during December 1988 to receive visitors who are prisoners being held at another prison; if so, (a) what is the name of (i) this prisoner and (ii) the prison in which he was being held at the time and (b) (i) what are the names of the prisoners who were visitors, (ii) how often did they visit the prisoner in question;

(2) whether other prisoners are also allowed to have visitors who are inmates of prisons other than those in which they are being held; if so, under what circumstances; if not, why was an exception made in this case?

B141E

(a) (i) The same as furnished by the Honourable Member.

(ii) Victor Verster.

(b) (i) In media reports regarding this visit, the names of certain prisoners were mentioned. I do not consider it in any person's interest to confirm this information officially or to comment in public on the activities of individual prisoners and their visitors, and will only do so in extraordinary circumstances.

(ii) By road.

(iii) During December 1988 — Once only.

(2) yes.

In accordance with the Standard Minimum Rules for the treatment of prisoners it is accepted practice that prisoners be allowed to communicate with, among others, acknowledged friends by correspondence and by receiving visits.

HOUSE OF REPRESENTATIVES

INTERPELLATION

The sign * indicates a translation. The sign † used subsequently in the same interpellation, indicates the original language.

Own Affairs:

School-bus system: tenders

1. Mr J D JOHNSON asked the Minister of the Budget:

Whether he will make a statement on the school-bus system, with special reference to tenders?

*The ACTING MINISTER OF THE BUDGET: Mr Chairman, when representations for the establishment of a transport scheme are received from the principal who identifies the need or the local community, the Department of Education and Culture will investigate whether there is a real need for the establishment of the service and whether the establishment of such a service is economically justifiable.

If the Department of Education and Culture is convinced and satisfied that the establishment of a service is justifiable, it requests the Department of Budgetary and Auxiliary Services, which is responsible for the administration of the transport schemes, to call for tenders for this service. Invitations for tenders are advertised in newspapers and any prospective tenderer is free to tender. All tenders are considered and approved strictly according to the regulations and delegations of the State Tender Board. The above-mentioned instructions provide that the department may accept only the lowest tender. In the case of only one tender, the department may accept it only if the price is reasonable.

Should the lowest tender not be acceptable because of a lack of vehicles or earlier poor service, the next acceptable lowest tender is recommended. Such lowest tender may be accepted only with the approval of the State Tender Board.

Once a tender has been granted to a contractor, a formal contract is concluded with the contractor in question. This contract contains certain re-

quirements and conditions that have to be complied with by the contractor. [Time expired.]

*Mr J D JOHNSON: Mr Chairman, we accept that the school-bus system is an upliftment service for our education, and I want to put the following questions to the hon the Acting Minister.

In the first place, must someone who tenders be a *bona fide* member of a transport concern? Secondly, may a tenderer tender only for the number of vehicles in his possession, or may he tender for more vehicles? Thirdly, is the tenderer expected to take out insurance on a vehicle additional to his third party insurance? Since this is an own affair, I also want to know from the hon the Acting Minister whether people from large companies in particular have the right to tender? In this connection I am thinking of City Trams in the Bolland area, for example. The company is subsidised and can summarily ruin the small businessman.

*The ACTING MINISTER: Mr Chairman, I want to reply to the questions of the hon member for Esselen Park as follows. I want to refer him to the agreement that is concluded with a transport contractor. That will give the hon member answers to his questions. If I cannot read everything in the two minutes at my disposal, the hon member may come to my office where I shall provide him with a copy of this agreement.

According to the agreement the contractor accepts all legal accountability for the safe transport of the pupils. Secondly the contractor is aware that the vehicle that may be used for the transport service, and the driver of such vehicle, must comply with the requirements of the ordinance. Thirdly the contractor must ensure that his vehicle is roadworthy. In the fourth place the contractor must undertake to supply at least one exit for pupils on the left-hand side of the vehicle. The contractor must undertake to maintain the transport service every day on which the school in question is in progress, and to perform the service in such a way that it fits in with the school hours and school sessions and gives pupils a reasonable amount of time to get in and out of the vehicle before and after school. If he does not meet his obligations, and if he is late, he is immediately fined R1 for every half-hour. The amount that has to be paid if he does not turn up is also considered. [Time expired.]

*Mr N MISAACS: Mr Chairman, I should like to know more about the system—the hon the Acting Minister mentioned this—in cases in which the price is not acceptable and they have a system which they call the *ad hoc* system. The hon the Acting Minister must please tell me for how long a period the *ad hoc* tender is valid, and when another advertisement for tenders has to be placed?

Secondly I should like to agree with the hon the Acting Minister. The other question concerns the following: One finds that a person submits tenders, for example, and obtains the ten tenders, but has only a certain number of vehicles. He then sells some of those tenders in a way which cannot be proven and gives the tenders to another contractor with so-called up-front money, because he does not have the necessary vehicles to render this service.

*The CHAIRMAN OF THE HOUSE: Order! There is an hon member who wants to put a question. [Interjections.] The hon the Acting Minister will get an opportunity to speak.

*The ACTING MINISTER: Mr Chairman, . . .

*The CHAIRMAN OF THE HOUSE: Order! I am trying to help the hon the Acting Minister, but he does not want to give me an opportunity to do so. He is going to get the last turn to speak, but there is another hon member who wants to ask something. I want to give him an opportunity to do so, and then the hon the Acting Minister can reply to all the questions at the same time.

*Mr P A S MOPP: Mr Chairman, hon members must not make vague statements. If they know of a person who is involved in a certain matter, they must mention his name so that the matter can be investigated.

*The ACTING MINISTER: Mr Chairman, I want to refer to the hon member for Border who replied to my one question. If we know about such cases, we as the representatives of the people—they are the ones who help to identify that need and help us to transport their children to the nearest school—must draw attention to those matters. I can give hon members the assurance that we shall work to this end. If the hon member has not received assistance, he must tell the relevant Minister. He must come to me and tell me that these are the cases, that he is drawing them to my attention and that I must do something about them.

332 Howard

I can tell the hon member for Macassar that we had similar cases in the Outeniqua constituency, and the problem was resolved immediately. We drew it to the attention of the relevant Minister, and it was sorted out.

I also want to tell the hon member that the *ad hoc* cases are only for the interim period. We try to advertise as quickly as possible. I cannot tell him offhand what period of time is involved, but we try to advertise the existing *ad hoc* cases as soon as possible. [Time expired.]

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply

Own Affairs:

—Computers in schools: supply/maintenance

*1. Mr C J KIPPEN asked the Minister of Education and Culture:

- (1) Whether his Department has reached any decision on the supply of computers to and maintenance of computers in all secondary and primary schools falling under its control; if not, why not; if so, (a) what decision has been reached and (b) what time-table regarding supply has been set;
- (2) whether he will make a statement on the matter?

C4E

The MINISTER OF EDUCATION AND CULTURE:

- (1) Yes.

- (a) That

- (i) all secondary schools be supplied with at least 30 micro computers for use by pupils for the purpose of computer assisted learning;
- (ii) all primary aschools with an enrolment of at least 200 pupils, be supplied with computer equipment (hardware and software) for learning purposes; and

- (iii) computer equipment be maintained by the schools themselves.

- (b) A programme for the supply of computers to schools, is receiving attention.

- (2) A statement is not deemed necessary.

Aids: committee appointed to investigate/report

*2. Mr C J KIPPEN asked the Minister of Education and Culture:

- (1) Whether he or his Department has appointed a committee to investigate and report on the question of Aids in relation to (a) teachers and (b) instruction to pupils; if not, why not; if so, (i) when was the committee appointed and (ii) what are the names of its members;
- (2) whether the committee has reported; if not, why not; if so, what are the main elements of the report;
- (3) whether he will make a statement on the matter?

CSE

The MINISTER OF EDUCATION AND CULTURE:

- (1) (a) and
- (b) No. The Department is represented on the National Health and Population Development Committee which is, inter alia, concerned with the question of Aids on a national level. Over and above this involve-

Howard

ment, Aids is fully addressed under the Department's programme for Family Guidance because of it being a sexually contagious disease. In addition to this the Department has also issued an information brochure to secondary schools and primary schools with secondary classes in connection with the dangers and prevention of this feared disease.

- (2) No applicable.
- (3) A statement is not deemed necessary.

Eastern Province: drought-stricken areas

*3. Mr W DIETRICH asked the Minister of Local Government, Housing and Agriculture:

- (1) Whether any areas in the Eastern Province have been declared drought-stricken areas; if so, (a) which areas and (b) when in each case;
- (2) whether he will make a statement on the matter?

C12E

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

- (1) Yes
- (a) Magisterial districts of Alexandria and Port Elizabeth.
- (b) Both with effect from 1 February 1989.
- (2) No. The declaration was made by the Minister of Agriculture (House of Assembly).

'It is only the tip of the iceberg'

332

Sabta voices anger over taxi HP scam

DANIEL SIMON

SABTA yesterday urged all minibus taxi owners who obtained their vehicles through fraudulent hire purchase schemes to report to it.

The call came after police said on Wednesday they had uncovered a scam involving contraventions of the Hire Purchase Act amounting to R48m and that they were searching for a Bedfordview businessman.

Police said 800 minibuses costing about R60 000 each were involved and many people — including civil servants — had been recruited by the businessman to negotiate HP agreements for a R200 fee.

The minibuses were registered in the names of the buyers who had initially approached the man with a R10 000 deposit after being unable to obtain finance through the usual channels.

Sabta said it had reacted with anger to the news of the "fraudulent hire purchase agreements".

It said: "This is the second major scam to be uncovered lately. We have been telling the authorities for months that 'unscrupulous white financiers' have been luring blacks into ruinous financial agreements and thus effectively taking over the taxi business."

"Sabta believes this is only the tip of the iceberg. There are many more such scams operating."

It said caution should be used by all when entering deals on minibuses, more especially when transport permits were "guaranteed".

Sabta's deputy marketing MD Jabu Mabuza said Sabta had a financial service through which finance could be arranged, even for those with no credit record at all.

He said: "It has enabled thousands of blacks to enter the industry wholly above board and at normal rates of interest without fear of being defrauded."

Kruger Day deaths: 6 in court

SUSAN RUSSELL

FIVE young men and a 17-year-old youth, who were allegedly part of a group which attacked police and motorists in a path of violence from Bezuidenhout Park to Ellis Park on Kruger Day 1987, pleaded not guilty in the Rand Supreme Court yesterday to two counts of murder and eight of attempted murder.

Sidwell Ntuli, 21, Matthews Mathopa, 20, Mackenzi Tshabalala, 18, Clemen Mokotedi, 18, Vusi Eric Masindeni and the youth also pleaded not guilty to one count of public violence.

It is alleged that on their march

from Bezuidenhout Park to Ellis Park they murdered Ledge van Drute and Basil Godfrey de Lorme and attempted to murder eight others.

Along the way motorists and residents were threatened and attacked with stones and bottles.

After pleading to the charges put to them, all six declined to submit any statements in amplification of their pleas.

The trial is being heard in camera by Mr Justice O' Donovan and two assessors.

SOUTH AFRICA's two private tollroad consortiums — Tolcon and Tollway — underestimated the public resistance which now challenges their existence along with the entire principle of privatised toll roads in SA.

This week, months of angry confrontations with road users affected by the first privatised toll plazas set up near Ennerdale, on the N1 south of Johannesburg, and Mooi River, on the N3 in Natal, culminated in two separate court applications against Tolcon.

In one application, Ennerdale residents are challenging the legality of the section of the N1 south of Johannesburg incorporating the Grasmere plaza near Ennerdale. If it succeeds, it will set a precedent for other toll plazas on the route.

In the other, the Public Carriers' Association (PCA) and four of its members are contesting the legality of levying fees on the toll road between Frere and Cedara in Natal.

Road hauliers argue they face triple punishment for damage their heavy vehicles allegedly cause. Licensing fees went up 300% last year, they pay a much higher fee to use the toll roads and they use a lot more petrol on which there is a petrol levy.

Tolcon's collection of toll income is being challenged on the basis that the company is acting ahead of the National Road Amendment Bill, which will give private companies the right to toll sections of national roads.

The Bill has yet to be passed by Parliament. After objections by the Houses of Delegates and Representatives, it has been amended to include clauses requiring consultation with the public before decisions are taken and clarifying the standard of alternative routes.

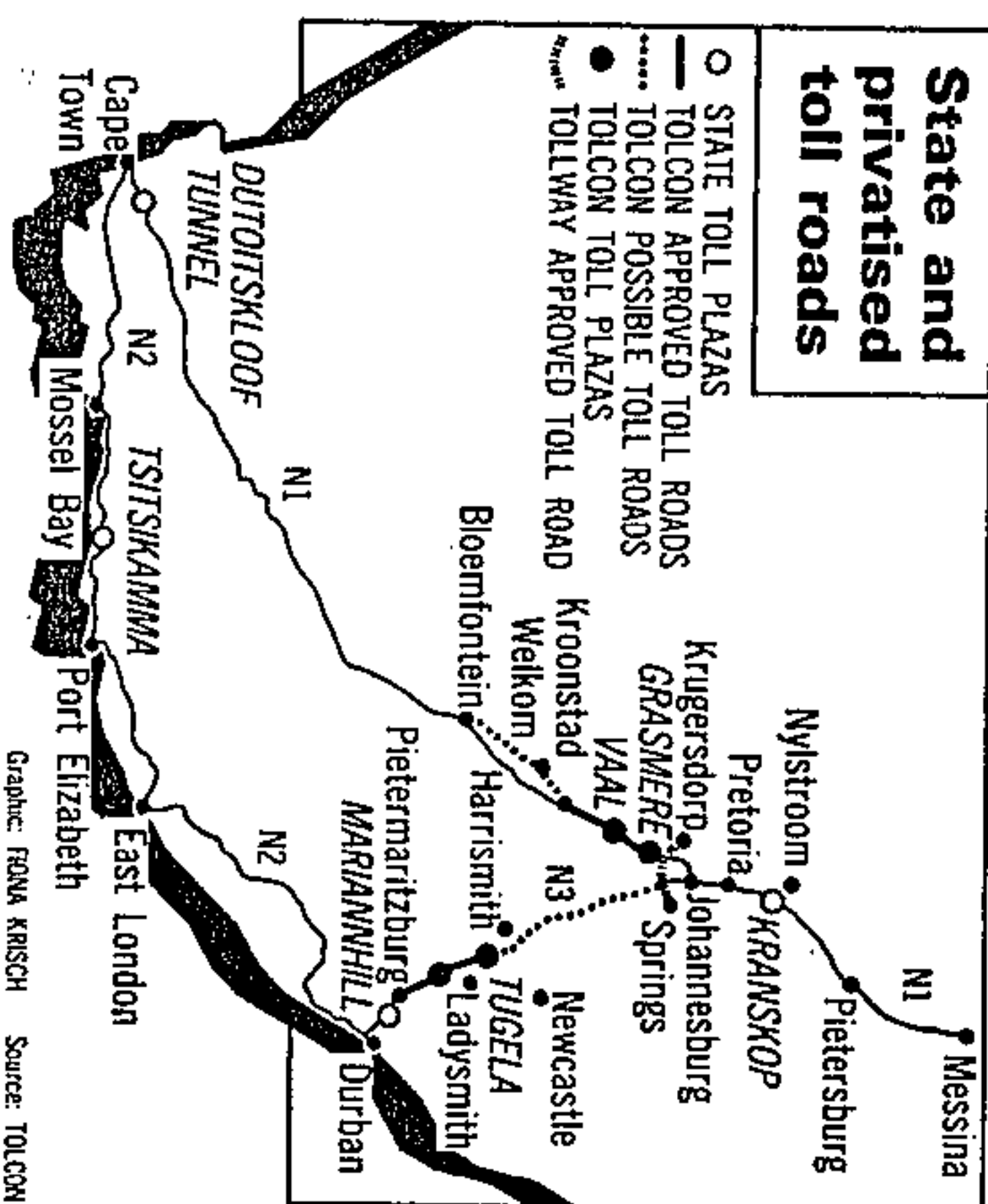
In theory, toll roads seem an equitable way of ensuring that only users pay for the provision of new and better maintained roads. The assumption is that private enterprise can reduce capital expenditure and user costs.

But, as the consortiums point out, there has been resistance to tolling in almost every other country where it has been introduced. Motorists object to new charges, unless they are satisfied the fees are justified, particularly when these payments are to private companies whose responsibilities are ultimately to their shareholders. When government first re-

For whom do SA's roads really toll?

LESLEY LAMBERT

State and privatised toll roads



their workplaces have demanded a suitable alternative route, others have questioned the economic sense of spending money maintaining two roads to the same destination.

Toll companies are entitled to charge up to 75% of the actual saving to the motorist — in terms of fuel, oil, maintenance, wear and tear and time — of using a toll road rather than the alternative route.

They use AA running cost figures for light vehicles and PCA variable running costs for heavy vehicles. To calculate the value of time on each route, they have conducted roadside surveys. Both companies claim they are charging less than the allowed 75%.

Tollway has committed itself to a tariff rate of 9c/km in 1989 for the 83km Springs to Krugersdorp expressway it will develop over the next seven years.

Hennie van der Merwe, CEO of Finaansbank which has played a vital role in structuring Tollway's financial programme, says the company has budgeted for tariffs amounting to about 45% of the saving.

Tolcon's fees are also below the level because the company prices according to a "perceived benefit" policy.

"If the rate is too high, the user will not use the road. It is in our interest to find the balance between

that because South African traffic volumes seldom justify the high standard of roads or dual-carriage highways for intercity routes, such as the Superhighway Tolcon is constructing between Johannesburg and Maritzburg, tariffs have to be comparatively high to recoup capital costs.

"The relatively low traffic volumes — between one-third and a half of European volumes — meant we had to face up to comparatively high tariffs or find some other means of generating revenue to make them viable. When we explained this to the state, their response was that subsidies would mean more tax."

While commuters presented with a toll plaza between themselves and

a price which will be low enough to bring users on to the roads but high enough to finance construction and maintenance costs," says McLennan. He argues that a motorist using the N3 superway between the foot of Van Reenen's Pass and Frere saves R11, compared with the cost of the toll-free alternative road. The toll is 16km shorter. Due to the higher sustained speeds possible on the toll road, the saving in time is about 16 minutes.

In 1987 the CSIR calculated the "cost of time" as R14.40 an hour. The 16 minutes thus saves R3.84 worth of time. With running and fixed cost savings calculated according to figures supplied by the AA, the total saved at 1987 levels would be R14.63.

Currently, the charges for light vehicles are R14.50 on the N3 in Natal and R11 on the N1 to Kroomstad.

Drivers often compare these charges with the 50c charged at the Maribahl state toll which is lower because government has only tolled the R30m it had to borrow to complete the R120m scheme. Users paid the additional R90m in the form of tax.

Both companies argue that they have come a long way in consulting and negotiating with local authorities, business associations and other representative groups.

But the fact that protests and lawsuits have tended to break out on the eve of, or in response to, each new step to privatise toll roads suggests the companies have not always been as communicative.

They argue that they inherited government's public relations responsibility in having to break through the psychological barriers. Rather than spend their time defending government policy, they chose initially to keep a low profile.

Only in the past few months have they realised the value of consultation and are now seeking meetings with residents, local authorities and business associations. Tolcon believed it was on the brink of an agreement with Ennerdale residents when the court application was brought by people not party to the negotiations.

Many people feel, however, that these attempts to appease users may have come too late.

Even if the court applications fail, they will almost certainly have added ammunition to the armoury of the politicians who oppose the tollroad legislation.

leased its plan to hand over toll roads to private enterprise, it said a suitable alternative route would be provided, that costs and finances would be properly controlled and that tolls would fall away once capital outlay had been recouped, although continued low-level tolls to cover maintenance were not ruled out.

While toll companies have found it uneconomical to fulfil some of these assurances, there are problems unique to SA which have lent further substance to public and professional protests.

Firstly — and the toll companies add their voices to this complaint — there has been no full explanation from government how funds collected through the petrol levy have been used. Users feel that they have already paid for existing roads which are now being tolled.

The toll companies argue that the petrol levy pays only for the construction of a road, not the continual maintenance which is estimated to cost up to three times its original cost. "Immediately a road is constructed, we have to start building up reserves to cover replacement costs," they argue.

Secondly, users argue that the level of toll tariffs is high compared with state and international toll plazas.

Tolcon CEO Ron McLennan admits

Reveal SAA privatisation plan PFP

Parliamentary Staff

PRIVATE air transport companies were being "unfairly treated" by the Transport Services because they were not being informed on whether and when SAA was to be privatised, said Mr Rupert Lorimer (PFP Bryanston).

Mr Lorimer said there had been "no real indication" of when SAA would be separated from the other services and privatised, nor to the extent of deregulation "so that the consumer can benefit".

Mr Eli Louw "should stop this secrecy and tell us what his intentions are," said Mr Lorimer. "People are going to be suspicious of his motives as long as he plays the cards so close to his chest. They have every good reason to be suspicious. Nothing appears to be happening."

He asked whether Sats had had an approach from SAA pilots who were said to be keen to make a bid and what the government's attitude to such an approach would be.

"The Minister knows very well that there are other air carriers who are only too keen to participate on the main routes. At present they are in limbo. They do not know what to plan for."

Mr Lorimer said he did not believe it was necessary to deregulate to a "multiplicity" of carriers but that "perhaps only two or maybe three different airlines should be allowed on the main routes."

"At this stage Mr Louw must indicate to potential competitors what his intentions are. Other companies who could be planning for the future are being most unfairly treated."

Taxi fraud outrage

332

Sowetan 3/3/87
THE Southern Africa Black Taxi Association yesterday reacted with shock and outrage to the latest disclosure of fraudulent hire-purchase agreements for minibus taxis that rob blacks of their savings that have been uncovered.

In what it called "the second major scam to be uncovered lately", Sabta emphasised that it has been telling authorities for months that "unscrupulous white financiers have been luring unsuspecting blacks into

**By JOSHUA
RABOROKO**

ruinous financial agreements."

It said the effect of such agreements has effectively taken over the taxi business away from

blacks, adding, "this is only the tip of the iceberg because many more such scams still operate."

Sabta was reacting to a revelation yesterday by the Commercial Branch of the SAP that a man is being sought in connection with fraudulent hire-purchase agreements involving some 800 minibuses with a value of R48-million.

Sharp drop in transport sector capex

3/3/89 332
THERE had been a significant decrease in the amount of capital invested annually in transport equipment, Transport Technical Industries CE Phil Erasmus said yesterday.

Speaking at the conference on capital expenditure in Johannesburg, he said Reserve Bank figures indicated a sharp decline, on an index basis, from 100 to 45 points since the high level of investment experienced during 1982.

From a transport operating point of view, the cost of replacing equipment was becoming problematic and unit prices on average escalated at a rate significantly above inflation.

Erasmus said SA, as a developing country,

was forced to provide essential transport services to users who could ill-afford to pay the full economic charge for these services.

He pointed to third-class rail passengers who were paying just 38% of the total cost of providing the service.

Erasmus said this sector accounted for 70% of Sats losses.

Traffic law enforcement was also becoming increasingly problematic, he said. "The lack of staff in respect of road traffic law enforcement programmes is reaching critical proportions in SA."

MARC HASENFUSS

Safren benefits from all-round performance

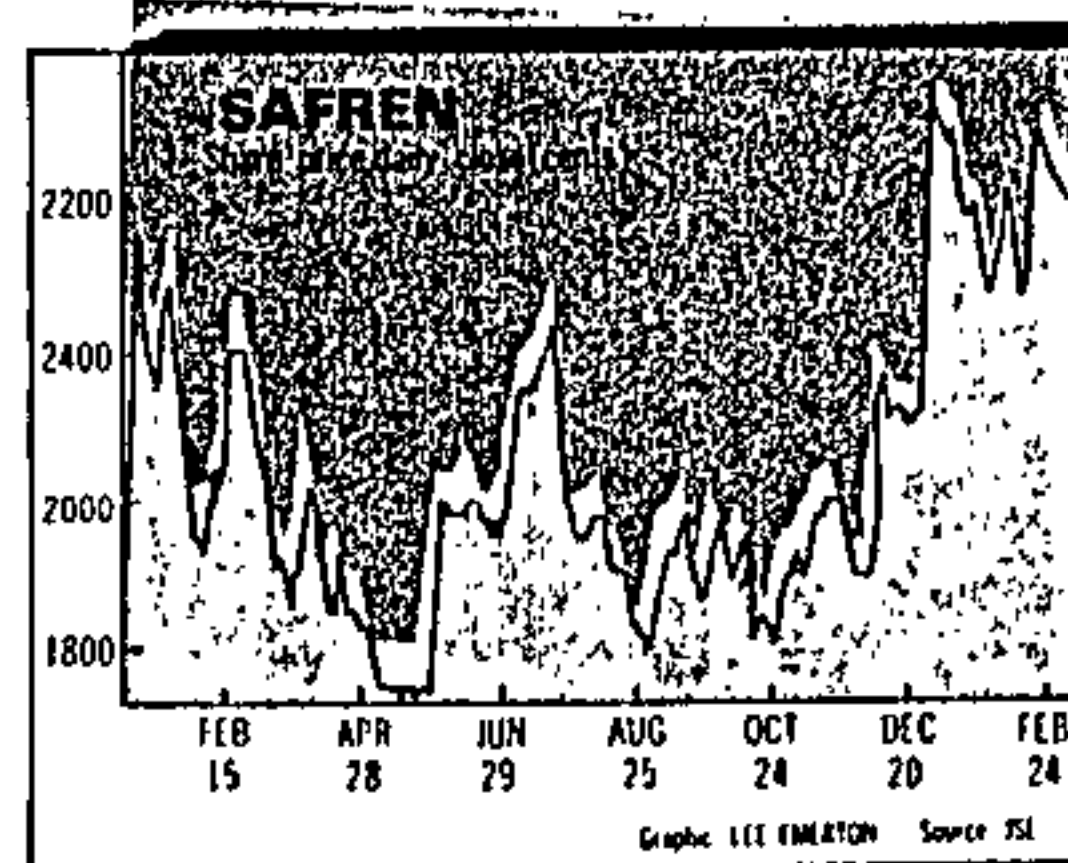
LIZ ROUSE

SAFREN posted a 39% rise in attributable interim earnings to 172c (124c) a share and lifted its interim dividend to 45c (36c).

Directors are satisfied with this advance, taking into account the tax rate rose to 34% from 23% in the previous half-year.

All divisions performed well in the six months to December and "satisfactory profits should be earned during the next six months".

The group's turnover increased by 37% to nearly R1,7bn (R1,2bn), while operating profits before depreciation advanced by 48,4% to R346,5m (R233,5m). Operating margins im-



proved to 20,8% from 19,2%.

A healthy balance sheet reflects long-term borrowings reduced to R604m (R716,4m) and net interest charges were lower at R12,4m (R15,1m).

Both Safmarine, the shipping fleet, and Rennie's, the clearing, forwarding and container division, had boom conditions as imports and exports flourished.

Kersaf (76% held by Safren) contributed a smaller percentage to Safren's attributable profit of R90,6m (R65,3m) before extraordinary items. The group's effective 32% investment in Transkei International Sun (Transun) contributed 9,8% to attributable profits.

Safren shares have held up well at R24 since the Transkei affair, but Kersaf shares have fallen to R13,10 (a large special bargain was transacted at R12,36 on Friday) from their year's high of R16,50, while Transun shares at 190c appear to be falling to their year's low of 160c.

SA vessels are in demand

11/04/63/87 (286) 332

STEADY trading conditions have been seen in most areas, with the apparently better conditions of the last week or so being consolidated, Afromar reports.

There have been reports that the Chinese have been looking to purchase further quantities of grain from several parts of the world. The Baltic freight index started to move upwards from the end of February, and at the end of the month was standing at 1 553 points.

In the Atlantic, the Gulf to Japan rate for Panamax sized cargoes has moved up to around US\$25.70 per ton and looks as though further gains can still be seen.

A larger sized vessel of 130 000dw was taken for a Transatlantic round voyage at US\$18 000 per day, and a vessel of 103 000dw was fixed by European charterers for a period of three to five months trading at US\$14 250 daily.

Handy sized vessels have seen more enquiry coming forward, which has served to give owners even more optimism on rate levels. A very good type of vessel of 29 000dw was able to obtain the much improved rate of US\$11 000 per day for a timecharter trip from Europe to the Far East. In the Pacific, conditions have remained steady, with strong enquiry for both handy and the larger sizes.

Rates for grain from the US north Pacific

SHIPPING

to Japan for around the 50 000-ton cargoes seem to be at just under the US\$16 level. It was interesting to see that a 27 000dw vessel was taken at US\$9 750 per day on timecharter with delivery Malaya for a trip via Australia and redelivery Red Sea.

The South African market is in an interesting situation, in that tonnage of most sizes is now in short supply. However, the amount of cargo enquiry is in fact relatively limited.

Handy sized vessels which mostly ballast in to SA from the Persian Gulf, Red Sea, Indian area are seeing good enquiry out of those areas for fertilizers, ore, etc. And with the Far East market looking so much better, owners have a number of options to go for.

These conditions look to be continuing into April, and with the anticipated good maize crop commencing to be exported in May it looks as though this market could possibly be under pressure for some while.

Cape sized vessels have been in short supply and coal charterers have had to consider splitting cargoes into Panamax sized vessels. The rate for Cape sized vessels from Richards Bay to Rotterdam has nominally moved up to around US\$9.70 per ton. One charterer paid US\$10.25 for a cargo of

100 000-tons on the basis of discharging at Rotterdam and Antwerp for April loading dates.

Whilst Panamax vessels were perhaps willing to show a slight reduction for forward positions, early vessels are tending to be asking firmer levels in view of the shortage of available vessels. Handy sized vessels are showing little change.

A fixture was arranged to move 100 000-tons of iron ore from Saldanha Bay to Taiwan at US\$11.85 per ton for a late March position.

There has been enquiry to ship ferro alloys to various destinations in the Far East, but it looks as though charterers will have to contend with higher levels in view of the stronger timecharter rates being asked.

A cargo of 55 000-tons of manganese ore was quoted from Port Elizabeth to Rotterdam for loading at the end of March, with charterers probably expecting to pay just under US\$12.

There was an enquiry to move about 55 000-tons of phosphate from West Africa to SA with loading March/April, with charterers hoping to fix at around US\$7.50 per ton.

Apart from a number of orders for handy sized vessels for timecharter trips to various destinations, there were also several enquiries for liner type tonnage.

Taxi finance scheme is 'all above board'

6/5/87 DANIEL SIMON 352

WESBANK had a finance scheme with Sabta which enabled blacks to enter the taxi industry totally above board, Sabta's marketing deputy MD, Jabu Mabuza, said last week.

He said finance could also be arranged for people with no credit record at all.

Wesbank MD Peter Thompson said the scheme had been in operation for about five years.

Regarding the R48m taxi HP scam uncovered by police last week, Thompson said staff members had started sifting through records to determine the extent of Wesbank's "unwitting" involvement in the scam.

Police last week disclosed the scam was masterminded by a Bedfordview businessman who collected R10 000 deposits from black buyers and then recruited third parties to negotiate HP agreements from finance houses for a R200 fee.

They said 800 minibuses were involved and that hundreds of people — including civil servants — had been recruited to negotiate HP agreements.

Thompson said defaults in payments with regard to the scam had been picked up, but the exact amount was not yet known.

He said: "There have been defaults in vehicle instalments with regard to the scam and these are a little higher than regular business."

Mabuza said Sabta's finance arrangement with Wesbank guaranteed the finance house against any default in payments through the Sabta Foundation. This enabled Wesbank to offer credit at market rates.

Imperial gets R20m injection

332

A GROUP of major financial institutions led by UAL Merchant Bank has invested R20m for a 25% stake in Imperial Group's truck systems division.

Announcing this at the weekend, joint managing director Bill Lynch said the capital injection would fund further expansion of the truck systems division.

"Of the group's three divisions — car rental, motor and truck systems — the truck systems division has grown dramatically in recent years as management capitalised on opportunities available in the industry. The division has grown by way of acquisition and organically, and future growth prospects for the division are very exciting."

Lynch added that the R20m investment, which put a value of about R80m on the division, would be applied to reducing debt and funding future acquisitions.

Contracts

The division, which offers the most broad-based trucking and transport service in SA, has made rapid strides in the area of dedicated transport. Imperial supplies its blue chip clients with trucks, fuel and staff, relieving the corporation of transport problems and releasing cash for other purposes.

Contracts run over a 4- to 8-year period, and Imperial's order book currently stands at R400m (it stood at R65m two years ago when Imperial Group was listed) with contracts having an average life of about five to six years.

Lynch said: "Transport contracts and truck hire are both regarded as having excellent growth potential, mainly due to the high and ever-increasing cost of new vehicles, and the resulting scarcity of commercial vehicles."

"Long-term hire comprises 23% of vehicles in the UK and 30% of vehicles in the US. In SA, long-term hire is still in its infancy, and comprises only 2% of vehicles. The supply of dedicated transport and full maintenance leasing particularly are seen as two growth areas."

He added that substantial profit elements from this sector are virtually certain as underlying contracts have built-in inflation clauses. — Sapa.

Imperial truck systems gets a R20m boost

CAT Times 6/3/89
332

JOHANNESBURG. — A group of major financial institutions led by UAL Merchant Bank has invested R20-million for a 25% stake in the truck systems division of Imperial Group.

Making the announcement this weekend joint managing director Bill Lynch said that the capital injection will fund the further expansion of the truck systems division.

"Of the Group's three divisions — car rental, motor and truck systems — the truck systems division has grown dramatically in recent years as management has capitalised on the opportunities available in the industry. The division has grown both by way of acquisition and also organically and the future growth prospects for the division are very exciting".

Mr Lynch added that the R20-million investment, which puts a value of some R80-million on the division, will be applied to reducing debt and to funding future acquisitions.

The division, which now offers the most broadly based trucking and transport service in South Africa (excluding passenger transport), has made rapid strides in the area of dedicated transport. Imperial supplies its blue chip clients with trucks, fuel and staff so relieving the corporation of its transport problems and releasing its cash for other purposes.

Contracts run over a period of four to eight years and Imperial's orderbook currently stands at R400-million (the orderbook stood at R65-million just two years ago when Imperial Group was listed) with contracts having an average life of around five to six years.

Mr Lynch commented: "Transport contracts and truck hire are both regarded as having excellent growth potential, mainly due to the high (and ever increasing) cost of new vehicles and the resulting scarcity of commercial vehicles.

"Long term hire comprises 23% of vehicles in the United Kingdom and 30% of vehicles in the USA. In South Africa long term hire is still in its infancy and comprises only 2% of vehicles. The supply of dedicated transport and full maintenance leasing particularly are seen as two growth areas".

He added that substantial elements of the profits from this sector are virtually certain because of the underlying contracts which have built-in inflation clauses. — Sapa

Safren

steaming ahead

332
5/12/81
Finance Staff

All three of the major trading divisions did extremely well for Safmarine-Rennies (Safren) boosting the group's earnings per share for the six months to end-September by 39 percent to 172c. The interim dividend was lifted by 25 percent to 45c.

The shipping and transporting interests in Safmarine and Rennies were buoyant, largely as a result of the higher import and export volumes and the weakening rand and management estimates that their half-yearly contribution to the bottom-line was around R62 million. Safmarine and Rennies is now valued at about R540 million.

The remaining income was derived from Safren's 76 percent interest in Kersaf, through which the group has access to Sun International's hotel and casino interests. Kersaf contributed R37,5 million or about 38 percent to Safren's profits.

Safren's turnover was 37 percent higher at R1,66 billion, while operating income was 56,5 percent higher at R289,2 million. But increased tax cut the increase at the attributable level to 39 percent.

The directors said that all divisions of the group were performing well and expect the trend to continue.

Safmarine to form offshore operation

CAP T19/15
7/3/89
332

By AUDREY D'ANGELO
Financial Editor

SAFMARINE is the latest major SA group to announce that it is forming an offshore operation, which will probably be based in Europe.

The new company has not yet been named and its CE, group executive director Jan Rabie, is still overseas deciding where it should be based.

Safmarine, like many other SA companies, has kept a discreet silence about its overseas interests.

But MD Mike Finlay said yesterday that over many years it had developed "substantial offshore activities, in shipowning and operating, particularly in joint ventures in worldwide shipping markets."

The size and scope of these international ventures had now reached the point when it was considered necessary to set up an offshore company.

Finlay said it would be run as a separate company but would remain part of the group.

"We will not hide the SA connection; in the same way that Minorco and the Rembrandt group's overseas division do not hide it."

Safmarine's interests include avi-

ation and a computer division, but Finlay said the "vast majority" of profits still came from shipping.

A spokesman said shipping was still doing well. There had been no falling off in imports yet and exports were also buoyant.

Safmarine and Rennie Holdings (Safren) lifted earnings for the six months to December by 39% to 172c (124c) a share and the interim dividend to 45c (36c).

Turnover was 37% higher at nearly R1,7bn (R1,2bn) and operating profits before depreciation were 48,4% higher at R346,5m (R233,5m).

A hefty R57,3m (R48,7m) was written off for depreciation.

Margins improved to 20,8% from 19,2%.

The tax bill rose to R93,7m (R39m) due to an increase in the tax rate from 23% to 34%.

The directors say all divisions performed well and indications were that profits would be satisfactory in the current half year.

All foreign loans repayable from SA were fully covered at the end of the first half and it remained group policy to retain this forward cover.

Safmarine to set up offshore company

8/24/84
Magnus Heystek
Finance Editor

332

Safmarine, wholly-owned shipping subsidiary of the listed Safren Group, yesterday announced the formation of an offshore company through which it will manage its expanding offshore interests.

No further details have been released, but it is thought that the offshore company will be based somewhere in Europe with a view to obtaining an important toe-hold in Europe prior to the formation of the centralised European Community in 1992 after which barriers to new entrants will be raised.

Mr Mike Finlay, managing director of Safmarine, said last night that with the increase in the scope and size of its international ventures, often in conjunction with partners, it was now opportune to manage these operations from an offshore base.

Not denying that political factors influenced this decision Mr Finlay, however, added that Safmarine has set itself on course to become a major participant in the world shipping business. To try and do this from South Africa will be very difficult.

Initially, the offshore company will be a wholly-owned subsidiary of Safmarine, but, in due course, "partners might be taken on board," according to Mr Finlay.

Safmarine's further expansion into the international shipping scene must be considered a boon for holding company Sa-



Safmarine MD Mike Finlay.

fren. Profit figures released over the weekend underline the quality of earnings emanating from its shipping interests, contributing more than its glamorous gambling interests.

As Safmarine earns all its profits in non-South African currencies, it is a very definite rand-hedge for the parent company. Mr Finlay indicated last night that the foreign-sourced earnings of the intended offshore company will prove to be extremely beneficial in the long term.

Chief executive of the new company will be Mr Jan Rabie, presently group executive director.



Doing business without
advertising is like

Hauliers list their road toll bills in court

MARITZBURG — Four major haulage companies spent a combined total of R168 184 in toll fees at the Mooi River toll plaza from when it opened on December 16 to January 30, according to papers submitted to the Supreme Court.

Tolcon chairman Ron McLennan challenges the accuracy of these figures in a replying affidavit.

The hauliers are seeking an interdict to suspend tolls pending a hearing of an application in which they will allege the fees are illegal.

Hulfrans MD Roland said the charge

to the company was estimated at R15 000 for each month Tolcon continued to operate plaza.

Cargo Carriers executive deputy chairman Brian Puchert estimated his company would spend R500 000 this year at Mooi River toll plazas.

Tanker Services chairman Phillip Erasmus said estimated his monthly charge at R39 774,60 and Mainline Carri-

ers director Johannes Kleinhans said the annual charge for his company was expected to be about R450 000.

Norris said the applicant companies and public would suffer potentially irreparable harm if they were obliged to continue paying tolls pending outcome of the application.

He added attempts to recover money paid to Tolcon might involve protracted litigation. Companies might be able to recoup them but individual motorists were unlikely to succeed.

● See Page 3

Own Correspondent

Hauliers tell of huge toll costs

Own Correspondent

FOUR major haulage companies spent a combined total of R168 184 in toll fees at the Mooi River Toll Plaza from the time it opened on December 16 last year to January 30 this year, the Supreme Court here has been told.

This was said in an affidavit filed in support of an application brought by the Public Carriers' Association of SA (PCA) and four members — Hultrans, Cargo Carriers, Tanker Services and Mainline Carriers — for an order against Tolcon, the government, the National Transport Commission (NTC) and the minister of transport.

The hauliers seek an interim order restraining Tolcon from operating the toll plazas at Mooi River, pending the outcome of their application for an order setting aside the declaration of the N3 between Cedara and Frere as a toll road.

PCA director Mr Roland Norris said in an affidavit that Tolcon was acting

unlawfully in tolling the N3 at Mooi River.

Mr Norris said that as control over national roads, including the power to levy tolls, had been delegated to the NTC, the government could not legally confer that authority on Tolcon, which was levying the tolls in its own name and "entirely for its own benefit".

He also submitted that the amount of the toll levied had to be determined by the minister of transport on the recommendation of the NTC. But, contrary to the law, Tolcon had determined the tolls charged at Mooi River.

Mr Norris said the cost to his company was estimated at R15 000 for each month that Tolcon continued to operate the Mooi River toll plaza.

The monthly estimate for Tanker Services was R39 774 while Cargo Carriers' estimate for 1989 was R500 000. Mainline Carriers projected a cost of R450 000 for 1989.

Tolcon chairman Mr Ron McLennan has challenged the accuracy of these figures in a replying affidavit.

The case was adjourned until March 15 by Mr Justice Combrink.

Tears of relief as judge of

By RONNIE MORRIS
Supreme Court Reporter

FAMILY and friends of Mr Abdul Aziz Kader wept yesterday afternoon when Mr Acting Justice Milton Seligson ruled his continued detention unlawful and ordered his immediate release after more than 2½ years.

Mr Kader, 28, a computer operator, was re-arrested after he left Pollsmoor Prison on February 23 following the setting aside of his conviction and sentence for refusing to testify in a terrorism trial.

He was originally detained in terms of section 29 on June 17, 1986, for his alleged complicity — as an executive member of of Qibla, a Muslim organisation in the Western Cape — in a conspiracy between Qibla and the Pan Africanist Congress.

This allegedly involved the smuggling of weapons into the Western Cape and the recruiting of persons for military training in Libya, with a view

to promoting a revolutionary take-over of the Republic and the forcible overthrow of the government.

Under section 29 he was held in solitary confinement for nine weeks and interrogated eight times. He was called as a state witness and when he refused to give evidence, was sentenced to a two-year jail term after the Pretoria magistrate found he had no "just excuse" not to give evidence.

On appeal his conviction and sentence were set aside but when he left Pollsmoor Prison a security policeman, Warrant Officer Andreas Steenkamp, told him he was being arrested in terms of section 54 of the Internal Security Act.

Mr Kader appeared in the Wynberg Regional Court the next day on charges of terrorism, refused bail and was held as an awaiting-trial prisoner.

He brought an urgent application last Friday against the minister of law and order and the officer commanding Pollsmoor Prison.

In an affidavit, Mr Ali Adams, Mr Kader's lawyer, said Mr Kader had first received psychiatric treatment in August, 1986, when Dr T Zabow, a senior state psychiatrist, was advised by the district surgeon that in spite of medication he had grown "progressively more depressed".

In spite of the district surgeon's concern and the referral to Dr Zabow, police continued with their interrogation. A week after Dr Zabow had diagnosed him as suffering from "sensory deprivation" and called for his release, security police "extracted" a statement from him.

The next day the district surgeon expressed "extreme concern" about Mr Kader's deteriorating condition while Dr Zabow found "a dramatic change" and admitted him to Valkenberg Hospital. He was later transferred to a psychiatric ward at Groote Schuur Hospital.

Two psychiatrists had seen Mr Kader and diagnosed him as suffering from "post traumatic stress syndrome (PTSD)" and between February

Costs

and Mr Kader's psychiatric costs were alleged to be more than R3 at Mooi River by

Thaid that as control over the power to be delegated to the said "agent could not legally be delegated to the said authority on Tolcon, which secte tolls in its own name mag for its own benefit".

committed that the amount valued had to be determined "per of transport on the tion of the NTC. But, con perlaw, Tolcon had deter law charged at Mooi River

Mid the cost to his company mated at R15 000 for at Tolcon continued to 301 River toll m

was required than merely to inform the arrestee that he was being charged with a contravention of section 54.

"The safeguard against capricious arrest imposed by section 39 (2) (Criminal Procedures Act) would be rendered nugatory if the arrestee is required to sort out, from his own knowledge of what may have been a complicated course of conduct over a substantial period of time, the real basis for the alleged statutory contravention.

"This is especially so where notification that he has contravened wide-ranging statutory provision containing numerous offences such as section 54 of Internal Security Act, is necessarily vague," Mr Acting Justice Seligson said.

He ordered Mr Kader's immediate release and directed the minister to pay Mr Kader's costs — including the costs of two counsel.

Mr Jeremy Gauntlett, assisted by Mr D O Delahunt, instructed by A Adams and Associates, appeared for Mr Kader. Mr J A Le Roux, instructed by the state attorney, appeared for the minister.

FMAL 10/3/89

BLACK TAXIS (332)

Preparing the way

The Department of Transport (DoT) has commissioned a multi-pronged investigation into the black taxi industry.

Three studies will be undertaken by private consultants and three by the CSIR.

Bruinette Kruger Stoffberg (BKS) of Johannesburg has been commissioned to compile a black taxi statistical bank; Van Niekerk Kleyn and Edwards (VKE) of Pretoria to prepare a study of black taxis' facilities; and Jordaan and Joubert of Pretoria one on law enforcement.

The three to be done by CSIR are on:

- ☐ High-occupancy vehicle lanes;
- ☐ Energy effectiveness, compared to other modes of public transport;
- ☐ Operational characteristics of black taxis, including their effect on traffic, how they affect congestion, average occupancies and operating speeds, and to determine how many black taxis do the work of one bus.

The studies are intended to ease the working of the Passenger Transport Bill, expected to become law in 1990.

Passenger transport authorities (PTAs) will be formed to ensure the adequacy of public passenger transport.

Where they exist, Regional Services Councils will be the PTAs and where they don't, local authorities will fulfil the function.

Many councils are opposed to black taxis and can be expected to make implementation of the legislation difficult if not impossible.

Some councils have tried to legislate local black taxi services out of existence, while others deny them facilities or access to CBDs.

The DoT hopes to use the studies' findings to counter councils' arguments.

Hugo Groenewald, DoT deputy director of transport system planning, says the BKS study "should give us an accurate picture of the industry."

"Among the statistics we're looking for are the number of black taxis operating, the distances they travel a day, their average trip length and whether they serve long- or short-trip markets."

"We also want to know the number of owners, operators and drivers, how many are SA Black Taxi Association (Sabta) members, how many taxis are legal and how many aren't."

He adds: "We don't need the information to regulate the market. Our regulations are technical and aimed at ensuring the safety of vehicles."

The VKE study will highlight the industry's civil engineering requirements in towns and cities. It will identify the ranks and bays that will be needed.

The law enforcement study is prompted by the large number of black taxi traffic violations, often caused by stolen vehicles fitted with false number plates and driven by drivers who give fictitious names.

Owner hurt in taxi war clash

ONE person was injured and several taxis were damaged in an outbreak of violence between two minibus taxi associations in central Johannesburg on Wednesday.

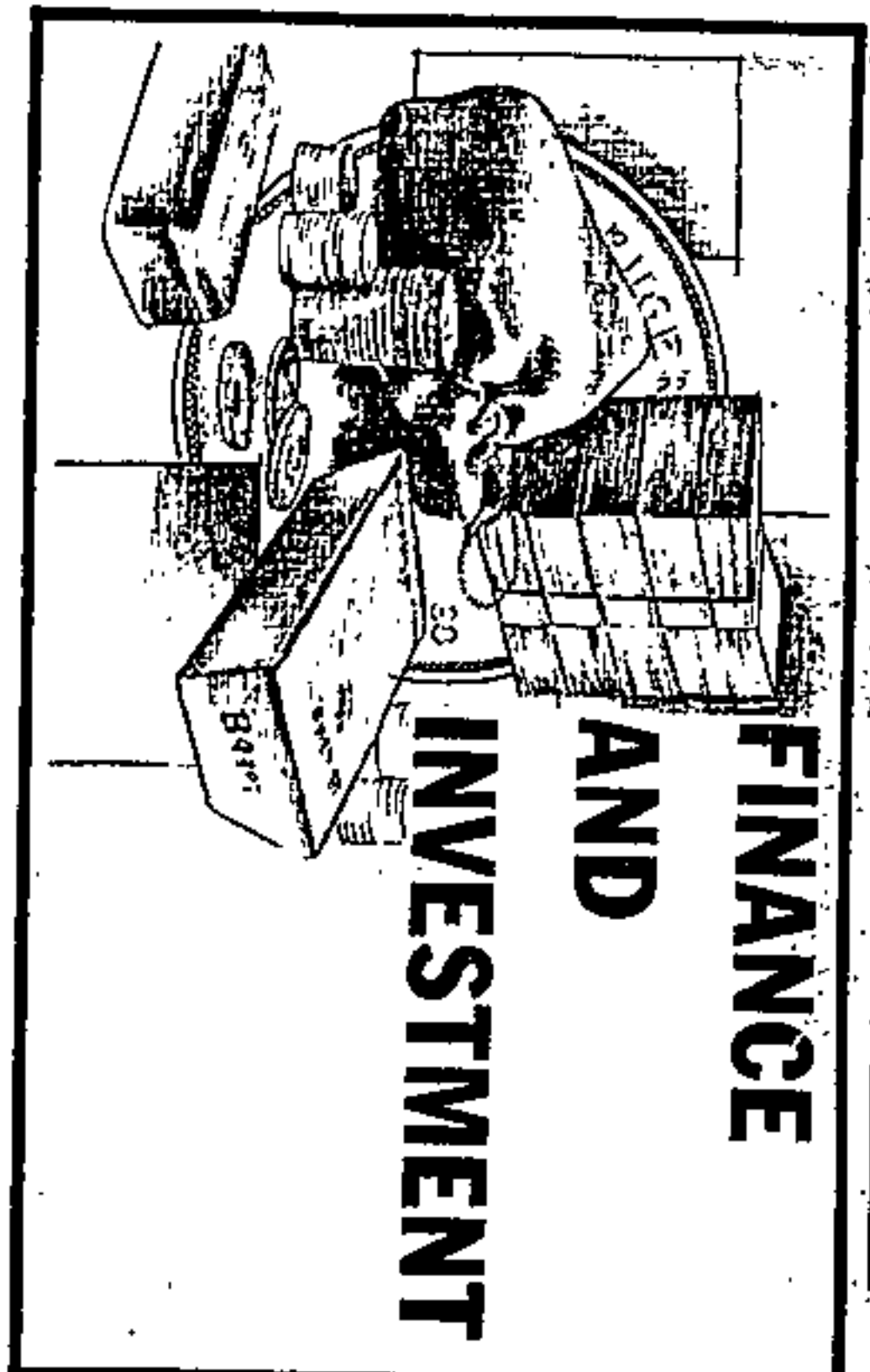
Yesterday's violence erupted after a dispute over passengers between a Potchefstroom taxi group and a rival Rustenburg organisation. Police stopped the fighting.

A shop security guard, who did not want to be named, said two groups began fighting on an open field at the north end of West Street.

At least four shots were fired during the incident.

Potchefstroom taxi owner Mr Jimmy Malgas was hit on the head with a stone. He was taken to Hillbrow Hospital with a head injury.

ng new way



FINANCE AND

INVESTMENT

CP Financial Bureau

PRAY before you get into a minibus taxi, advised a South African Black Taxi Association (Sabta) spokesman during a recent television discussion on the high accident rate in the minibus industry.

But white official spokesmen are worried and trying to work out plans to cut down on the frighteningly high accident rate among the minibus fraternity, a business entrepreneur on the main route between Johannesburg and Soweto has seen the situation as an opportunity to meet a need.

Eddie Keizan, former racing ace and currently chief executive of Tiger Wheels Holdings, reports that a specially designed wheel and tyre system for the minibus industry can enable a taxi owner to cart heavy loads in far greater safety than be-

fore.

"We, as a business, perceived a need and designed a wheel with a considerably greater carrying capacity than the standard product," Keizan told City Press.

"With the help of the Continental Tyre Group of Germany and General Tyres in South Africa, a new heavy-duty tyre was designed to fit the wheel."

Driving from the heart of Johannesburg along Jeppe Street to Soweto, one sees the Tiger Group's head office on the left-hand side just after the so-called Ford-burg dip.

A stone's throw further on is one of the company's modern retail outlets, specialising in aluminium alloy and steel road wheels and high-performance

Climb aboard the taxi-bandwagon

tyres for cars and bikes. Blacks now constitute a rapidly growing market for these specialised products.

"Our black citizens are rapidly upgrading their motor vehicles and are becoming very quality-conscious," Keizan says.

"In fact, some of them seem to love their fancy cars almost as much as

their wives!"

Started in a backyard 15 years ago by Keizan and his brother-in-law, Tiger Wheels last week reported a record turnover and profit.

Apart from eight retail operations, five of them franchised shops, the group owns a wheel factory at Babelegi.

It has also invested in

an overseas operation.

About 75 percent of Tiger Wheels' black employees own shares in the company, which is listed on the Johannesburg Stock Exchange.

Says Keizan: "We hope to declare growing dividends so that Tiger Wheels can become a worthwhile investment for all its shareholders."

12/3/89

CP news

Tollgate on road to other avenues

332

~~11/11/89~~

11/11/89

A TRAUMATIC year has resulted in the transformation of Tollgate Holdings from a transport company to a diversified industrial holdings conglomerate.

Shareholders have barely had time to draw breath between announcements in the year since fast-moving Duros took control.

Tollgate's interim results — due in a few days — are expected to show that the Tramways operation's contribution to earnings in the six months to December is only 25% of the total.

"We have set out on the diversification road," says managing director Hennie Diedericks, who moved to the fledgling conglomerate from Volkskas last August.

"We are pleased with our progress through acquisi-

By Ian Smith

tions in different fields, but we still want a broader-based portfolio."

He says it is the restructured group's intention that no single area of operation will contribute more than 25% of earnings.

Single

The share price of 325c is midway between the high and low of the past year, probably reflecting some investor confusion about the disparate nature of the acquisitions and, perhaps, concern about debt.

But Mr Diedericks is confident that the half-year results will go a long way to reassuring them on both scores.

"We believe they will prove to investors that what we have set out to achieve is attainable."

Even with the spate of acquisitions, debt:equity ratio is still below 50%.

Consumer

Duros, which controls 68% of Tollgate, is determined to position the group in bearings business growth sectors which are closely related to mass consumer markets.

Tollgate now has 100% of Tramways Holdings which is heavily into urban transport for the masses. It owns 58% of vertically integrated textile and clothing manufactur-

er Arwa, 100% of leisure, travel and sports promotions group Enterco, 28% of the Gants food processing and agricultural equipment empire, and 65% of engineering group Drivetech.

Gants stands out because it is the one investment in which Tollgate does not have control. Mr Diedericks says he is keen to increase Tollgate's stake.

"When you are the major shareholder with 30% or 40%, you still take the blame when something goes wrong. We like to show our faith and put ourselves in the firing line with an outright majority stake wherever possible."

Core

In Drivetech, the original core bearings business was sold because it did not fit Tollgate's drive to mass markets. Drivetech is now sitting with R17.2-million in cash and the Multitech bus-building and engine-rebuilding division, which fits well with the group's other transport interests.

If Tollgate has its way, it can be expected that Gants agricultural equipment operation will also be hived off.

For the rest, Mr Diedericks is bullish. He says the Enterco group dominates the sports promotion and public relations business in SA. Sports sponsorship is estimated to be worth R140-

million a year and the coach-touring operations are benefiting from the tourism upsurge.

Arwa has grown from its original pantihose base into an integrated textile and apparel group. It has moved into the fast-growing leisure-clothing field where it has strong brands, including Hang 10.

Hedge

Gants will benefit from the general expansion of the food-processing industry, and there is opportunity for the group's brands to increase market share, says Mr Diedericks.

In addition, Gants' traditional exports can be expanded, providing a useful rand hedge.

Both Gants and Arwa are operating with full order books, says Mr Diedericks.

Drivetech is doing well, and the Tramway operation has been restructured to improve efficiency and performance.



HENNIE DIEDERICKS

Mr Diedericks says that 35% to 40% of bus revenue is related to Government subsidies, but the group is working to reduce its reliance on them.

With the first phase of Tollgate's restructuring complete, the group will consolidate.

The four-man head office will concentrate on overall policy and focus the operating companies on their markets while the line managements get on with day-to-day operations.

"At head office we attach critical importance to budgets and cash flow," says Mr Diedericks. He recalls Punch Barlow once saying to him: "If your run out of cash, you run out of business."



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Busin

11

Tollgate profits soar by 154%

CAT Trail
13/3/89

332

By BRUCE WILLAN

THE 128-year-old Tollgate Holdings has turned its acquisitions and investments of the past nine months into money spinners for the group.

The interim results for the six months ended December 31, 1988 announced reveal a massive hike of 154% in after tax profits to R10,211m on an increase of 188% in turnover to R246,244m.

Attributable earnings went up by 126% while earnings per share increased to 24,2c per share compared to 16,8c for the same period the previous year.

Although the interim dividend declared remains the same as the previous year at 10c, the number of shares in issue has increased by 57% to 37,854m.

The group has come a long way since it was first established as a passenger transport company.

The diverse range of companies within the group has changed Tollgate into an industrial conglomerate and to this end all the companies are geared to the mass consumer market.

This diversity is reflected in the interim results by the contri-

bution made by each operation; transport 32%, engineering 29%, textiles 23%, food processing 11% and entertainment/leisure 5%.

The active acquisition phase and transformation Tollgate has experienced is over for the time being.

All that there is left to do is refine the group says MD Hennie Diedericks.

Part of the transformation is the transmuted listing of the holding company to the Industrial Holdings sector of the JSE as of March 20, 1988 under the new identity of TGH.

The refinement process will take place with internal restructuring and a commitment to organic growth he says.

The internal restructuring has already started and is evident in the interim results.

Certain properties and land holdings as well as parts of Drivetech were disposed of during the six months under review.

Interestingly goodwill on consolidation for the six months has been written off against shareholders funds.

Diedericks points out that to help investors, it is the planned

to have all the companies within the group listed.

Arwa, Gants and Drivetech are already listed and it is hoped that the entertainments division Enterco will be listed via a reverse takeover of DCM listed Deale & Huth (51% owned by Enterco) soon.

Tramway Holdings is also earmarked for a listing shortly.

The listing of all the companies will aid investors says Diedericks by giving them the opportunity to invest in either the holding company or any of the individual operations.

Prospects for the group look good indicates Diedericks with all divisions contributing to the success of Tollgate.

Further acquisitions are not planned as part of the growth of the group but should they arise, will be looked at individually and based on merit.

The position of the group is strong says Diedericks, the pro forma balance sheet has a more manageable debt-equity ratio of 50% and any funding which the group may require can easily be facilitated through the group's own resources and borrowings.

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Demand stays steady in freight markets 332

FREIGHT markets in general are remaining steady, with the Atlantic and Pacific areas seeing good demand, reports Afromar.

The Baltic freight index has continued to move slowly upwards and on Tuesday was standing at 1 608 points.

Grain has continued to be active and a fixture was arranged at just over \$27,00 for a 52 000 ton cargo from the US Gulf to Japan. The Russians were also showing interest and took a 70 000dw Panamax vessel with delay in the Mediterranean for a trans-Atlantic round voyage paying \$14 500 a day.

The SA market remains fully steady with owners still trying to apply pressure on charterers who are generally not willing to concede further gains to owners, and in the main rates for handy-sized vessels to do timecharter trips to the Continent and the Far East have remained steady.

However, there has been a fair amount of activity for vessels to load ore out of Marmagoa, which is putting some pressure on the larger handy-sized vessels.

Prospects for the maize harvest look very good and the next crop exports should commence around June/July.

During March there will be tenders for a total of six cargoes, each of 16 500 tons, which will be shipped out in May.

Rates in the coal sector are being affect-

SHIPPING

ed by a shortage of the larger vessels, especially Panamaxes. The rate for Panamax-sized cargoes from Richards Bay to the continent is around \$11,75/11,50.

There was a fixture of a Cape-sized vessel at \$9,50 for 11 000 tons from Richards Bay to Rotterdam.

A 60 000 ton cargo was fixed from Richards Bay to Taiwan, with a gearless vessel being paid \$15,50 a ton.

There was a tender for the movement of about 30 000-35 000 tons into Italy, and most of the major energy companies were showing interest out of Richards Bay.

A trading house had a 30 000 ton cargo to ship from Maputo to Taiwan for an end March/early April position and was indicating a freight rate around \$20/21 a ton.

UK charterers came into the market to move about 10 000 tons of refractory clay from Richards Bay to Grangemouth in April.

Hong Kong charterers were quoting a cargo of just under 16 000 tons of fish meal in bags from East Africa, completing Coquimbo in Chile to Manila and China.

A 7 000 ton cargo of minerals was to be moved from Port Elizabeth to one or two ports in Japan with charterers indicating a rate of just over \$30,00 a ton for a late March position.

250 charged in minibus blitz 332

DURBAN — More than 250 minibus taxi drivers were charged at the weekend as the blitz on illegal or unroadworthy tax-
was moved up to the Natal North Coast.

The clampdown started two weeks ago along the South Coast and moved to the northern coastal area between Umhlanga and Richards Bay last week.

Chief of the Tongaat Protection Services Roelf Trollip said yesterday that 257 drivers had been charged so far,

Own Correspondent

mainly for driving with smooth tyres or steering and brake defects.

Almost a third of the drivers were charged with overloading, and three forged public driving permits and four forged driver's licenses were confiscated. Drivers were given a choice of paying admission of guilt fines or appearing in court.

British angry over six in embassy

Own Correspondents

PRETORIA. — The British government last night hit out angrily at the invasion of its Pretoria embassy by six former detainees who arrived there yesterday morning demanding the lifting of emergency restrictions served on them.

In a simultaneous action Mr Simon Ntombela, 27, slipped away from police guards in Durban's Shifa Hospital early yesterday morning and sought refuge in the US Consulate in Johannesburg — more than 500km away.

Reacting to the "occupation" of the British Embassy, a Foreign Office spokesman in London said that the former detainees — five men and a woman — had "abused diplomatic premises" and were being "encouraged to leave soon".

Law and Order spokesman Brigadier Leon Mellet said the six were committing a criminal offence for not obeying their restriction orders by remaining in the compound and that the matter would be investigated by police.

Foreign Minister Mr

To page 2

From page 1

Detainees

Pik Botha said last night that the six would not be arrested if they left the embassy.

Indications were that the former detainees intended spending last night in the embassy and they gave no signs of being willing to leave today.

Meanwhile, an embassy spokesman said the six had not applied for asylum, but for "assistance in representations" to have their restriction orders lifted.

The six — all Mamelodi political activists — are Mr Don-sie Khumalo, Mr Sandy Lebesse, Mr Michael Seloane, Mr Ignatius Jacobs, Ms Grace Dube and Mr Selebogo Mabena.

Yesterday afternoon they issued a statement saying the restrictions placed on them and other detainees denied them the "right of living" in that they

were denied freedom of speech, movement and association and a normal family life.

By late last night it had not been established how Mr Ntombela made good his escape to the US consulate in Johannesburg from the Durban hospital where he was being held under guard.

Brig Mellet said Mr Ntombela's escape only "strengthened" a recent Law and Order decision to centralise all future hunger strikers in one hospital in Bloemfontein.

● About 200 emergency detainees are still behind bars but more are expected to be released soon with Mr Adriaan Vlok working through their files, Barry Streek reports.

About 10 youths, including one 16-year-old, are among those still in detention.

New Roads Board to meet next month

61 Oct 1989
IN THE first step toward implementing the Transport Deregulation Act, the recently appointed SA Roads Board (SARB) will meet next month.

The Transport Deregulation Act and the SA Roads Board Act were passed last year but remained "dead" Acts while the conditions for deregulation were being fulfilled.

The SARB, a joint public/private sector body, will take over the powers and

332
MARC HASENFUSS
functions of the National Transport Commission (NTC) with regard to national roads and metropolitan transport affairs from April 1, according to a Transport Department statement released yesterday.

The NTC will continue to exercise power over civil aviation and road transportation.

Lots of costly bumps on Longrail's route 332

Transport group, Longrail, is a member of an industry which has had to contend with major cost increases over the past year — and which is set to face further above-average cost escalations this year.

An additional levy of 2,5 cents a litre will be placed on diesel fuel next month and truck licence fees are expected to be raised by a whopping 150 percent, not to mention the growing number of toll roads which also demand a slice of the action.

Not only do such cost increases place pressure on the individual company's cashflows, but there is a detrimental effect on the economy as a whole in so far as the inflation fire gets fuelled.

At the same time, the price of new truck tractors is galloping ahead. In the last three years, the replacement cost of truck tractors has more than trebled. In view of this, Longrail now keeps its vehicles on the road for six to seven years, compared with four years previously.

In spite of exorbitant prices, however, truck manufacturers are sitting with a backlog. Joint MD Tim Edwards says that the waiting list is about three months, and much longer than this for larger trucks.

Although the transport industry continues to be very competitive, Mr Edwards is satisfied with the volume of business currently available. He did, however, add that a major complaint is that transport companies have to contend with unfair competition from Sats.

Longrail comprises two main areas of operation — Long Distance and Railit. Long Distance specialises in transporting goods and equipment by road, both in container and break-bulk form, between all the major centres in South Africa. Railit, on the other hand, specialises in door-to-door transportation of part loads and small consignments

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by utilising the rail network throughout South Africa.

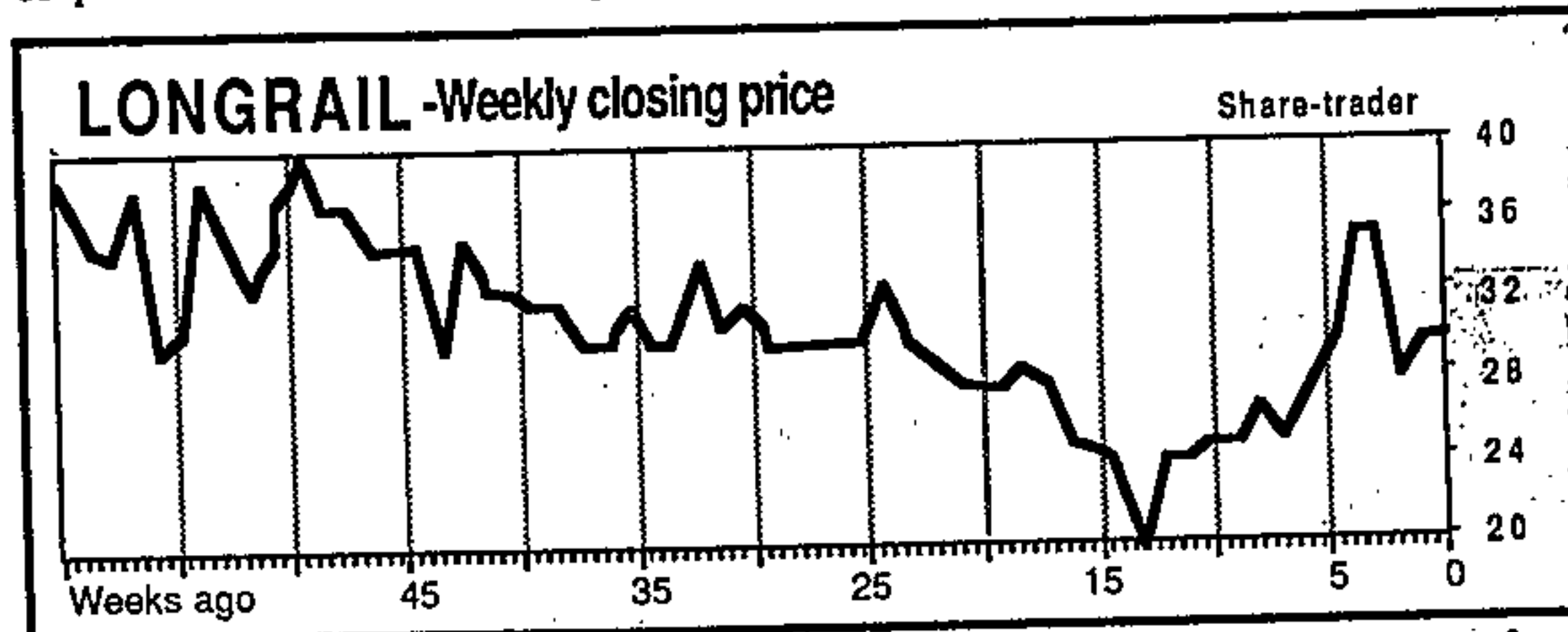
Mr Edwards says that about 70 percent of group business is contractual, with a minimum contract period of one year. He confirms that escalation clauses are written into the contracts.

Longrail has recently moved into new premises in Durban and is busy building two more distribution warehouses, one in Johannesburg and the other in Cape town. Mr Edwards explains that these will allow the group to move cargo faster and more efficiently.

He does not, however, expect any dramatic growth to materialise in the immediate future. Mr Edwards says the group plans to spend the next year or so consolidating its affairs. In time, however, he says the group plans to diversify further into related transport activities.

The interim results to August 1988 showed a turnover increase of 36 percent and a doubling of operating profit. This is attributed to rationalisation benefits following the merger of Long Distance and Railit (effective from July 1987). However, the much greater number of shares in issue diluted earnings to 4,5c, compared with 5c earned in the first half of financial 1988. The interim dividend was maintained at 1c.

The latest balance sheet reveals a high debt-equity ratio of 112 percent. Mr Edwards attributes the strong increase in borrowings to the group's expansion of its fleet. He does, however, expect the next set of financial statements to show a slight reduction in the ratio. Net asset value stands at 21,8c.



Longrail's price which has been declining for the past year, rose to 35c a few weeks ago but virtually straight away dropped back to a favoured support level of 30c. The share, which has also consistently underperformed the JSE Transport Index, will only be technically exciting if the price manages to rise above its resistance level of around 35c, without dropping back.

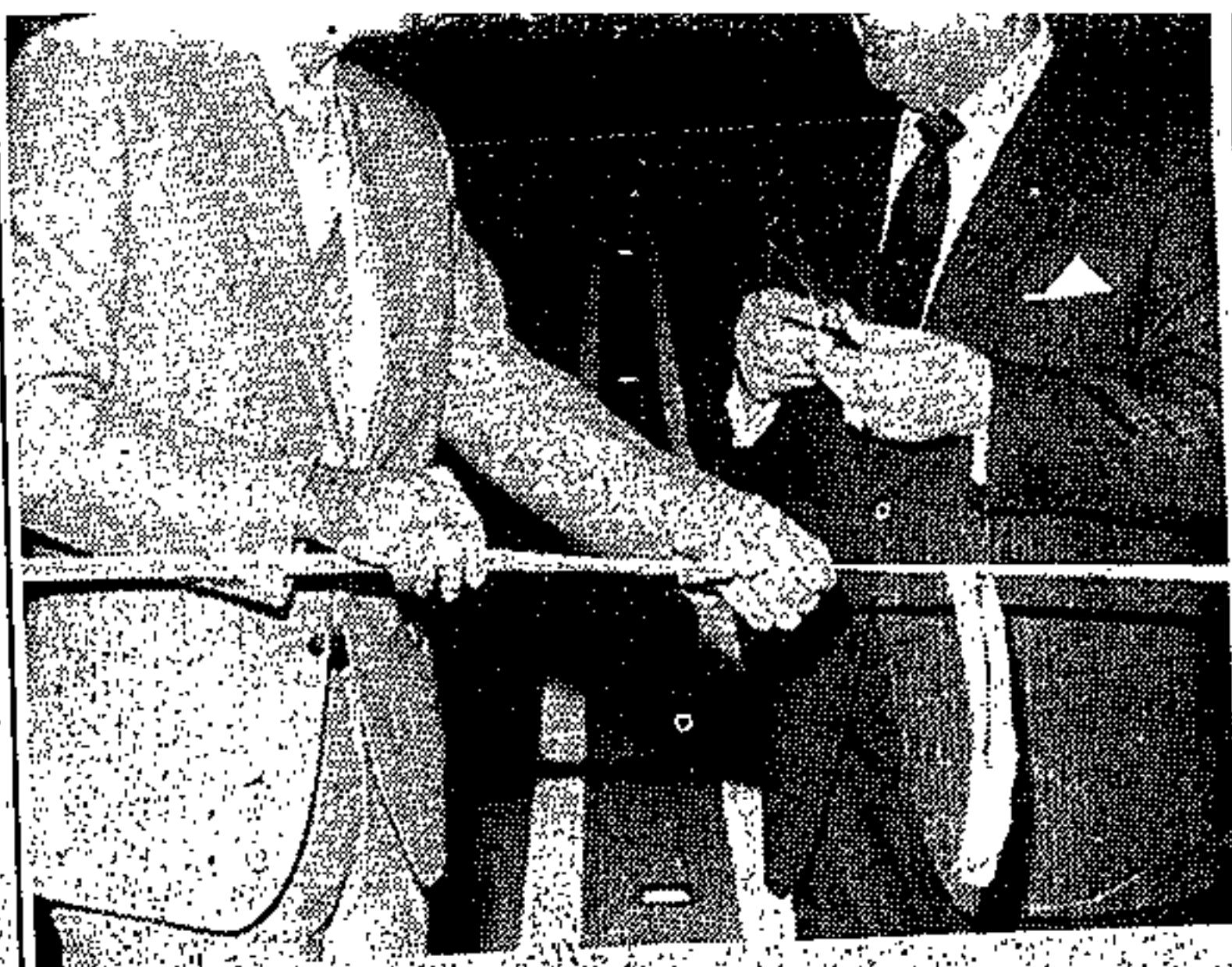
Police mediate in taxi feuding

16/3/84 Crime Reporter 332

Police are to meet with representatives of two warring taxi organisations today in an attempt to stop feuding which has already left six men dead in Alexandra and Johannesburg's northern suburbs.

The meeting of the Alexandra Taxi Association and the Alexandra-Midrand-Sandton Taxi Association will be held at the Randburg police station.

Randburg district commandant, Lieutenant-Colonel Otto Hartman, will attend.



FLASHBACK: State President Botha cuts the tape at the official opening of the Huguenot Tunnel a year ago.

One year, 1,75 million cars later

By SHARON SOROUR, Staff Reporter

MORE than 1,75-million vehicles will have passed through the R200-million Huguenot Tunnel through the Klein Drakenstein mountains by the time it is a year old tomorrow.

"It has been a smooth year of operation," said Mr Wynand Dreyer, managing director of Tuncor, which runs the 3,9km tunnel shortening the distance between Paarl and Worcester by 11km.

"We have had only two near disasters: An allegedly stolen mini-bus passed through the toll plaza and the tunnel at breakneck speed after it had lost its front wheel in a high-speed chase along the N1, and a truck ran onto the arrester bed at 106 km/h.

One accident

"There has been only one accident in the tunnel but 26 minor accidents on the east and west approach roads, including a fair number of bumps at the toll plaza," he said.

An average of 4 850 vehicles passed through the tunnel every day; 564 were heavy vehicles and 4 286 were light vehicles.

"Heavy vehicle traffic was slow to move onto the new route but 700 heavy vehicles used the tunnel in March.

"Over the past year there has been 11 percent more traffic in the tunnel than on the Du Toits Kloof pass. We were expecting 26 collisions, while there have been 152 on the pass," he said.

A minimum cost of R4 a vehicle (R2 an axle) for light vehicles and a maximum cost of R25 for heavy vehicles using the tunnel has brought in almost R8,78-million.

The millionth car drove through on October 21 but the busiest day so far was Good Friday, when 15 000 vehicles passed through the tunnel.

Long weekend

"It's not likely that we'll reach those figures again as it was a long weekend and many people just came to look at the tunnel," said Mr Dreyer.

The tunnel speed limit remained at 60km/h for a few months "so that people could get used to the unusual tunnel atmosphere".

Said Mr Dreyer: "The speed limit is 90km/h now but the average speed motorists stick to is 85 km/h."

The ultra-modern features of the tunnel included ventilation, lighting, security, fire-fighting and exhaust fume extractors.

"Monitoring devices measure the concentration of carbon monoxide fumes in the tunnel and a safe level is maintained by the extractor fans," said Mr Dreyer.

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“There will have to be drastic changes before it becomes a public company and we expect an outcry,” he said.

The group is still working on the terms of the listing, but Tollgate chairman Mr Johan Claasens said all Tollgate shareholders would get an opportunity to subscribe for shares.

Tramways doubled in size overnight with the takeover of United Passenger Transport Investments last year.

Tramways, the original department of the Tollgate group, expanded so much with the purchase of United Transport that the company will seriously have to consider decentralising, said Mr Nic Cronje, managing director of Tramways.

"Each region where we do business is managed as a separate company. This is the most effective way to manage a big company," he says.

By incorporating United, the two companies have combined their skills and services to form a company equal to any transport giants like Putco.

"The infrastructure in the company is ready to properly exploit opportunities in those services," he said.

"The developments of the informal sector in the transport industry are positive and have brought much relief to the total transport industry in South Africa. But the industry is still readjusting and each one is still trying to find his place," he says.

quickly filters down to other parts of the company. Also, the direct involvement of a chief shareholder in the company definitely makes a difference in how the company sees itself.

"Folgate has established itself as an industrial company with different interests established in the consumer market. Our activities suit that broad philosophy," he said.

The takeover of United required many changes within the company. Tramways communicated the changes to the labour force and is now busy introducing the changes to the general and investing public.

"Because we have a strong company and because we and United are so strongly related the merger is flowing more smoothly than it would have if we had bought other companies."

332

(From Page 1)

made in the deregulation of transport. But more can be done. The permit system which has been set aside for the informal sector still applies to our companies.

"Our drivers also have to keep to strict safety regulations regarding their driving ability and execution of their tasks which are not applied in the same way in the informal sector. We would like to see more competition on equal grounds."

This matter is something that will have to be considered over a long period.

At the moment, Tramways is examining its activities and the interests of its employees. Cultural changes have taken place within the group — on the one hand because of the change in the control of Tollgate and because of the expansion in the purchase of United.

"The Duros transaction was a positive change in the group. Duros has a highly motivated management team and this

DEREGULATION OF TAXIS TO BE DISCUSSED

CAPE TOWN — The Minister of Transport Affairs had convened a committee consisting of Department of Transport and Sabta representatives to discuss deregulation of the taxi industry and its long-term implications, the department said yesterday.

It said this had been done in view of Sabta's concerns on deregulation and the necessity to complete the draft passenger transport Bill as soon as possible.

The minister shared the concern of those already in the taxi industry and others, such as local authorities.

In early 1987, government recommended that the only requirements for a taxi permit should be a safe vehicle, adequate insurance and a driver with a professional driver's licence.

The department said: "It is clear deregulation is aimed at making it easier for entrepreneurs to enter the taxi business while at the same time ensuring an acceptable standard of operation and safety."

Sabta had resisted deregulation and argued that "overnight" deregulation could cause chaos.

Sabta executive member Paradis Mahlangu welcomed the talks and said: "Sabta does not want to prevent entry of black entrepreneurs into the taxi industry. However blacks, rightly or wrongly, are suspicious of deregulation and privatisation. It is important these changes be sensitively handled." — Sapa.

Short supply ensures steady rates

AFROMAR reports general demand was still at a good level, although some people thought the Pacific rates were showing a slight easing for the larger sizes. *BUPM 20/3/89*

Conditions in the SA market changed very little over the past week. Vessels of most sizes were still in fairly short supply, which ensured rate levels remained fully steady.

In the grain sector a tender was held for two cargoes, each of 16 500 tons of maize for shipment at about mid-May, and it was expected that local traders would be the successful tenderers.

Inquiry remained steady in the coal trades and rates were correspondingly firm. While there was a chance Cape-sized rates might move off their recent highs, this was thought to be a temporary situation.

With Panamax-sized vessels rather scarce, rates moved up and this sized vessel loading from Richards Bay to the Continent could expect to obtain a rate of about \$12/t.

SHIPPING

Actual fixing seemed to be on a limited scale, although there was a fixture reported for a combination cargo of 110 000t from Hampton Roads completing Richards Bay to Japan at \$18.10 for loading during April.

There was an inquiry to move up to about 18 000t of clinker from Cape Town to Reunion for a prompt loading position, and at least one operator was looking to take a vessel on time-charter.

Turkish charterers came into the market to lift about 6 750t of bulk ores from Durban to a Mediterranean port at end-March. A 100 000t cargo of iron ore was quoted by European charterers from Saldanha Bay to the Continent for shipment during the first half of April.

A cargo of 20 000t of manganese ore remained uncovered and shippers were still trying to obtain a vessel to load from Port Elizabeth to the Continent at the end of March or early April.

FLEET LEASING & RENTAL

Contracting and leasing growing

IN SPITE of the tripling in the cost of heavy commercial vehicles in the past five years, vehicle hire, lease and contracting of transport is still growing.

"The number of vehicles on full maintenance lease (FML) contracts has increased from a low base by 231,5% in just over three years with a 291% increase in the number of clients," says RAU's Professor of Transport Economics Jackie Walters, quoting financial statistics.

"This represents an annual increase of 44,5% in the number of commercial vehicles on FML."

Stuart Reeves MD of Imperial Truck Hire says the level of trucks leased by his company has grown from between six and eight a month to 30 a month in the space of a year.

Despite the heightened interest in these alternatives, instalment sale and outright purchase still account for some 86% of commercial fleet purchases which in 1988 amounted to 127 000 units.

RAU's Department of Transport Economics figures show that only 14% of commercial vehicles are leased or rented.

But fleet service rental companies believe the tide is turning.

Fleetrent MD, Mike de Lange says FML's growth, although fast, has been slower to take off in SA than in the UK and the US.

Growth is coming off a small base but is there, says Ian Carmichael, manager commercial vehicle contract sales, Mercedes Benz SA, the major manufacturer in the above 7,5 ton range

of vehicle. A factor behind the trend is that fleet costs have risen to a level needing new costing strategy for manufacturers.

Says De Lange, "Transport as a percentage of the cost of bringing a product to the market has risen recently in some cases from 10% to as much as 50%."

In such an event, budgeting fleet costs ahead of time becomes imperative.

Commercial fleet owners perhaps even more than passenger fleet owners seem to have been staving off the inevitable replacement of fleet. In both cases, the lifecycle of vehicles has been extended to nearly 8,5 years and is rising.

Commercial buyers can no longer postpone replacing vehicles purchased immediately prior to the introduction of the ADE programme in 1981.

Says De Lange: "There is pent-up demand created by fleets extending the average lives of vehicles. As a result, commercial vehicle sales are stronger than one would expect in the light of the economy."

Rising maintenance costs prove the false economy of using fleet beyond its useful life and efficiency studies may point to a new range of vehicle sizes more

appropriate for fleet needs.

These factors have contributed to the steady performance of commercial vehicle sales in recent months, a pattern which the fleet service industry predicts will hold.

One cloud in the sky affecting the future growth of the commercial vehicle market is the pegging of components imports to 1988 levels by Japanese motor manufacturers.

"The market is severely constrained by supply at the moment," says Reeves. "Last year's truck sales were 8 000, a very low figure compared to 1985's sales figures of 26 000."

An alternative to buying new is refurbishment. Many fleet owners are turning to refurbishment rather than replacement.

One example is Perkins Truck Hire's FML option on used vehicles. This scheme, approved by Toyota, offers savings of between 25% and 30% on vehicle leasing costs.

To offset price increases, companies are realising the benefits of being more flexible in fleet acquisition and using a number of the options available to them, including casual rental, lease, full maintenance leasing and contract hire.

Contract hire has tremendous potential in SA, says Reeves. "Many private hauliers are realising that their core business is manufacturing and not transporting goods. Contract hire offers the advantage of not having to finance and manage a fleet."

Underlying the optimism growth in SA are factors including privatisation,

which could open up huge markets for FML from fleets previously run in-house by government and quasi-government organisations.

The CSIR made news recently as the first such fleet to be "privatised". The CSIR switched its 350 vehicle fleet onto FML contract with Avis Lease, gaining overall cost savings.

Along with the deal, Avis employed eight members of transport staff previously employed by the CSIR, took ownership of the fleet as well as all fleet risks and responsibilities.

In another recent privatisation development the Cape Town City Council entered into a six-month trial contract hire agreement with Imperial Truck Systems for its refuse collection services.

The variety of fleet packages available has mushroomed to suit demand and changing transport economics. Fleet owners want alternatives to traditional purchase and there seems no end of assistance from financiers.

"There is no one answer," says Prof Walters. "The trouble is, I get the feeling that many companies take a position and don't re-evaluate that position for many years at a time. Times change, circumstances change and what is right today may not be the correct decision in six months time."

In a market of volatile interest rates, changing accounting and legal regulations and uncertainty regarding the introduction of VAT, flexibility may indeed be the best criterion in fleet policy for a while.

A mix of purchasing methods can in some cases provide the most economic solution.

For example, Sun Sky Couriers, the largest courier company in SA, has daily runs to more than 300 towns and operates a fleet of 450 vehicles — mostly light delivery vans. It acquires fleet methods by three methods — instalment sale, hire with full maintenance, and rental. The choice of which depends on the expected monthly mileage of each vehicle.

"Low" mileage vehicles average 5 000 km/month and are bought by instalment sale over 18 months with a 30% residual value at the end of that period. In return for taking up the cost of refurbishment of the vehicle at the end of the contract, Sun Sky is guaranteed buyback at 60% residual value.

Vehicles doing around 10 000 km/month are acquired by rental over 12 months with a 70% or 80% buyback depending on the size of the vehicle. About 60 vehicles in the Sun Sky fleet average 18 000 km/month and are hired for six months with a full maintenance contract.

Unfortunately, companies in business less directly related to transport tend not to factor the cost of vehicles as closely.

But if fleet service companies and bankers' predictions are true, it is only a matter of time. And judging by the variety of packages on offer, once fleet owners know the nature of their problems, the market will have solutions on tap.



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Captain Okkie
Grapow

Okkie Grapow alters course in Safmarine

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By MICHAEL DOMAN, Staff Reporter

JOHN Ross and Wolraad Woltemade were both folk heroes and the tugs named in their honour have also achieved legendary fame.

However, not many people will know the name Okkie Grapow, a leading figure in the planning and design of South Africa's marine "angels of mercy".

Captain Grapow has been appointed to the board of Safmarine as executive director (Marine and Technical).

He joined Safmarine in 1973 and his first task was new studies on ocean-going tugs.

"The John Ross and Wolraad Woltemade were a tremendous innovative step. With a potential 14 300kW (or 19 200 brake horsepower) driving them, they were almost twice as powerful as any other tugs around.

"They are the biggest in the western world — China has built a couple bigger since then."

The extremely powerful tugs had become a necessity because of the increased shipping around the Cape.

"We needed it to be known we could offer a service of quality, especially since there would be many foreign tankers off our coast.

"I think they've done about 200 jobs, saving many lives and preventing lots of potential damage to our coast. Some of them stick out, like the Castillo de Bellver and the Venpet and Venoil, which collided off Mossel Bay.

"Towing the Venoil was quite a feat, since with the oil and water on board it probably weighed about 400 000 tons."

Captain Grapow has gained good experience as head of the special ships divisions, but he now has to guide the technical side of all Safmarine's vessels in a hostile international climate.

"Exchange rates are bad, making spares expensive and we labour under political sanctions.

"And one perceives a lack of commitment by the government to local shipping. Often exports are entrusted to overseas ships."

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Categories are stable

DESPITE runaway vehicle price increases, there is less evidence than might be expected of fleet owners "buying down" in terms of vehicle models and size.

According to International Compensation's survey, 56% of fleet owners had neither up or down graded in the past two years, only 9% had downgraded, and a stunning 35% had in fact upgraded!

Luxury cars as a percentage of overall car sales, at approximately 13% last year, are probably slightly down. No overall figures are available since VW/Nissan and Delta's withdrawal from NAAMSA sales reporting last year.

Mercedes Benz SA estimates that luxury and executive cars make up 7% to 9% of overall car sales. BMW, which contends that there is no evidence of buying down from fleets, puts the estimate considerably higher.

These facts suggest the fleet market is absorbing vehicle price increases with as positive a view of the residual value of luxury cars as the motor dealer industry is taking.

Residual values are be-



□ GRENVILLE WILSON

lieved to be being estimated at probably 15 percentage points higher than in 1984 and they were at high levels then. The 1984 stagnation in the second-hand car market caught many lease and rental companies short.

Avis Leasing MD, Grenville Wilson, cautions, "it can be a mistake to overestimate residual values. Experience in the industry teaches you that — its like a futures market. Just as there has to be an affordability ceiling on new vehicle prices, there is a point above which the secondary market won't stretch".

'Cheaper air fares will help tourism'

CAN. TIMES 27/3/89

332

By AUDREY D'ANGELO
Financial Editor

MORE charter flights and cheaper air fares are needed to build up this country's foreign tourist trade, Delano Caras, CE of the South African operation of international hotel consultants Horwath & Horwath, pointed out on a visit to Cape Town.

Caras said the South African hotel industry was no longer a "poor relation" in comparison to those overseas. Hotels and facilities were excellent and the exchange rate made prices a bargain for overseas visitors.

Yet, though 1988 had been regarded as a good year for foreign tourists when approximately 800 000 came to this country — a level last reached in 1984 — such numbers were insignificant compared with the 41 million who flocked to Spain every holiday season.

"I doubt if foreign visitors account for more than 10% of hotel guests in South Africa. This is far below international norms, where foreign visitors account for

about half the occupancy rate."

Caras said that as long as South Africa had political stability, with no riots or disturbances to frighten foreign tourists away, the main obstacle to building up this market was the cost of getting here.

Tourists were always on the lookout for new destinations. But the high fares on regular scheduled flights deter people from coming to South Africa.

"Perhaps privatisation will result in real competition and lower fares to bring more tourists here with their foreign exchange."

The increasing number of affluent black people also offered a potentially huge market, but too few hoteliers were actively trying to get this business.

"One or two individual hotels have done an excellent job of tapping into the black yuppie market," Caras said.

Others should also gear themselves to it and go out to attract black custom, he said. So far too little research had been done to find out if black people on business trips or on holiday had dif-

ferent requirements than their white counterparts.

Caras said hoteliers in Namibia expected to have high occupancy rates during the transition period. Hotels in Cape Town might also benefit from extra business.

He thought the tourist industry in Namibia had tremendous potential and the country was under-supplied with hotels.

"Developers are going to wait to see what transpires there before they commit themselves. If there is stability there, and when they know what course Namibia is going to take, I think they will invest heavily."

"A lot of people will get into the tourist industry there."

Caras, formerly an executive director of Sun International, where he was responsible for feasibility studies for new hotels, joined Horwath & Horwath in May last year. He is based in Johannesburg, but operations extend all over the country.

Horwath & Horwath brought out its 18th annual survey of the international hotel industry last year.

64 killed, but Easter death toll is down

Cape Times 28/3/89 332

Staff Reporter

FIVE Port Elizabeth people were killed yesterday on the N2 near Humansdorp, bringing to at least 64 the number of people killed on the country's roads since the beginning of the Easter weekend.

But by early last night indications were that the death toll is substantially down on last Easter's 220 deaths, though this year only deaths on the four major national routes were recorded by the National Road Safety Council.

Checks with the Cape provincial traffic department revealed that by last night no serious accidents had been reported on Western Cape roads yesterday. The Western Cape death toll for the Easter weekend remained at eight.

The car in which the Port Elizabeth victims were travelling apparently left the road and landed in a cement-lined ditch about 5am yesterday.

The dead were identified as Mr Clarence Walton, 35, Mr Leon Walton, 32,

Mr Melvyn Abrahams, 35, and two young Walton brothers aged four and two.

Two women who were also travelling in the car — 48-year-old Mrs Muriel Walton and 19-year-old Miss Shirley Bruiners — are in Livingstone Hospital in Port Elizabeth. All were from Schauderville in Port Elizabeth.

The Eastern Cape accident brought the Easter road death toll in that region to at least 12 yesterday after three people died earlier — one on the outskirts of East London, another near Fort Beaufort and the third in Grahamstown.

Rescue workers say a motorist was killed when his car collided with a tree on the Macleantown road about 20km outside East London and an unidentified pedestrian was killed when he was struck by a car near Fort Beaufort last night.

Another unidentified pedestrian was killed when he was hit by a car in

To page 3

From page 1

Raglan Road in Grahamstown on Sunday night.

Reports reaching Sapa indicate that the national death toll is at least 60 and possibly more.

A survey of the four major national routes by the National Road Safety Council revealed a total of 41 fatalities between the start of the Easter long weekend and 6pm last night.

NRSC spokesman Mrs Hettie Marais told the Cape Times yesterday that last year's national Easter death figure of 286 included all minor arterial roads, while this year only the four major routes were monitored.

"This year we decided we were going to sell a more positive approach and we didn't want to make death tolls our main concern," she said.

Instead the NRSC concentrated on erecting signposts which gave motorists four-hourly updated information such as traffic volumes, traffic flow speeds and the number of following distance "violations".

The NRSC says that the main reasons for col-

lisions resulting in fatalities were fatigue, pedestrians on the road, unsafe overtaking and insufficient following distances.

According to statistics, 27% of fatal collisions were the result of vehicles overturning, 25% were caused by collisions with pedestrians and 20% by "head on" collisions.

The worst accident reported over the weekend so far was one which claimed the lives of 22 people and injured 24 others on Thursday when a lorry overturned in northern Natal while on its way to Zululand.

A spokesman for the Western Cape Blood Transfusion Unit headquarters said they had sufficient blood for yesterday but that, by this morning, "we'll probably be running around frantically looking for blood and bleeding people".

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Peace plan Vote

IT'S make or break for the warring Alexandra taxi associations as they vote to elect the executive of a single taxi organisation today.

The polling is at Alexandra council chambers, starting at 10am.

The chairman of the Alexandra council's management committee, Mr Prince Mokoena, presented the peace masterplan to a police delegation from the office of the Minister of Law and Order.

**By MOJALEFA
MOSEKI**

He said yesterday all preparations had been made for elections.

Mr Mokoena was appointed the ad hoc chairman of all groups who want peace restored among the taximen after eight were shot dead and several others injured.

The violence started in October last year.

Mr Mokoena said the executive

committees of the rival associations, the Alexandra Taxi Association (ATA) and the breakaway wing, the Alexandra-Midrand-Sandton Taxi Association (Amsta), have already been disbanded.

This complied with a resolution agreed at a meeting hosted by a high-powered police delegation at the Randburg police station two weeks ago.

All taxi owners operating in

Alexandra have been told to cast their vote today or forfeit their ranking rights as their taxi certificates will be withdrawn.

Among others will be police delegations from Pretoria and Johannesburg, officials of the Transportation Board and chairmen of the management committees of Sandton, Randburg, Midrand, Kempton Park, Edenvale and Johannesburg.

Interest charges halve Supertrans earnings

HIGH interest charges resulted in the DCM-listed transport company Supertrans reporting a 46% decline in earnings to 2,2c a share (4,1c) for the six months to December.

Supertrans MD Ken Hall said the jump in the interest bill from R17 000 to R312 000 was largely due to an increase of R3,5m in company borrowings to finance the acquisition of Medwood Furniture Removers in October last year.

He said the Medwood acquisition had doubled Supertrans's furniture removal

MARC HASENFUSS

fleet, enabling it to take full advantage of current improved market conditions and increased market share.

The situation was exacerbated by the rising pattern in interest rates and pressure on group earnings imposed by higher licence fees and road tariff increases, he said.

Despite a 111% increase in turnover to R6,4m (R3m), attributable income dropped 40% from R522 000 during the

same period in 1987 to R312 000.

However, Hall was confident that the group would match its previous year's performance over the full term.

He said the reduced margins during the first six-month period were the result of a successful bid to gain market share in the furniture removals industry.

"Better margins are on the immediate horizon in this sector, largely because of a shortage of capacity, and we are confident the company will benefit

accordingly," Hall said.

The Group also acquired the assets of Thoroughbred Carriers for the sum of R250 000. The payment was made through the issue of 250 000 Supertrans Holdings shares at 60c and a payment of R100 000 cash.

Hall said the group's outlook was bright, with the impending national yearling sales in the horse transport field, and the need to repatriate many SA citizens as result of the SWA/Namibia independence process.

Alex taxi groups reform

THE warring Alexandra Taxi Association and Alexandra - Midrand - Sandton Taxi Association yesterday ceased to exist during a meeting at which they were brought together to form a single organisation.

A new five-member executive committee, chosen from and elected by the members of the two associations, will meet today at 10am to decide the name of the new body, said Mr P Manamela, the elected chairman.

The other executive members, who were elected unopposed, were Mr Paulos Radebe (vice-chairman), Mr Moses Shai (general secretary), Mr Michael Yende, the assistant secretary and the treasurer, Mr W Khoza.

Revved-up economy boosted road carriers

MARC HASENFUSS

332

ROAD transporters' strong recovery last year was due to increased economic activity, the Public Carriers' Association (PCA) said yesterday.

Transporters carried 73% more tonnage in 1988 than in the previous year, according to Central Statistical Services figures.

PCA technical manager Hugh Sutherland said by mid-1987 the employment situation in SA had stabilised, creating consumer confidence.

Consumer spending generated an increased demand for road transport services as most of it was related to valueable commodities which needed rapid transportation.

B/DW 31/7/87

Major threats

RAU transport economics professor Wynand Pretorius said the transport network in SA showed a trend towards road transport in recent years due to its speed of deliveries and quality of service.

Sutherland saw two major threats to motor carriers, the most serious being road congestion. The other was inflation in the truck industry which made it difficult to service investments and would result in disinvestment in the public transport industry.

Government budgets this year indicated no intention of increasing road infrastructure.

332

19/3/89

News

Louw talks to Sabta on taxi industry deregulation

TRANSPORT Minister Eli Louw has convened a committee of representatives from the Department of Transport and the South African Black Taxi Association to discuss deregulation of the taxi industry and its long-term implications.

According to a statement issued by the Department of Transport, the move was made in view of Sabta's concern with deregulation and the necessity to complete the draft Passenger Transport Bill as soon as possible.

The Minister shared the concern of those already in the taxi industry and others, such as local authorities, the statement said.



Paradise Mahlangu, welcomed talks on taxi deregulation.

The Minister has stated in Parliament that the change must be phased in over a period of time.

In early 1987 the government recommended that the only requirements for a taxi permit should be a professional driver's licence.

It is therefore clear that deregulation is aimed at making it easier for entrepreneurs to enter the taxi business while at the same time ensuring an acceptable standard of operation and safety, the statement said.

Sabta resisted deregulation and argued that overnight deregulation could cause chaos.

According to the statement, Paradise Mahlangu, Sabta executive member, welcomed the talks and stated that Sabta does not want to prevent entry of black entrepreneurs into the taxi industry, it rather wishes to help them.

He said, however, that blacks are suspicious of deregulation and privatisation - rightly or wrongly - and it is important that the good points of the government's economic policies should not be overwhelmed by fear. Changes must be sensitively handled.

It is hoped the committee will report back to the Minister by the end of this month. - Sapa

Huge taxi interchange planned at Shareworld

A MASSIVE taxi rank, shopping complex and other business ventures costing about R6 million are to be erected near Shareworld in Johannesburg.

The project, which has been initiated by the South African Black Taxi Association and Shareworld, is set to provide more than 50 000 people with transport in the Pretoria-Witwatersrand-Vaal Triangle areas the so-called homelands and to the neighbouring African States.

This was announced by the chief executive member of E G Chapman Retail Projects, Mr Robin Stumke, who said the interchange would help thousands of black commuters.

He said the rank will provide various facilities such as radio control services for taxis, shelter, showers, dormitories, different platforms for taxis, seating and other necessities.

"The rank will also help to ferry thousands of soccer fans from various destinations to Soccer City which is to be opened near the area later this year," Mr Stumke said.

"It is expected to be a beehive of business activity where small business people will be able to sell their goods," Mr Stumke added.

A post office and sophisticated telephone systems are to be installed at the centre. "Everything will be there for taxis as well as for the commuter," he said.

Sabta's executive officer, Mr Jabu Mabuza, said all taxi associations would be expected to participate in the venture aimed at black empowerment.

He said the project should be supported by all blacks and appealed to the financial institutions to help develop this historic black enterprise.

Soweto taxi war explodes

Own Correspondent

THE Soweto taxi war exploded once again yesterday when gunmen armed with R-4 and AK-47 rifles killed three people and injured three others at the Baragwanath Hospital taxi rank yesterday morning.

Soweto police spokesman Col F J Zwane said one of the injured and one of the dead were off-duty Soweto municipal policemen who were probably on their way to Pretoria.

He said the shootings were apparently a continuation of a war between registered taxi owners and new operators over a new route between Baragwanath and Pretoria.

Officials of the Baragwanath-City Taxi Owners Association could not be reached for comment yesterday.

Centre for hawkers, taxis planned in Plain

By PETER DENNEHY

TAXI drivers and hawkers in Mitchells Plain are planning to build a R25-million shop, office and hawkers' complex alongside a new taxi terminus at Mitchells Plain station.

Mr Noor Hendricks, chairman of the year-old Mitchells Plain Town Centre Taxis and Hawkers' Associations, said yesterday that South African Transport Services owned the land (part of plot 28 093) but had agreed to lease it on a long-term basis to a newly-formed company, Mitchells Plain Taxis and Hawkers (Pty) Ltd.

Majority shareholding in the company had been reserved for members of the associations, Mr Hendricks said.

The company had also secured a massive loan from overseas

which would be supplemented by funds from the association, and guaranteed by it, he said.

Amsterdam

"We are 100% sure we will get the loan from overseas," he said. Mr Hendricks is going to Europe next month and will visit Birmingham, Paris, Amsterdam, London and Zurich to look at similar developments there.

The number of storeys in the complex and its design had not yet been decided, he said.

Mr Hendricks said there were more than 1 000 taxi operators in greater Mitchells Plain, but many of them were based outside the area, and others were illegal operators.

Only about 250 legal ones were from Mitchells Plain itself, and the vast majority of these had

joined his association, he said. One of its aims was to set professional standards for its members so that the public would have a safer and more efficient service.

Asphalt

Hawkers' facilities at the new centre would be made available "under strict conditions regarding health, cleanliness and safety, to members of the association".

Meanwhile, arrangements are being made to put asphalt on a portion of the leased land "for immediate use" by the taxis.

The association also hopes to obtain control over the station footbridge, which crosses some of the land they will be leasing, "to ensure hygienic and safe operation by hawkers" there.

Cape cabbies go for new 'Maxi-Taxi-Safety' course

By DALE KNEEN
Staff Reporter

WESTERN CAPE taxi drivers have taken up the Cape Town traffic department's invitation to encourage better driving techniques.

Fifteen members of six major taxi associations begin the "Maxi-Taxi-Safety" course today, sponsored by The Argus and Firestone.

The intensive three-day course presented by the traffic department will focus on the benefits of safe-driving to taxi drivers and the community.

Those taking part include members of the SA Black Taxi Association, the Heideveld Taxi Associates, the Mitchell's Plain Taxi Association, the Park City Association of Hanover Park, the Western Province Taxi Association

and the West Coast Taxi Association.

According to Firestone SA public relations manager Mr Adrian Stanbridge, the willingness of these taxi drivers to give up time to improve their driving is to be commended.

"Firestone SA believes that together with The Argus and the Cape Town traffic department that the course will provide participants with valuable insights into safer driving techniques, which in turn will cause a ripple effect in the taxi industry," he said.

A second Argus-Firestone Maxi-Taxi-Safety Course is planned for May 23 to May 25.

For more information, contact Inspector Tony Howes of the Cape Town traffic department at 419 2200.

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3 die in taxi wars

• From Page 1

After the shootings, the gunmen ran to the "killing ground" and pumped further shots into their victims to finish them off.

"It was a finely-planned ambush. We believe it was a revenge attack," said a spokesman.

Two taxi drivers and an off-duty municipal policeman were killed in the shooting involving rival taxi operators, writes MOJALEFA MOSEKI.

The liaison officer for Soweto police, Lieutenant-Colonel Fanyana Zwane, yesterday said police were still investigating if there was a link between yesterday's violence and the fighting last week. No one has been arrested.

Eight taxi drivers and several innocent people were injured in the fighting last week.

The fighting follows a conflict between some Pretoria taximen and Baragwanath-City taxi drivers. The Bara-City drivers object to the presence of the Pretoria taximen in their area and insist that the Pretoria taxis should ferry people from Johannesburg and not from Soweto.

The names of the dead victims will be released after their next of kin have been informed.

Chief of the Soweto CID, Colonel Chris Oosthuizen, has appealed to people who were on the scene during the shooting to come forward. The police have promised not to reveal the identity of those who are willing to give statements. He can be contacted at (011) 980-8300 during working hours.



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AP TALK



THE body of a victim of the shooting (arrowed): The police were soon on the scene.

TAXI WARS - 3 DIE

AK-47s used in Bara ambush

THE killing of three men and the wounding of another three yesterday by AK-47 and R4 gunmen in the latest clash in a bitter Soweto taxi war, was a meticulously planned ambush and revenge attack, police said.

The gunmen — at least four men — caught their victims in

a deadly crossfire from a footbridge overlooking the Baragwanath taxi rank and from a house situated in a street which runs at a right angle to the bridge.

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SPECIAL

CHEA

Grincor to head for international arena

Own Correspondent 332

DURBAN — Shipping company Grincor is to reduce its dependence on SA trading by embarking on international activities, chairman Murray Grindrod, says in the annual report.

But, he notes, the sensitive nature of these activities precludes a full report to shareholders. However, income, assets and liabilities of foreign subsidiaries are included in the financial statements. B/Dy 11/4/87

He expects a reduction in South African imports, but a continued buoyancy in exports "in the face of a weakening rand".

He also expects continued growth in domestic activity which the group is well-equipped to handle and "increased profitability from this area of activity will be a major priority".

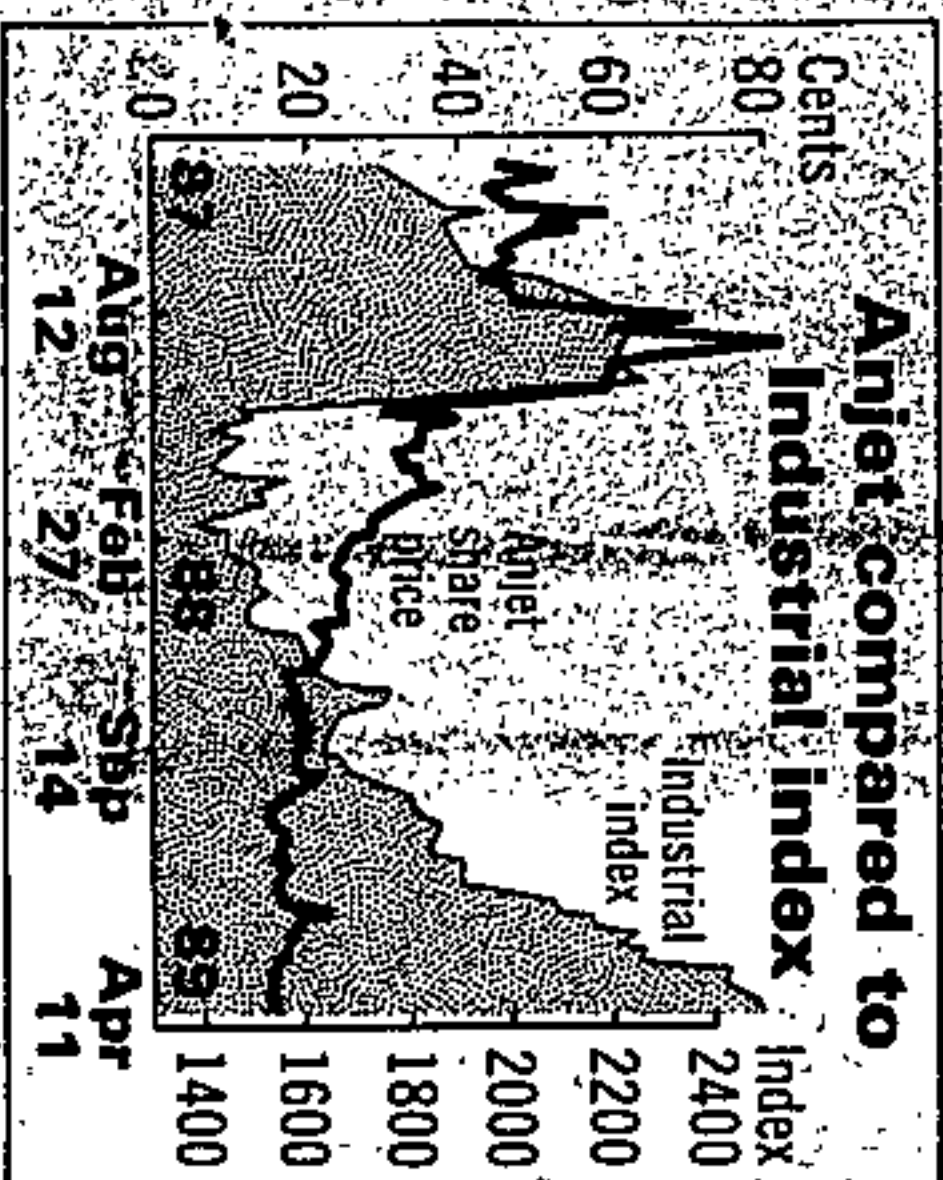
Anjet MD not worried by share price plunge

SELLING wave hitting shares of DCM-listed Anjet Aviation (Anjet) on speculation of liquidity problems in the company has not unduly perturbed MD Theuns Fouché.

We had a lot of expenses in the second half of last year after launching an expansion programme. This resulted in temporary cash flow problems, but money is now starting to come back in," he said.

Anjet shares topped 80c before the crash of October 1987, but the shares have since been on a downtrend with wind of the liquidity problems sending them to a current low of 15c where they have languished.

After paying a dividend of 4.6c a share in the first year of its listing, Anjet passed dividends in 1988 and none is expected to be declared in the year to February 1989. Fouché is confident, nevertheless, the



company will meet its target of resuming

MERVYN HARRIS

dividends with an interim payout of 1.2c a share for the six months to August.

His optimism stems from several projects launched last year which are now coming on stream. These include a turbo-prop maintenance facility at Lanseria Airport and a training school in George.

"Besides these ventures, we have also spent about R450 000 on a project at Cape Town airport. We hope to start receiving revenue from that project from the end of this month," Fouché said.

Borrowings to finance this expansion pushed gearing up from 22.5% at the end of the 1988 financial year to 77% at the inter-

im stage to August last year.

The finance bill weighed heavily on earnings, which fell from 7c in 1987 to 3.2c a share in 1988. Earnings were 1.9c at the interim stage and are not expected to exceed 5c in the year to February.

Fouché says the value of Anjet shares should be at least 35c. This is not a view the market is taking. The number of shares traded last month more than doubled to 544 300 against the monthly average of 256 763 over the past 12 months.

"I am aware of the selling, but there have also been buyers and this is a positive indication. Two big sellers have offloaded shares and I believe the selling will come to an end this month," he added.

By Day 12/4/89

Bid to end taxi wars

Sowetan 14/4/87 332

MEMBERS of the two warring taxi factions whose bitter war has left three people dead and at least 12 wounded at the Baragwanath taxi rank, met yesterday in a bid to bring hostilities to an end.

The two and half hour meeting, which was chaired by the Diepmeadow Mayor, Mr M J Mathala, was held behind closed doors.

The meeting which was held at the Diepmeadow Council chambers was also attended by security police and uniformed members of the SAP from Orlando police station.

A statement released after the meeting said it had been resolved that the two groups would with immediate effect, stop operating a service between the Baragwanath rank and Pretoria — the route which has sparked the bitter feud — until both had obtained the necessary permits.

At the meeting, neither group was able to produce a valid document allowing them to operate on the route.

It was resolved that the Diepmeadow Council would apply strict law enforcement control to make sure the groups adhered to the agreement.

SOWETAN REPORTER

The taxi groups were represented by 10 members from the Johannesburg Sabta region, including chairman, Mr Pat Mbatha and Mr Joshua Simelane, the vice-chairman.

The one-year-old Federated International Transport Organisation was represented by three members, among them its managing director, Mrs Evelyn Moepi. Members of the South African Long Distance Transport Association attended as observers.

Mr Mathala, Mr J F de Jager, the town clerk, Mr Tom Mabambe, director, Protective Services, Captain Keith Ferreira of the Diepmeadow police, represented Diepmeadow Council.

On Monday three people, including a Diepmeadow policeman, were shot dead and three others injured in renewed bitter fighting.

After nine members of the Baragwanath-City Taxi Owners' Association had been shot and wounded on Wednesday last week, another policeman was among those injured.

At yesterday's meeting it was pointed out that the two policemen involved had been on duty at the time of the shooting, contrary to previous reports, which said they had been off duty.

TALK IT DOWN

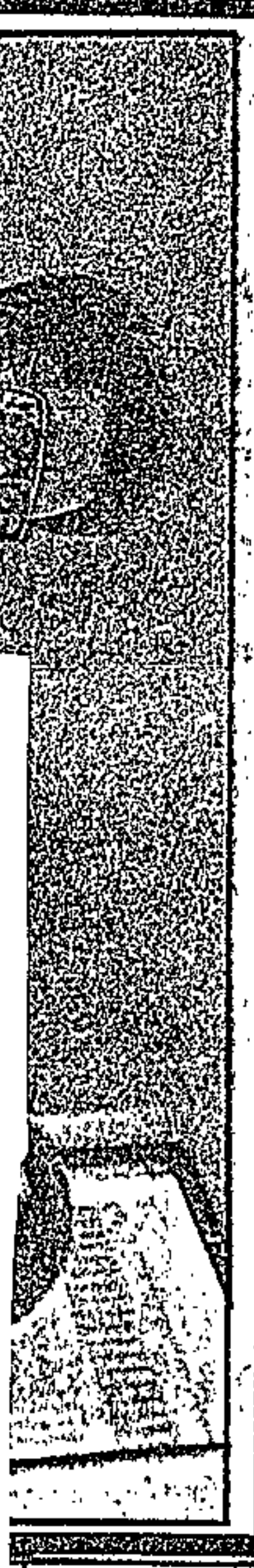
MABUZA

SOUTH Africa's major taxi associations have called for restraint following the violence which claimed the lives of three people in Soweto. This week. Leaders of major taxi associations — the

By JOSHUA RABOROKO

Sabha's deputy managing director, Mr Jabu Mabuzza, yesterday called

Plea to taximen



Baratense

• From page 1

Saldta's chairman Mr Peter Rabali, said he did not believe that violence, of whatever sort, would help:

"Stop fighting among each other. Let us all investigate our problems and negotiate a settlement. We have to change our attitudes if the taxi industry is to enhance black economic empowerment," he said.

The situation remained tense but calm at the Baragwanath taxi rank yesterday where three people were killed and another three wounded by gunmen with AK-47 and R4 rifles.

The Soweto police public relations officer, Lieutenant - Colonel Fanyana Zwane, yesterday said the police were watching the situation very closely.

He said the names of those who have been killed had not been released because the next of kin had not yet been informed.

The injured were admitted to the Baragwanath Hospital, but he would not say whether they were still there.

Police have appealed for anyone with information to contact them at (011) 980-8108.

• To Page 2

Conditions unchanged

18 May 1989 (332)
FREIGHT market conditions are generally unchanged for most sizes of vessels on early positions, but there seems to be some uncertainty creeping in for the forward positions, Afromar says.

It says the SA market has been quite active for handy-sized vessels during the last few days, especially for time-charter trips to the Continent and the Far East. Vessels of around 28 000dw are obtaining rates in the region of \$8 000 a day for trips to the Continent and similar-sized vessels are being paid about the same level for trips to the Far East, but with delivery coming out of the Persian Gulf.

Handy-sized vessels are still in short supply on early positions but charterers are looking with interest at forward positions to see if some easing is likely.

Tendered

Coal-trading again tended to be fairly quiet although there were a few fixtures.

Taiwanese charterers had a cargo of 25/30 000 tons of coal from Durban to Kaohsiung for June loading for which they were indicating a rate of around \$20.

There was a tender for two cargoes, each of 16 500 tons of white maize for early

SHIPPING

June loading, but with only one bidder the Maize Board decided the price was too low and the tender was not awarded.

Two cargoes of 30 000 tons each of wheat were successfully tendered for with May shipment out of East London, probably for a Mediterranean destination.

Four similar-sized cargoes will be tendered for next week also for May shipment.

A cargo of 12 000 tons of scrap was quoting from Cape Town to the north of South America for an end-April/early-May position.

Canadian operators were looking for a vessel of 25 000 tons to lift a chrome ore cargo from Richard's Bay to the US east coast at the end of April.

There was a cargo of 15/19 000 tons of chrome ore from Tamatave to Japan to be shipped on a fairly early position.

European charterers were quoting a cargo of 100/150 000 tons of iron ore from Saldanha Bay to Rotterdam for loading, July/August.

A 4 000-ton cargo of manganese ore was quoted from Durban to Turkey for end-April loading.

Putco puts passenger fares on hold until July

Staff Reporter

332

Putco has decided not to increase its passenger fares until July, in spite of the increase in the petrol price.

"While the Government may be fully justified in increasing the fuel price, Putco is so concerned about this third increase in six months that it has decided not to increase passenger fares until our annual fare revision, scheduled for July," a statement said.

The additional annual cost of the latest fuel increase was estimated at R8 million, so the delay constituted a considerable concession to all Putco's commuters, the statement added.

Transport industry 'shackled' by state

By AUDREY D'ANGELO

Financial Editor

EXPORTS are being hampered and business costs pushed up through lack of understanding by the Departments of Trade & Industry and Transport Affairs, the President of the SA Association of Freight and Forwarding Agents (SAAFF), P D Henegan, said in Cape Town last night.

In an outspoken speech at the association's annual conference banquet Henegan also hit out at SA Transport Services (Sats) and SA Airways (SAA) which, he said, had been awarded far too high a level of protection and had "little experience of operating in a normal business environment."

Henegan said his association was faced with major problems, including "arrogance in Government."

The Department of Trade and Industry, particularly with regard to import control, and the Department of Transport Affairs had "proved to be completely out of touch with the modus operandi of the business community and indifferent to the needless burdens which their own deficiencies have imposed."

"These deficiencies have cost the country vast sums in wasted money and many thousands of hours of unproductive labour," he said.

Discussing Sats and SAA, Henegan said: "Competition is the breath of life in any free market economy. There is no doubt that in certain sectors we have had far too little of it."

Sats and SAA were now "taking maximum advantage of their recently acquired liberty to do maximum damage to the road transport industry

while the latter still has its hands shackled by legislative restraints.

"It is, of course, not the fault of Sats that in the process of deregulation of transportation their Government masters have granted them carte blanche to ignore the controls of the Transport Services Act while the same Government officials have been dragging their feet intolerably in the process of clearing out the legislation and regulations which hamstringing the activities of road hauliers and private air carriers."

Henegan said such privileges as compulsory cartage and crane hire charges by Sats, whether or not it had undertaken the transport and unloading, were among thousands of small costs and expenses which tended to "drag economic activity into the mire and blunt the keen edge of entrepreneurship."

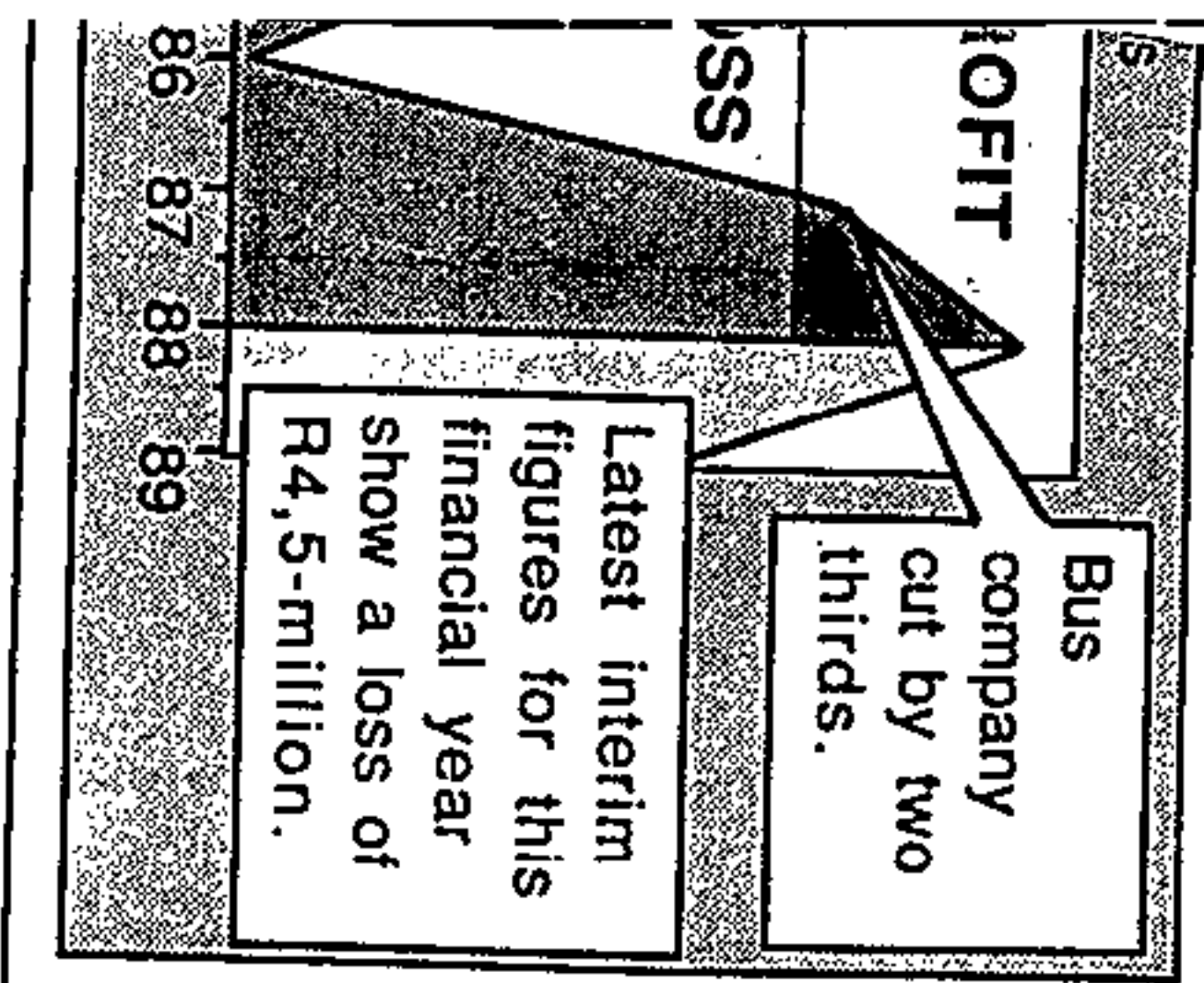
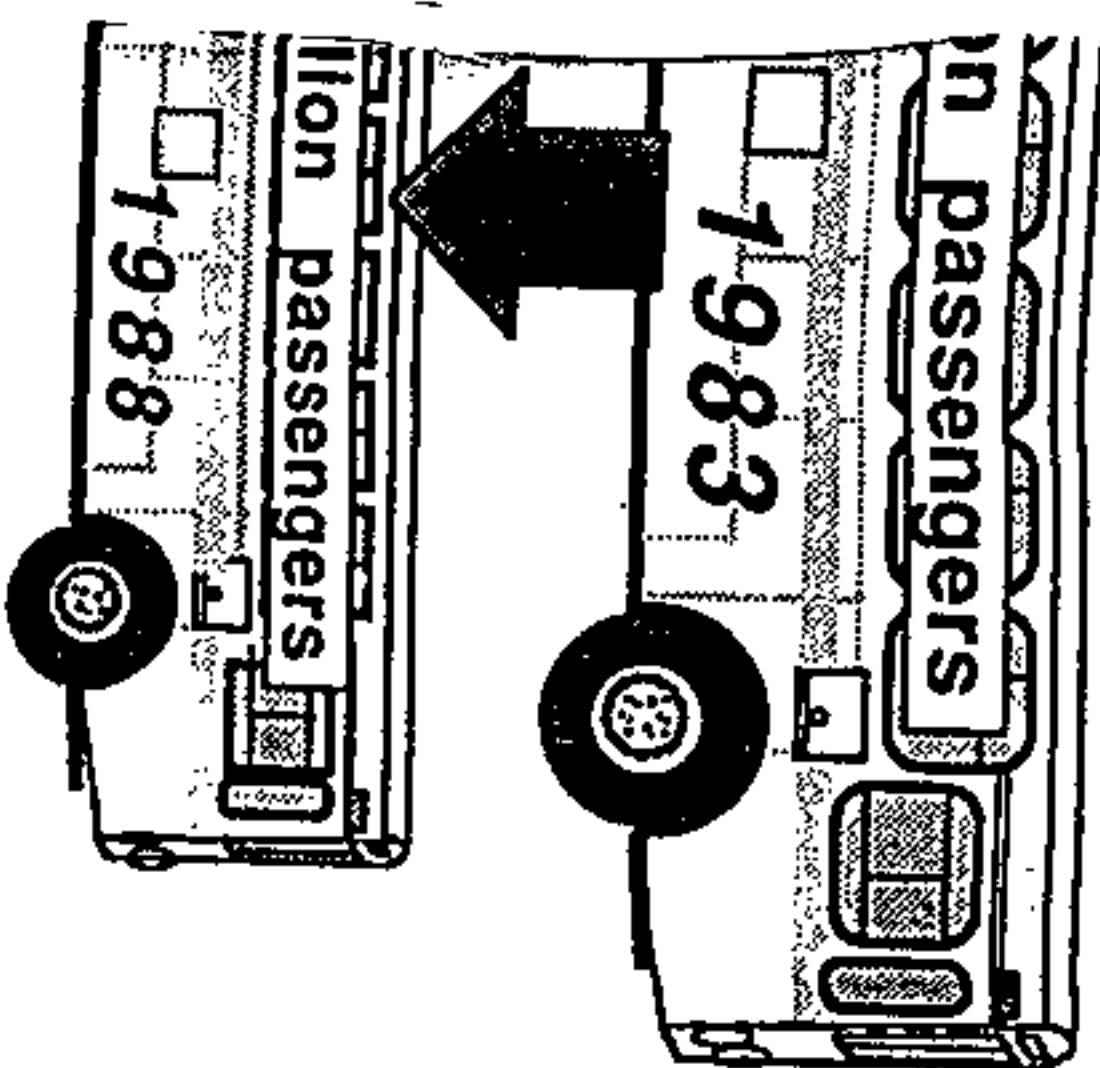
He was also concerned by "the evident intention of the Minister of Finance to make road transportation his favourite target for taxation in the coming years."

Rising costs and levies and new road charges would cause inflation to escalate and "impose a brake on the export effort which, in any event, is showing uncomfortable signs of weakening already."

Calling for support from Chambers of Commerce and Industry, Henegan said: "If we wish to see a booming economy we must make our voices heard loud and clear."

"We must attend the relevant meetings and speak out against the financial shackles which are being placed by Government around the ankles of the private sector."

RINKING BUS



Putco fights burgeoning taxi industry

Putco is back in the red as the rising "black" taxi industry continues to take its toll of the beleaguered bus company's profits.

Stringent restructuring and cost cutting briefly restored Putco to profitability last year, but the latest figures show a loss of R4,2 million — bringing the total loss since 1985 to well over R30 million.

Without a clear decision from the State on the future of the transport industry and stricter enforcement of the laws governing minibus taxis the hardpressed company might need to make further cuts.

Putco's public relations manager, Mr Robin Duff, lays the blame for the losses largely on the problems surrounding the booming "black" taxi industry.

"It is vital that the industry be re-formulated so that no mode is discriminated against. It is also crucial that laws which attempt at putting the taxis and buses on an even footing be enforced," Mr Duff said.

Buses — bound by red tape — were at an enormous disadvantage against taxis which decided to a large extent on their own routes and stops.

The bus company, once South Africa's biggest, has slipped into second place after losing 180 million passengers and being forced to cut its fleet by a third. Its off-peak business has all but been destroyed and peak

The burgeoning minibus industry has delivered a crushing series of blows to the one-time transport giant, Putco. Tough cost cutting provided the company with brief profitability last year, but now Putco is back in the red. **DAWN BARKHUIZEN** reports.

period traffic has shrunk by 33 percent. Of the 374 million people who used the service in 1983, only 194 million travel by bus these days.

The crunch for Putco came in 1985 when minibus taxis flooded the streets. The situation worsened in 1986 when the Government upped passenger numbers to 15. Since then the informal industry has gone from strength to strength.

In 1987 the State granted 19 190 permits to taxis in Johannesburg, Durban and Cape Town. Last year saw 42 348 permits granted.

Shell Oil Company estimates there are 100 000-plus minibus taxis on the road collecting fares totalling R2 billion annually.

The automobile industry, where they spend R80 million a year on spare parts and R300 million on vehicles, hardly considers them "informal". And now plans are afoot to run bigger and better 40-seater super cabs.

Drivers can earn good money — averaging R1 500 a month. A taxi operating seven days a week can generate R5 600-plus monthly but has high

running costs.

How does one explain the dramatic swing to taxi travel?

"They are providing a tailored service that we cannot," says Mr Duff. "They're flexible and can vary routes to drop off passengers. They don't have set times of departure and leave as soon as they are full."

This support should, however, not be seen only in terms of convenience or cheaper rates (they are in fact at times more expensive) — but rather against the broader socio-political spectrum.

In 1987 it was estimated that some 80 percent of black commuters spent an average of 2,5 hours a day travelling to and from work. About 20 percent spent between 3,5 and seven hours.

Long distances combined with low wages make transport costs a central issue in the lives of low paid workers.

Fares have always been a flash point. Ever since the first bus boycott in Alexandra township in 1943, increases have been fought in the context of a broader political and economic basis. Putco has been accused

of being an instrument of the system. In 1957 fare increases saw more than 70 000 workers walk more than 50 km a day for three months.

When Putco announced an increase in 1976 they again became a target for political violence and lost millions.

An increase of 17,5 percent in the Transvaal in 1986 culminated in the Soweto bus boycott. Buses were hijacked, stoned and burnt at enormous cost to the company.

The boycott could not have been more untimely. The company was already reeling under the volley of blows delivered by the booming taxi industry, unrest and labour problems. They lost a R19,1 million that year.

The Carleo family, who purchased the company in 1971 and built the bus fleet up from 850 to 3 500, were concerned about the future of the industry. "But we decided to bite the bullet and get radical," Mr Duff said. "We mothballed 1 000 buses, streamlined services and retrenched about 33 percent of our staff."

By the end of 1987 Putco was looking healthier, showing a R1,7 million profit. A relatively trouble-free year in 1988 saw the profit margin grow to R8,5 million.

But indications that the passenger decline was bottoming out were premature and the mushrooming minibus trade is delivering yet another series of blows.

Need for taxis

THE Tokoza Taxi Association recently held talks with the local council to discuss the upgrading of streets in new areas of the township, with the view of introducing taxis.

The new areas, Crossroads and Tokoza Two (Cable City), have

not been serviced by taxis and commuters living in these areas have to pay exorbitant amounts for deliveries.

For further inquiries telephone Mr Moses Tsotetsi at 905-1684.

SOWETAN
Reporter

332

to be far 19/11/89

Minibus industry delivers a series of blows

THE burgeoning minibus industry has delivered a crushing series of blows on the one-time transport giant, Putco.

Tough cost cutting provided the company with brief profitability last year but now Putco is back in the red.

Stringent restructuring and cost cutting briefly restored Putco's profitability last year, but the latest figures show a loss of R4,2-million — bringing the total loss since 1985 to well over R30-million.

Without a clear decision from the State on the future of the transport industry and stricter enforcement of the laws governing minibus taxis the hard-pressed company might need to make further cuts.

Putco's public relations manager, Mr Robin Duff, lays the blame for the losses largely on the problems surrounding the booming black taxi trade.

"It is vital that the industry be reformulated so that no mode is discriminated against. It is also crucial that laws which attempt at putting the taxis and buses on an even footing be enforced," Mr Duff said.

Buses — bound by red tape — were at an enormous disadvantage against taxis who decided to a large extent on their own routes and stops.

The bus company, once South Africa's biggest, has slipped into second place after losing 180 million passengers and being forced to cut its fleet by a third.

Its off-peak business has all but been



THIS used to be a scene at the Baragwanath taxi rank.



NOW this is the scene that is to be found today.

destroyed and peak period traffic has shrunk by 33 percent.

Of the 374 million people who used the service in 1983, only 194-million travel by bus these days.

The crunch for Putco came in 1985 when minibus taxis flooded the streets. The situation worsened in 1986 when the Government upped passenger numbers to 15. Since then in 1987 the State granted 19 190 permits to taxis in Johannesburg, Durban and Cape Town. Last year saw 42 348 permits granted.

Shell Oil Company estimates there are 100 000-plus minibus taxis on the road collecting fares totalling R2-billion annually.

The automobile industry — where they

PUTCO IS BACK IN THE RED

332

Sowetan 19/4/89

spend R80-million a year on spare parts and R300-million on vehicles — hardly consider them "informal."

And now plans are afoot to run bigger better 40-seater super cabs and carry passengers as far afield as Mozambique.

Drivers can earn good money — averaging R1 500 a month. A taxi operating seven days a week can generate R5 600-plus monthly but has high running costs.

Inevitably whites are getting in on the action. Although there are no official figures, about 40 percent of the taxis operating in the Pretoria area are said to be owned

FOCUS

**SOWETAN
Correspondent**

vary routes to drop off passengers. They don't have set times of departure and leave as soon as they are full."

This support should, however, not be seen only in terms of convenience or cheaper rates (they are in fact at times more expensive) — but rather against the broader socio-political spectrum.

In 1987 it was estimated that some 80

make transport costs a central issue in the lives of low-paid workers.

Fares have always been a flash point. Ever since the first bus boycott in Alexandra township increases have been fought in the context of a broader political and economic basis. Putco has been accused of being an instrument of the system.

In 1956 fare increases saw over 70 000 workers walk more than 50 kilometres a day for three months. Bicycle tyres were slashed and boycotters searched and arrested under the pass laws.

19/04/89

352

Town cabs are integrated.

How does one explain the dramatic swing to taxi travel?

"They are providing a tailored service that we cannot," says Duff. "They're flexible and can

percent of black commuters spent an average of 2,5 hours a day travelling to and from work and about 20 percent between 3,5 and seven hours.

Long distances combined with low wages

boycotters in Natal were orders off the roads as the State attempted to break a boycott. The response was to smash bus shelters, storm coupon offices and State owned beer halls.

When Putco announced an increase in 1976 they again became a target for political violence and lost millions.

An increase of 17,5 percent in the Transvaal in 1986 culminated in the Soweto bus boycott. Buses were hijacked, stoned and burnt at enormous cost to the company.

The boycott could not have been more untimely. The company was already reeling under the volley of blows.

Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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CALL TIMES 20/4/83 332

R415m for buses

BUS companies were paid R415,6 million in subsidies last year, according to the Minister of Transport Affairs, Mr Eli Louw.

They were paid R391,1 million from monies voted by Parliament and R24,4 million from transport levies paid by employers, he said in reply to questions tabled by Mr Mike Ellis (DP, Durban North).

Among the criteria taken into consideration for subsidies were whether the need existed for workers to be transported from their place of residence to their place of employment, the unemployment situation prevailing in the area and whether workers were resident in resettlement areas, townships or squatter camps.

'Over 1 million unlicensed drivers' Shock figures on fake drivers licenses

By NICHOLAS SIMSON

THERE are more than a million unlicensed drivers on South Africa's roads, and half of them could be using forged licences, according to the Transport Information Bureau.

"In 1978 we estimated that there were 400 000 fake licences," said the general manager of the Transport Information Bureau at the CSIR, Mr Theuns Botha. "And that number has increased."

Mr Botha said that unlicensed drivers were a danger on the roads.

One of the major problems with

licensing is the ease with which the new small identity document, containing the drivers licence, can be forged.

There are printing variations in the document such as different laminations and even different type-faces, he said.

Mr Botha would like to see a system similar to the American one being introduced, where it is compulsory for drivers to carry their licence at all times and where the "credit card-type" document has to be renewed every couple of years.

Drivers are not retested for renewal, but a license could be withheld until outstanding fines had been paid. This would also

cut down significantly on forgery, he said.

According to Mr Botha this system was introduced in Bophuthatswana in 1984, after having the worst record for forged licenses in Southern Africa. They now have no incidences of forgeries.

If the system is to be introduced, it would take at least two years to implement.

A spokesman for the department of transport is already working on a similar plan for professional truck drivers.

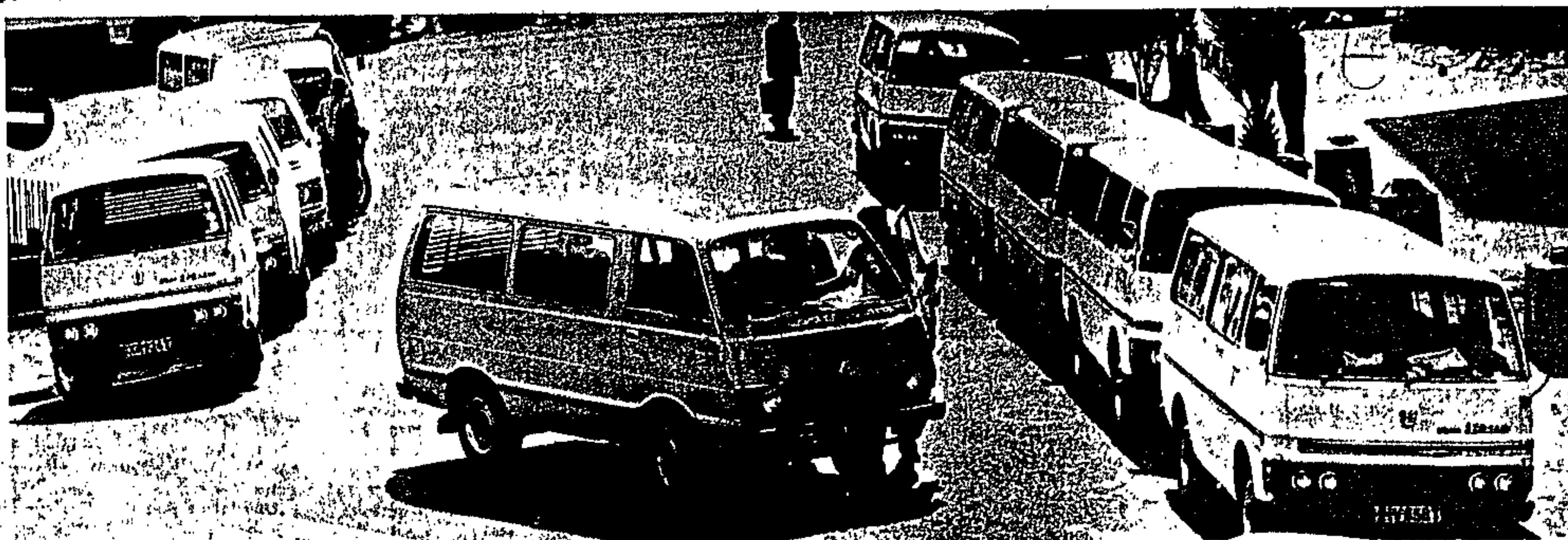
One of the advantages cited by the department is that, on renewal of the licence document, the drivers will have to undergo a medical examination, with the emphasis on eyesight.

CADL Tim
21/4/89
332

Talks fail to patch up differences between two rival groups

Black taxi war rages on — cash is the silver lining

31/7/89 332



The black taxi industry ... in its first five years it contributed R3 billion to the economy and created 300 000 jobs.

The war between rival taxi groups in Alexandra, which has escalated into a series of bloody shoot-outs, shows no sign of abating after attempts to amalgamate the two organisations failed dismally this week.

Earlier reports that the warring Alexandra Taxi Association (ATA) and the Alexandra/Midrand/Sandton Taxi Association (Amsta) had amalgamated into one organisation have been denied by Amsta.

It was hoped that an amalgamation of the rival groups would put an end to the taxi war which has claimed at least six lives this year.

Amsta withdraws

But Amsta's secretary, Mr Victor Mogale, has written to Alexandra councillor Mr Prince Mokoena stating that his organisation had "withdrawn" from the decisions of Wednesday's meeting.

He claims Amsta is still prepared to negotiate a merger provided all pirate taxis are removed from Alex; that the current executive of both organisations do not take part in the negotiations and are not elected to the executive of the new organisation and that police "investigate and solve" all cases of murder, intimidation and vio-

The emergence of the giant black taxi industry has been described as an economic miracle. In the first five years of the decade it contributed R3 billion to the economy and created 300 000 jobs — equivalent to 60 percent of the black workforce on the country's gold mines. But in some ways it has proved to be a giant with a big headache. **MELANIE GOSLING** reports.

lence related to the taxi war.

Violence between rival taxi groups is not restricted to Alex but is nationwide. In Cape Town last November at least one man was killed and several injured when 200 taxi drivers from the Western Province Taxi Association and the Western Cape Taxi Association, armed with pangas and knives, clashed in a bloody fight. Police dispersed the mob with birdshot.

In Stanger, Natal, a man was shot dead by a rival taxi driver after an argument about parking at taxi ranks.

In Soweto last year nine people were admitted to hospital after fighting broke out between Bara-Meadowlands Taxi Association and Johannesburg Taxi Association over who had the right to operate in Orlando. The Rand Supreme Court issued a court interdict preventing the BMTA from preventing the JTA from operating in Soweto.

The bloody feuds were largely restricted to the townships but were brought to the attention of the white community

violently last April when a 55-year-old white woman was gunned down in Rosebank, Johannesburg, after being caught in the cross-fire of two warring taxi groups. She was struck in the neck by a bullet on her way home from shopping.

After the death of Mrs Ethne Sash, the local city councillor blamed the Johannesburg City Council for shrugging off the taxi war affair; the taxi association involved blamed the South African Black Taxi Association (Sabta) for not disciplining its members and Sabta blamed the government for issuing too many permits.

War erupts

The taxi war in Alex has been going on for years. Amsta, displeased with the running of ATA, broke away from the group in 1987. Amsta claimed ATA was not doing enough for its members and made allegations of misappropriation of funds.

Friction erupted when the new body allegedly failed to

stick to the division of taxi routes and escalated into a small war.

In October last year South African boxer Ruffy "Russian" Mngadi was killed in a shoot-out between the warring taxis. While returning from Mngadi's funeral two members of ATA narrowly escaped death when a gunman opened fire on them.

Police and councillors then helped organise a three-hour meeting between the two rivals which resulted in a temporary truce. It was short-lived.

In February this year Mr Lesley Masipa of ATA was shot dead followed by what police believe were the revenge deaths of Amsta members Mr Nicholas Sangweni, Mr Loraine Mlisi and chairman Mr William Seopa.

Sabta's chairman, Mr Paradise Mahlangu, concerned about the taxi violence, has urged his member organisations to sort out differences by negotiation. He says members have written guidelines enabling them to lodge complaints with the regional offices of Sabta.

This week's unsuccessful meeting to amalgamate the warring groups indicates that a truce is still remote. Meanwhile Alex commuters live in fear of becoming innocent victims of the the "guns and assegais" which continue to rule.



Queues for taxis show there are rich pickings for the successful operators.

... at the Baragwanath taxi rank after the shooting in which three people were killed and three others injured.

PARTS of South Africa's black taxi empire, which now provides employment for thousands of people, could collapse if the present spate of violence continues.

Taxi wars sparked by large-scale conflict among operators are spreading to various areas and may get worse unless positive action is taken.

The wars are between associations and "legals" and the so-called "pirates".

Although major taxi associations — the Southern Africa Black Taxi Association (Sabta) and the South African Long Distance Traveling Association (Saldta) — do not have statistics on the number of people killed or wounded, the casualty list grows.

The killing of three people and wounding of another three at the Baragwanath taxi rank last week is cause for concern as commuters fear they may become innocent victims in the feud between taxi operators.

Another cause for

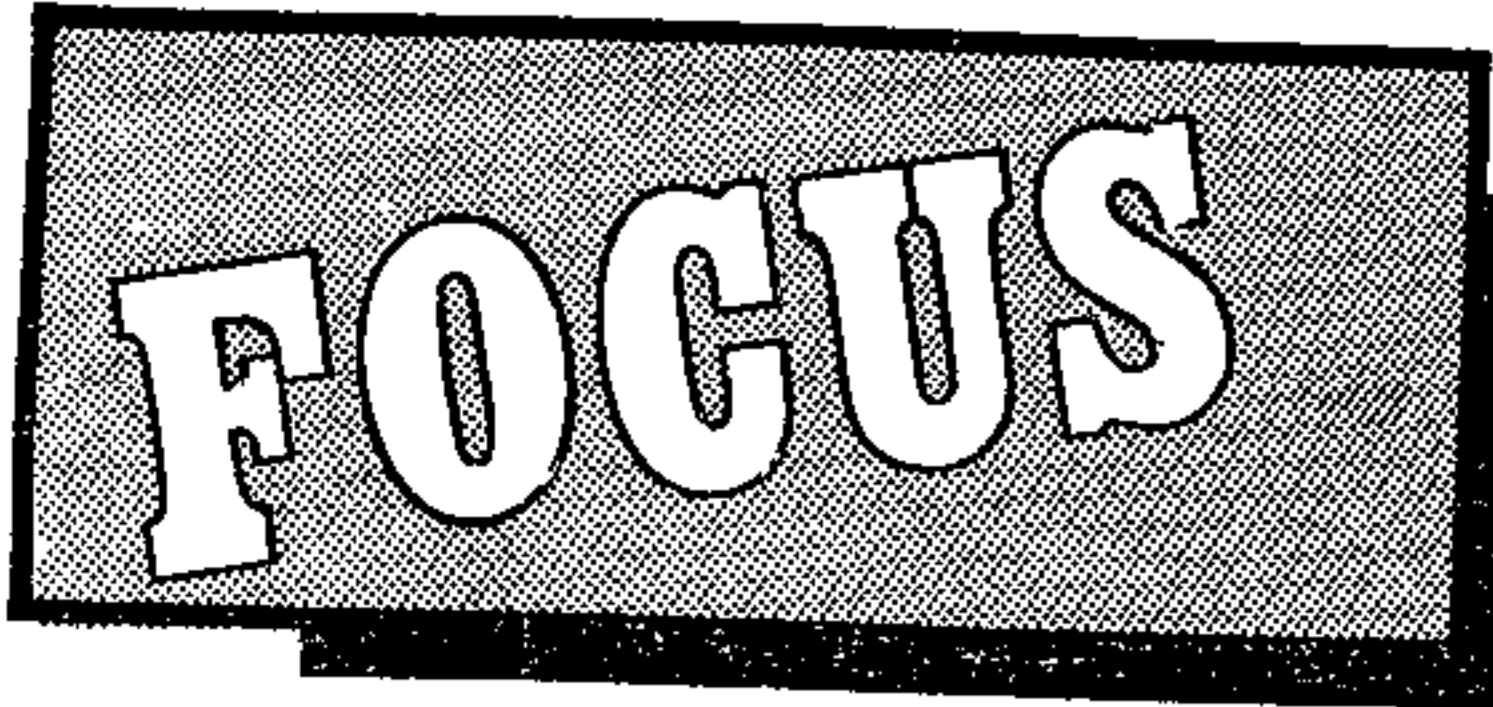
Sabta works behind the scenes to end bloody taxi wars

332
Sowetan 21/11/89

concern is the type of sophisticated weaponry now being used.

The killing of the three men and the wounding of another three by AK-47 and R4 gunmen in the latest clash in a bitter Soweto taxi war, has been described by police as a meticulously planned ambush and revenge attack.

The fight was apparently caused by conflict between the members of the newly-formed Federated International Taxi Association (Fita) and



Sabta's affiliate, the Baragwanath - Johannesburg Taxi Association.

Both associations apparently made accusations about the rightful use of the route from Baragwanath to Pretoria. This developed into the deadly Bara clash.

At a special meeting called by the Diepmeadow Town Council, members of the two warring factions tried to bring hostilities to an end.

Appeal

"Stop killing out people," the Diepmeadow mayor, Mr JM Mathala, appealed to taxi drivers. "Resolve your troubles amicably," he pleaded.

The meeting, also attended by Sabta, members of the SAP, Saldta and municipal police, resolved to suspend taxi operations from Baragwanath to Pretoria.

By
**JOSHUA
RABOROKO**

It was also agreed that the council should apply strict law enforcement control and ensure that groups operating between the two areas produced valid documents allowing them to do so.

Both Fita and Sabta representatives will hold further meetings to discuss the issue.

Mr Mathala argues that the suspension of the operations on the Baragwanath - Pretoria route will not help, but "will make matters worse".

"Our people will suffer a double economic burden because they will first have to go to Johannesburg, where they will get transport to Pretoria.

"This matter mu

resolved by the groups without letting blood. Stop the taxi wars, because they will bring to an end the hope of black economic empowerment," he said.

Many organisations have also called for a ceasefire among taxi operators.

"Sabta is concerned with the quality of life of the majority of South Africans... a majority of people who have the potential and ability to help themselves — and now, the opportunity to prove themselves and create their own niche in the new South Africa," says the organisation's deputy managing director, Mr Jabu Mabuza.

"Our aim is to bring these black entrepreneurs into the mainstream of the economy and allow them to share in what belongs to all.

"Let us not destroy the industry which helps to create jobs. Let us stop fighting among ourselves to the advantage of other races," he says.

"Sabta is working behind the scenes to end the wars and the general attitude of taxi operators. We need control."

Caution

He appealed to the Government to exercise extreme caution when deregulating the transport industry because there will be no control and chaos will result.

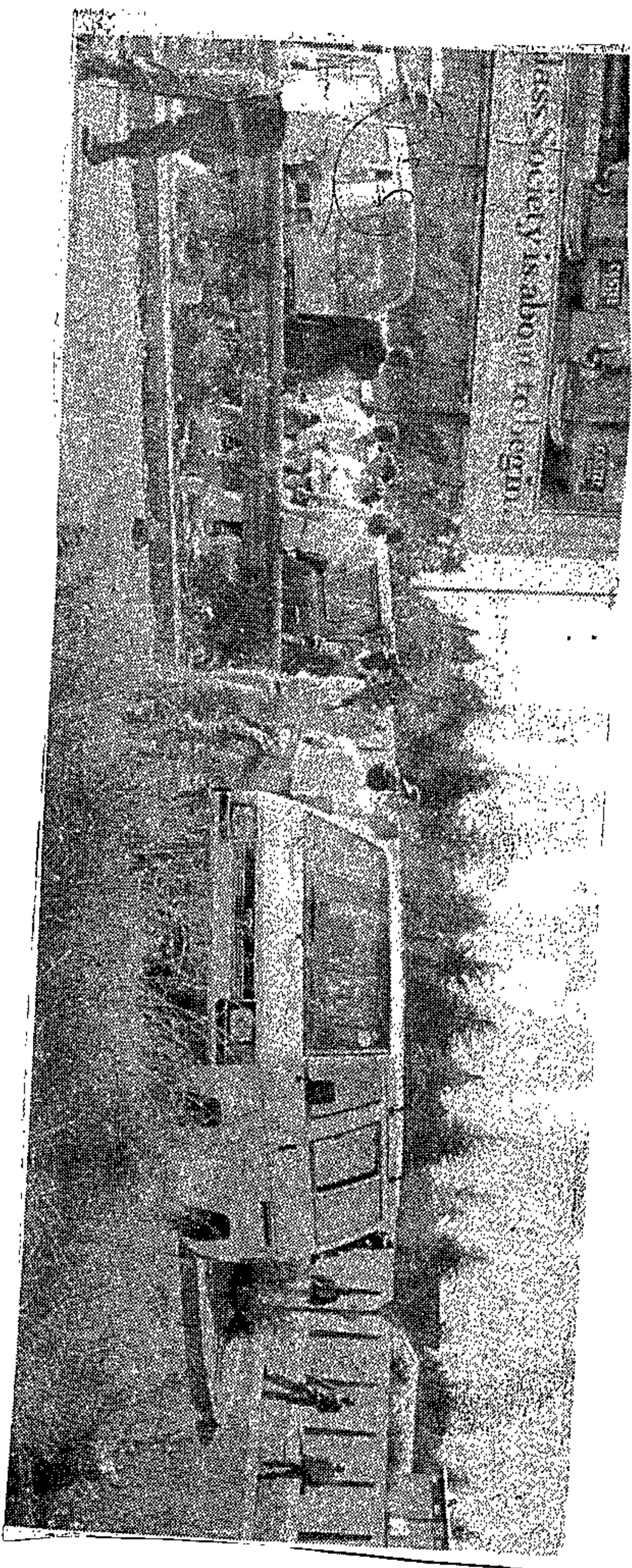
Saldta's chairman Mr Peter Rabali says: "We believe that the taxi owners represent entrepreneurial flair within the black business community and typify the way the free market system should operate in the black community.

"Let us do something right now, or we are going to lose millions of rands if this industry collapses."

It is alleged that he dealt in 23 million mandrax tablets in 1987. — Sapa
mandrax
with manufacturing charged in Johannesburg of R100 000 after being (36) who was out

21/64/89

532



Minibus statistics in black and white

B1 Day 21/4/89 332

THE OFFICIAL estimate of the number of black taxis operating in SA stands at 60 000 vehicles. However, unofficial sources claim this is too low, saying that the real number could be as high as 90 000.

No matter which figure you believe, you have to concede that the black taxi market is a purchasing force to be reckoned with, perhaps more so in the after-market than in the vehicle purchases market.

Statistics released by Central Statistics Service (CSS) indicate that, despite the phenomenal growth in the sector, there are more whites purchasing minibuses (the backbone of the black taxi movement) than there are blacks.

Registrations lower

Of the 786 new minibuses registered in January this year, 386 were registered by whites and 68 registered by blacks.

However, of the 1 152 used minibuses registered in the same period, 624 were registered by whites against the 368 registered by blacks.

While these statistics do not preclude

whites from registering vehicles on behalf of blacks, they do show that the vehicles used by the black community are much older than in any other community.

CSS statistics also show that minibus registrations were lower in January of this year than in January 1988.

Last year, new minibus registrations for January amounted to 803 (January 1989: 786) while used minibus registrations totalled 1 179 (1989: 1 152).

These facts could indicate that the minibus fleet is getting older. If this is true, it is good news for the spare parts industry.

However, just as the black taxi movement has been "unorthodox," so is the vehicle owners' attitude to the after-market. To tap into the taxi market's wealth, parts suppliers are going to have to take a new approach.

Research conducted by Business & Marketing Intelligence showed that the black taxi owner prefers to take his vehicle to a non-franchise outlet or a backyard mechanic.

In general, the research showed that, while the black taxi owner knows he will receive a quality service from the franchised garage, he is attracted to backyard mechanics and non-fran-

chise garages because they provide a cheaper service.

Non-franchise garages and backyard mechanics are also situated in convenient locations, and the backyard mechanic offers ease of appointment making.

The black taxi owner believes he will still get a quality service if he frequents these establishments.

High costs and poor location of outlet were the major reasons cited for not utilising a franchised garage.

Second-hand

Most engine parts, body parts and brake parts are sourced from a non-franchise outlet — wholesalers and retailers.

Only a minimal amount — 6% — is sourced from a franchised outlet, while a significantly higher portion — 12% — is sourced from second-hand outlets.

The major reasons for not sourcing parts at a franchise dealer were price, poor location, lack of a credit facility and poor product range.

By SAMKELO KUMALO

THE Sampson Beck Company, in the news recently concerning taxi deals, has been sent a summons for failure to fulfil a verbal contract with a client.

Lawyers acting on behalf of Wiseman Genge confirmed that their client had approached them for help in recovering a R10 000 deposit Genge paid to the Sampson Beck company on December 18 last year.

A report in *City Press* last month revealed that over 800 taxi owners were in danger of losing their vehicles, allegedly bought from the company in contravention of the Credit Agreement Act.

The company had no right to sell the vehicles to the owners, who had each invested over R20 000. Genge's case was different

Summons served on taxi company

in that the vehicle was not delivered.

According to his lawyer, Genge came to a verbal agreement with Sampson Beck on December 15 last year and allegedly paid the company R10 000 to deliver a 16-seater Toyota minibus on December 28.

A written agreement was to be entered into on delivery of the vehicle. According to Genge's lawyer,

Sampson Beck did not deliver the vehicle and attempts by Genge to communicate with the company drew a blank.

A summons has been issued and is expected to reach the company soon.

Genge's case is the second such case involving Sampson Beck, apart from the 800 taxi owners who were in danger of losing their vehicles.

Earlier this year, a Roo-depoort magistrate found a bogus white taxi broker guilty of 39 counts of fraud involving R150 000. The man was sentenced to six years' imprisonment.

The court heard that the man had placed advertisements in a daily newspaper requiring people to pay a deposit of between R3 000 and R4 000 for minibuses.

The vehicles were never delivered.

332
Genge
23/4/89

Busfares in the city to go up by 8%

CAPE TOWN 24/4/89

332

Staff Reporter

CITY busfares are to go up at the end of the month.

City Tramways yesterday announced that increases averaging 8% will become effective next Sunday, April 30.

On most city routes the increase will be between two and six cents. On long-distance routes the increase will range from seven to 10 cents.

The company said the increase would affect subsidised clipcard passengers as well, and that an increase in concession fares, used by pupils and senior citizens, was also "unavoidable".

The increases were slated by community organisations, who said the increase would be a hard blow to people already reeling from a bread price increase.

On trips between 20km and 40km, fares will increase by between five cents and a maximum of eight cents a journey. For trips between 40km and 50km, increases of between nine cents and 10 cents will apply. On trips longer than 50km the increase will be a maximum of 10 cents.

Pupils under 13 will now pay R4,80 for a 10-ride clipcard as opposed to the present R4,50. Those between 13 and 17 will now pay R7,40 instead of R6,80.

Senior citizens will have to pay R2,70 instead of R2,50 for the 12-ride seniors' concession.

For clipcard users the increase will range from two to a maximum of four cents a trip on routes up to 20km.

City Tramways spokesman Mr B Gie said the latest diesel price increase of 11,3 cents had raised the company's fuel bill to the extent that the total additional annual expenditure was more than R6 million.

"Although we are deeply conscious of the hardship that any fare increase causes our passengers, we have no alternative but to pass on increases over which we have no control and which have such a substantial impact on our costs.

"We are also unable, as we did before, to avoid passing on some of the new increase to people using concession fares such as scholars and senior citizens."

Clipcards bought before Sunday April 30 would be valid for the normal two-week period, Mr Gie added.

A spokesman for the Cape Areas Housing Action Committee, Mr Henrie van Wyk, slated the increase and said that CAHAC "viewed the increases in the bread price and busfares as another attack on the living standards of the man in the street".

"We are amazed at the hardness and short-sighted action taken by the government, which wants to increase the suffering of the people in the Western Cape, already overburdened by high rent and massive unemployment," he added.

Taxi front calls for 'ceasefire'

332
done 24/4/89

THE newly-formed Alexandra United Taxi Association yesterday appealed for peace after fears of renewed clashes between operators.

Auta's public relations officer, Mr Stoffel Bodibe, has called on the police, the council and other concerned people to intervene to stop the violence that might erupt.

Alexandra taxi owners expressed fears that fresh clashes between rival taxi associations could erupt after the alleged withdrawal of one of the associations from the united body which was formed last month in an attempt to end the violence which has claimed the lives of eight people in the past year.

There has been relative calm since the Alexandra Taxi Association and the Randburg - Midrand - Sandton Taxi Association dissolved to form the new body.

Mr Bodibe said as far as the new association

By JOSHUA
RABOROKO

was concerned the fears of renewed violence should be ignored.

He said there was no need to fear eruption of violence because the new association would maintain peace and stability.

He said anybody still trading under the names of ATA and Armsta was promoting violence because the two have been dissolved when the taxi war erupted.

Fears

The fears stem from a report by Armsta that it was withdrawing from the new body because the conditions which had been agreed on had not been met.

Some of the conditions included the withdrawal of all pirate taxis and squad cars at the taxi ranks, and that taxis with permits must operate on their allocated routes. Armsta said these conditions were never adhered to.

The new body, which has 300 members, will hold a general meeting on Thursday at the Nobuhle Hall, Alexandra at 10am.

The meeting will discuss various issues, including taxi operations and announcing the new name to members. Mr Bodibe said.

Pilay dead

THE Transvaal leader of the Solidarity Party, Mr Sidney Pilay died yesterday morning of a heart attack, SABC-TV news reports.

Mr Pilay of Baketon, Springs, was 64 years old. He leaves his wife and five children. — Sapa.

SHIPPING

Handy sized vessels are in short supply

332
\$10m net ton

TRADING conditions are perhaps not quite so positive, although this looks to be more applicable to the Pacific area than the Atlantic, Afromar reports.

In the Atlantic, handy sized vessels have found employment prospects to be reasonable, and whilst generally Panamax sized vessel have seen more or less unchanged rate levels an easing might be seen.

Rates for Panamax sized grain cargoes from the US Gulf to Japan are in the region of US\$26 without any combination cargoes. Conditions in the Pacific do seem to be easier for both Panamax and handy sized vessels.

The South African market has continued to see a shortage of handy sized vessels for early positions, and this is now looking to be the case for May as well. Strikes in the major ports in India could also aggravate the situation if it continues for any length of time.

Activity has been fairly limited in the coal sector, with little change in rate levels. A trading house was quoting a 25 000-30 000-ton cargo from Durban to Taiwan on a fairly early position at around \$21-\$22 per ton. A white maize tender for two cargoes of 16 500-tons each was not sold, but it could go on a private sale.

Monthly shipments

There were reports that the Taiwanese were looking to ship about 350 000-tons of maize from SA between July and December, probably in monthly shipments of two cargoes of 30 000-tons each. There is going to be a tender for a further total of 30 000-tons of yellow maize. The Wheat Board have awarded a total of 120 000-tons of wheat for shipment in May, with the Mediterranean possibly being the destination.

A cargo of 60 000-70 000-tons of sulphur was quoted from Vancouver to SA for loading during May, with charterers willing to undertake the business on a time-charter basis. A cargo of 8 000-tons of bagged soda ash was quoting from Mombasa to China for loading at the end of May.

Japanese charterers were looking for a vessel to lift about 33 000-tons of chrome from SA to Japan on time-charter basis, with loading in the second half of May. Other charterers were looking for a vessel to lift 15 000-19 000-tons of chrome from Tamatave to Japan, indicating a rate in the upper \$20's level.

DURBAN — Government has hastily reconsidered its decision to introduce a controversial amendment to the fuel rebate system, it was learned at the weekend.

Govt to reconsider decision on fuel rebate amendment

Own Correspondent

The amendment, introduced without any prior consultation with affected parties, effectively disqualified commercial transport operators from being able to recover a 21,1c/l rebate when transporting agricultural or forestry products.

Although it was gazetted last week, economists from the Public Carriers Association and the SA Cane Growers' Association only "stumbled" across the amendment two days ago — immediately sending shock-waves through the transport industry and sparking queries to government departments.

The PCA predicted it would result in transport costs rocketing by between 7,5% and 15% — which could in turn be passed on to consumers of agricultural and forestry products.

However, Customs and Excise Commissioner Dan Colesky said last night the amendment would be reconsidered.

He confirmed there had not been a

prior consultation with affected parties, but said this was "normally the case if duties are amended".

He said the matter would now be reconsidered.

He said one of the reasons for the amendment was that the fuel rebate system was open to abuse by the transport industry.

If transporters entered into a contract which entitled them to the rebate, it was theoretically possible for them to carry agricultural goods in one direction, and then goods of a totally different category on the return trip.

Before government's decision was known, Eduardo Garcia, chief executive of Unitrans and former director of the PCA, called for a moratorium.

"This amendment — which has major implications — has been introduced without any prior consultation, and displays utter contempt for the interests of the public," he said.

13 Day 24/4/87

LASER Transport, SA's largest removals group, has been awarded a significant contract to move 1000 Untag military personnel into Namibia.

CE Dennis Kaye said yesterday Laser would be responsible for storing and distributing the task forces' personal effects in Namibia.

Kaye, who was delighted with the contract, could not disclose accurate estimation of the contract's value as rates were based on weight per 100kg.

New peak 28/4/89

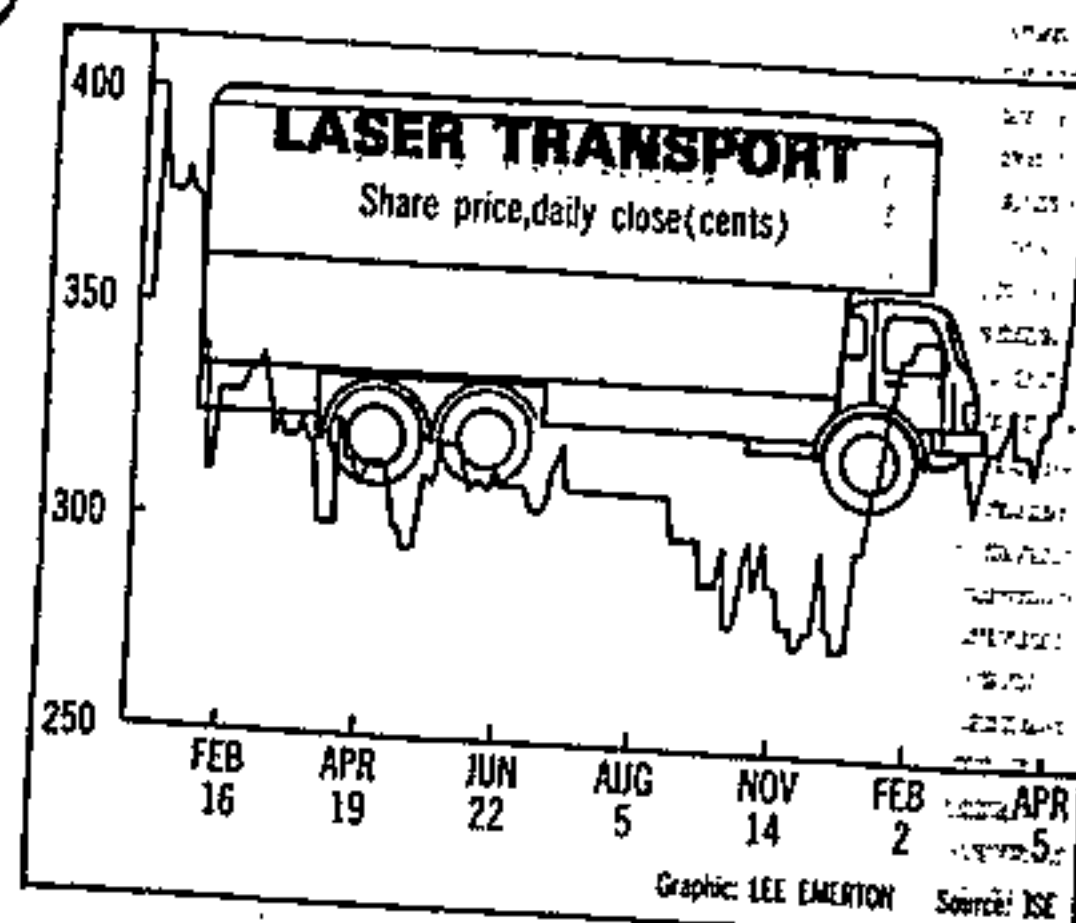
This is the second major contract secured by Laser in the last week. The group also secured a major contract to move military personnel out of Namibia, said Kaye.

Speculation about the awarding of these contracts pushed Laser's shares up 10% to a new peak of 385c this week.

At the current price the shares are on a

Laser moves in on Untag

MARC HASENFUSS



historical dividend yield of 6.5%, double the Transport sector yield of 3%.

Laser's good earnings track record suggests the shares could have further upward potential.

THE CHAIRMAN of the Alexandra council's management committee, Mr Prince Mokoena, is to meet the Minister of Transport, Mr Eli Louw, in Cape Town tomorrow to discuss peace moves in the "taxi wars".

He is expected to brief Mr Louw on the progress of the peace efforts between rival taxi operators in the area and

Taxi chief to meet Minister

Sowetan 26/4/89
make recommendations to be effected by the Transportation Board.

Mr Mokoena said since the dissolution of the Alexandra Taxi Association and the Alexandra-Midrand-Sandton Taxi Association (Amsta) on March 16 after a meeting with police representatives at Randburg there was only one body — the Alexandra United Taxi Association. He would recommend that Auta be the only body through which taxi owners in the township apply for taxi licenses.

Also tomorrow, the Auta executive will address a meeting of all taxi owners in Alexandra at the Nobuhle Hall. The meeting will start at 10am.

Taxi wars pledge

332

THE South African Long Distance Transport

Sunday 26/4/89
THE South African Long Distance Transport Association yesterday pledged to end the Johannesburg taxi wars.

After its executive meeting in Johannesburg,

By JOSHUA RABOROKO

Saldta's president, Mr Peter Rabali, appealed for peace and stability on the trouble-torn Johannesburg-Welkom route.

The meeting was called to discuss conflict among taxi operators on the route in the wake of violent clashes which ended in the brutal killing of taxi-owner and businessman, Mr Robert Paseka Malakoane, at the weekend.

Mr Malakoane was hacked with pangas and beaten with an assortment of dangerous weapons, put into a combi and his mutilated body dumped on Friday.

He was discovered by his relatives at the Vereeniging Mortuary on Monday.

"We deplore violence of whatever form and appeal to all taxi operators to negotiate their problems. Violence might bring a collapse to the taxi industry," Mr Rabali said.

Transporting the masses

By HERMAN FOURIE
Motoring Editor

BLACK taxis, love them or hate them, are here to stay and perform a vital function in our cities. The industry has developed with dazzling speed since it was legitimised and today some 45 000 legal and 50 000 pirate taxis roam the streets of South Africa's townships and cities.

TAXIS

The industry is huge by South African standards: Investment is estimated to amount to R3 000-million and 300 000 people are employed in it. Black taxis use 800-m litres of fuel and 3,5-m litres of oil a year to transport their 15 million passengers.

Taxi operators earn R2 000-million a year, and this figure is probably double that if the pirate taxis are included.

How does a taxi operator start out, what vehicle does he buy and how does he finance his taxi?

Countrywide a majority of taxi operators belong to one or other organisation, with Sabta — the South African Bus Taxi Association — the best-supported. Cape Town and the Western Cape in particular have quite a few other rival taxi organisations, although Sabta is well represented here as well and probably enjoys majority support.

After the initial trial period, vehicles presently being bought by operators have been narrowed down to no more than three basic models from the manufacturers Toyota, Nissan and to a lesser extent Delta.

The vehicles bought by taxi operators are the Toyota Hi-Ace seating 10, 14 or 16, the Nissan E20 seating 10 or 16 and the Isuzu Relay seating 16, with 16-seaters making up the majority of sales. Prices



MASS TRANSPORT: A familiar sight in Cape Town ... black taxis for Africa.

for these vehicles range from R38 000 to about R45 000 before tax.

Manufacturers are jealous of their business with taxi companies, who buy between 300 and 350 16-seaters from them each month. Special Sabta versions of these vehicles are on offer from the manufacturers and these are painted in Sabta blue, with a chequered band around the waistline, as well as having other extras like bull bars, guard rails, cashboxes, roof racks and ladders.

Financing a vehicle costing R40 000 is clearly a major undertaking for a member of the Black community and a host of ingenious methods have emerged over the years.

Dealers report that minibuses are often bought for

cash, counted out of a shoebox onto the counter. This need not mean that there are big reserves of liquidity among individual owners, rather that small collective schemes along the ancient *stokvel* tradition club together informally. Closed corporations are also formed for this purpose.

Another phenomenon is that of whites informally financing black taxis through titular owners — a white entrepreneur will buy a taxi and let it to a black operator for a weekly or monthly rental.

Recently one of these schemes blew up when the white entrepreneur who bought the taxis and leased them to black operators in fraudulent HP deals was im-

plicated in a scam involving R48-m and 800 minibuses.

Legal arrangements along these lines also exist, where a prospective taxi owner would pay a deposit to a company formed for the sole purpose of financing taxis. Part of this deposit buys him a share in the company and the rest goes towards a deposit for a new vehicle, which is owned by the company and leased to the operator.

Sabta offers its members an innovative financing scheme through an arrangement with a big finance house. A prospective taxi buyer, who must be a Sabta member in good standing and the holder of a Department of Transport permit, buys from Sabta a refundable debenture which is 20 percent of the principal

debt, ie the cost of the vehicle and GST.

This money is put into a contingency fund pledged to the finance house and it guarantees the repayment of instalments in cases where members default. A further basic deposit of either 20 or 10 percent is paid by members of less than three or two years' standing.

The debenture is repaid to the operator when the amount owing on the vehicle has been fully redeemed.

The scheme offers many benefits to the operator: insurance rebates of up to 40 percent, lower excess in case of accidents, the adding of repair costs of up to R5 000 to the instalments for major repairs and the suspension of instalments while the vehicle is out of action.

Ordinary leasing or other deals are also available to buyers, but there the ordinary stringent credit ratings apply, which would disqualify many applicants.

Buying a 16-seater minibus can be an expensive undertaking: One priced at R40 000 with tax would cost the buyer some R1 600 a month for four years to repay. Clearly, high turnover, high occupancy and quick turnaround are essential to the profitability of the operation, which explains the crowded minibuses and their often frantic pace.

The necessary permit to operate a taxi is issued by the Department of Transport for each single vehicle. The applicant nominates the stand and radius or route he will service and applications can be approved within three months.

To register the operator has to produce a fitness certificate from his local authority in respect of that vehicle, after which the permit is issued. The total cost is R40. The permit must be renewed yearly for a further cost of R20.

Cape Times 27/4/89

Groups clash on road rest breaks

332

Staff Reporter

ROAD safety groups and the Public Carriers' Association have crossed swords over proposed legislation to restrict long-distance driver hours.

Mr Ian Moss, chief executive of the Public Carriers' Association, says he is concerned that the new regulations will interfere with matters already controlled by wage and employment regulated measures which lay down specific requirements.

Mr Moss said rest breaks were already common practice among road transport operators and defaulters were the exception.

The new Act has been published but the implementation date is still to be announced. It requires a minimum 15-minute rest in any five-hour stint, and a maximum 14 hours driving in a 24-hour period.

Mr Ginger Johnston, Western Cape manager for the AA, said drivers who did the Johannesburg-Cape Town run without a break were "accidents on wheels".

There were companies that took advantage of drivers whose licence was their livelihood.

"If they are told to get the load to their destination in the shortest possible time, they may well believe they could lose their jobs if they don't," he said.

Maliti released on bail

Cape Times 27/4/89 Staff Reporter

MR Nana Robert Maliti, the man who suffered a brain haemorrhage hours after being arrested for allegedly carrying a primed limpet mine near a ceremony attended by the Minister of Law and Order, Mr Adriaan Vlok, was released in Cape Town Regional Court yesterday on R5 000 bail.

The court also postponed the hearing of terrorism charges against Mr Maliti, 22, of New Crossroads, until June 13.

He underwent surgery at Groote Schuur Hospital hours after his arrest on October 22 last year.

...han at

Govt reverses decision on diesel concessions

15/Day 27/4/89. (332) (scribble) (scribble)

CAPE TOWN — Government has bowed to pressure from transport contractors and has decided to re-instate certain concessions it withdrew from them only weeks ago.

Deputy Finance Minister Org Marais said yesterday government had decided that transport contractors who conveyed agricultural products would be allowed to apply for a partial refund of the excise duty and fuel levy on diesel.

It announced only weeks ago that, from April 15, contractors would no longer be entitled to claim the partial refund.

Marais said, after numerous representations, it had been decided to reinstate the refund of 18,6c/l in its entirety, retrospective to April 15.

MIKE ROBERTSON

The deputy minister said refunds to farmers in respect of diesel used for production purposes remained unchanged.

Marais said that, in addition to re-instating the partial refunds, he was also appointing a committee to investigate the granting of concessions to transport contractors who conveyed agricultural products.

Mistake

This was because concessions had been misused in some cases and had resulted, to a certain extent, in unfair competition in the transport industry.

Asked why government had

changed its mind less than two weeks after removing the concessions, Customs and Excise Commissioner D J Colesky said the department realised it had made a mistake in taking action without consulting with interested parties.

However, the problems which had caused the department to act in the first place would now continue.

He said some contractors were carrying agricultural products on one leg of a journey and other products on the return leg, and were claiming concessions for both legs. This gave them an unfair advantage over their competitors who did not qualify for the concessions.

He said it was hoped the committee would be able to come up with a solution to this problem.

Receiver to probe revenues of taxi industry

The Argus Correspondent

JOHANNESBURG. — A team of experts has been appointed by the Receiver of Revenue to investigate the black taxi industry — which is collecting cash revenues totalling about R1,8-billion or more without paying income tax.

The appointment of the team has been confirmed by the Commissioner of Inland Revenue, Mr Clive Kingon, who said his department was aware of the problem and that it was receiving immediate attention.

It is estimated that revenue totalling R500-million is lost every year as a result of non-payment of income tax by the industry.

Estimates of the taxable revenue generated by taxis is not accurately known, and the South African Black Taxi Association (Sabta), which controls 50 percent of the country's fleet, has declined to disclose statistics.

Speculation

The number of taxis affiliated to Sabta is estimated at 300 000.

The same speculative statistics also apply to the second largest black taxi association, the South African Long Distance Transport Association

(Saldta).

Estimates of net revenue also vary widely. According to a transport consultant, many taxi owners were making an about R3 000 a month after expenses.

The president of Sabta, Mr James Ngoya, said his association was aware of moves by the Receiver of Revenue to tax the industry.

"Average profit"

He said Sabta was making "an average profit" because the association was not subsidised. The president said in the light of soaring prices, a new mini-bus cost about R50 000.

Mr Ngoya said it would be better if the taxi industry were subsidised.

He said if his organisation could succeed with its representation to the government for more time to study the implications of income tax, Sabta would be able to "educate" the pirate taxis which were mushrooming in certain areas. He said the government was unable to control pirate taxis.

The chairman of Saldta, Mr Peter Rabale, condemned the appointment of the investigating team.

He said his association was already being "killed by government regulations".

Taxman probes taximen

A TEAM of experts has been appointed by the Receiver of Revenue to investigate the Black taxi industry — which is collecting cash revenues totalling about R1,8 billion or more without paying income tax.

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Ngcoya . . . call for subsidy.

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estimated at 30 000. The same speculative statistics also apply to the second largest black taxi association, the South African Long Distance Transport Association, (Saldta).

Transport consultants, Nesta Morris, of Pretoria, recently completed a study on Sabta and estimates an active taxi population of 55 000.

Soaring

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From Page 2

Taxman

From Page 2

to "educate" the pirate taxis which are mushrooming in certain areas.

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The chairman of Saldta, Mr Peter Rabale, this week condemned the appointment of the investigating team set by the receiver of revenue and described its assignment as "unfair."

He said the black taxi industry was not making a profit though gradually moving towards professionalism.

Mr Rabale said he saw no point in taxing the industry because, already, his association was being "killed by government regulations."

He urged the Government should rather address itself to deregulation rather than taxing the taximen, and added Saldta would make representations to the Government to deregulate.

Second thoughts on rebate

CAPE TOWN — The diesel rebate of 18,6c/l for transport contractors carrying farm and forestry products will be restored retroactively to April 15 when it was stopped.

Deputy Finance Minister Org Marais said yesterday the concession had led to misuse so a committee headed by Deputy Director General of Finance A M Pretorius would investigate the matter.

Marais said many representations had been made because of the diesel rebate being taken away but the additional 2,5c/l levy on heavy vehicles would not be refunded.

Representations to the Committee Concerning Agricultural Transport can be made before May 30 at Private Bag X47, Pretoria 0001. — Sapa.

ngas and AK47s



29/04/89

332

have got access to capital and resources and they compete on an unequal footing to black operators," she said.

She said, "If blacks were free to open business in all fields on an equal footing with whites, instead of being restricted, the market would normalise and tensions would reduce."

She said despite the violence, the taxi industry was here to stay, as it benefited the commuters because of its flexibility and provided an opportunity for black South Africans to make a living.

She said de-regulation would not solve the problem as there would be no control on the industry and would result in increased rivalry.

She said police intervention only treated the symptoms, but not the

causes of the violence.

"The industry requires positive support from the Government. It should develop driver training and business skills, so that if the market reaches the ceiling, operators could diversify."

Mr Mark Swilling, of the Centre for Policy Studies at Wits University, said the taxi industry provided an alternative to the Government's transport system, which is racially segregated and had forced the poor to travel the longest distances to work.

He dismissed reports that the conflict was due to irrational behaviour, and said it was about territory, power and sources of accumulation characteristic of mass transit in Third World countries. "As the industry booms, as the competition in-

creases and as it becomes a source of greater opportunity for economic accumulation — so the tendency towards conflict will increase," he said.

Mr Theo Rudman, the executive director of the Self-Employment Institute, said government regulations had enhanced the conflict.

"Regulating the industry has allowed for vested interests in circles working in the taxi industry and corruption of officials. For instance, a taxi licence costs about R10, but in reality, you often have to pay R3 000."

He said when Sabta started, it pressed for de-regulation. "Now that they are established, they want to maintain vested interests and are against de-regulation. Licences have not helped to main-

tain standards, but to limit entry into the market."

He said if a taxi-operator obtained a licence it did not necessarily mean he would run a better service. "If pirate operators became legal, then new routes would open up in the market, and Sabta members would no longer have the advantage over the others."

He said if pirates were legalised, the violence would stop, because the legal operators would have nothing to protect.

He said many people called for all pirates to be arrested in order to end the violence, but this would lead to an under-supply of transport.

"Since commuters still use taxis despite the violence, there is a big demand for transport," Mr Rudman said.

gers develops into a bloody feud

JOVIAL RANTAO and JANET HEARD 332

- In February this year Mr Lesley Masipa and Mr Bongani Zungu (24) of Ata were shot dead.
- A few days later Mr Nicholas Sangweni of Amsta was killed by a suspected hit squad.
- On March 19, Ata executive members Mr Lorraine Mnisi and Mr William Seopa were shot dead — bringing to four the number of people killed that week.
- Four days later, Mr E Molema of Armsta was shot dead and police swung into action in a bid to bring the warring factions together.
- Last month, Mr Moses Phakathi of Ata was gunned down at his home in Alex. On the same day Mr Sam Makhubo (64) was shot dead by unknown gunmen.

● Earlier this month, three taxi drivers were killed and another three injured in a shootout between Bara-City Taxi Association and a pirate group.

● Last weekend, a taxi owner, a Mr Malakoane, was kidnapped by suspected members of a rival taxi association. His battered body was found three days later near Vereeniging. He had been hacked to death.

Violence between rival taxi groups is not restricted to the Witwatersrand. In Stanger, Natal, a man was shot dead by a rival taxi driver after an argument over parking at taxi ranks.

In Cape Town last November at least one man was killed and several injured when about 200 taxi drivers from the Western Province Taxi Association and the Western Cape Taxi Association, armed with pangas and knives, clashed in a bloody fight.

Drivers carry pa

KNOWN as "the people's transport", black taxis have for years provided township commuters with a fast, efficient, and flexible service. They have become so successful at it that they have rivalled the giant Putco bus company.

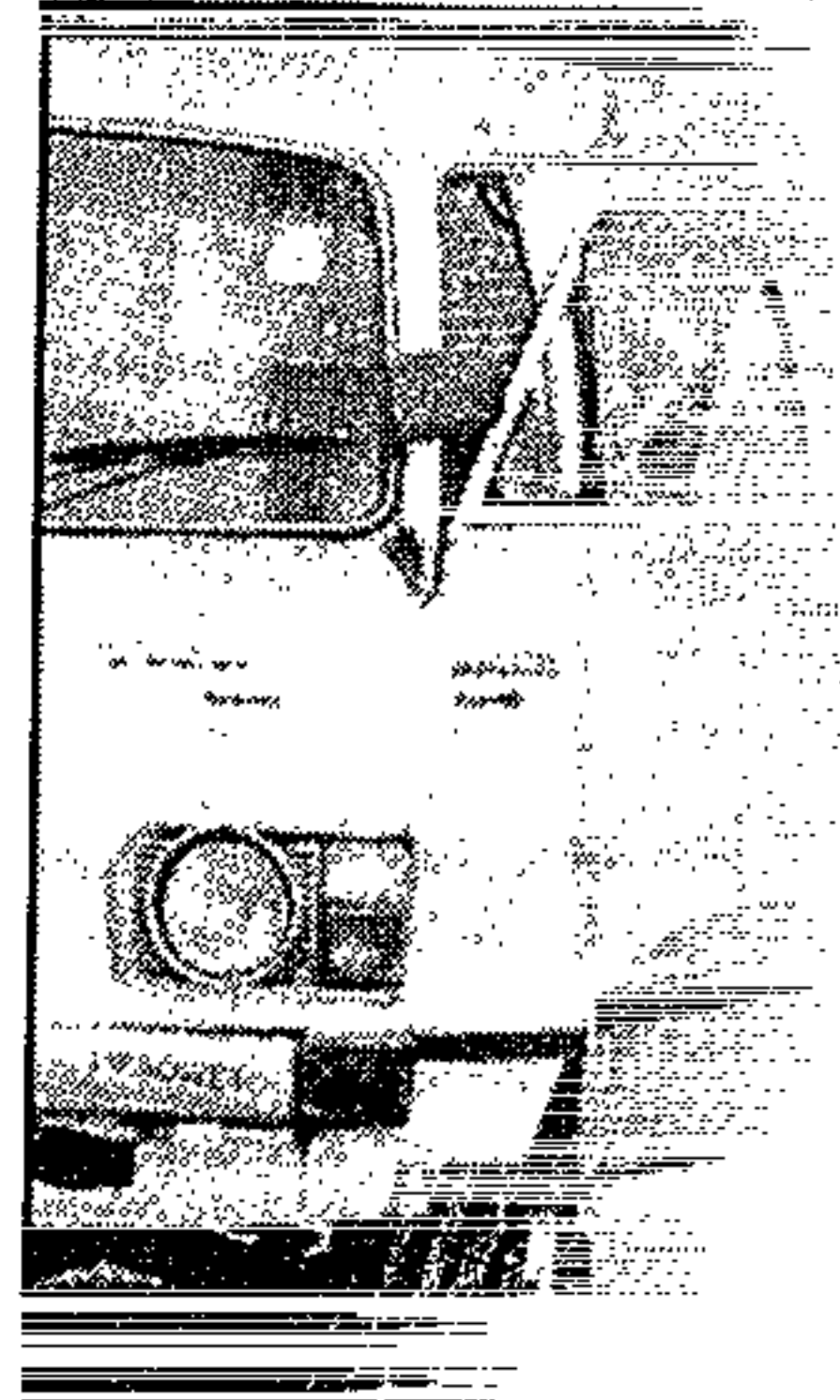
Between 1980 and 1985, the industry contributed R3 billion to the economy and created 300 000 jobs. There are an estimated 100 000 taxi owners in South Africa, about half of whom operate illegally. The industry spends about R800 million a year on spare parts alone. The growth continues today, and the number of applications for taxi permits is still increasing.

But with this growth, violence has erupted as more and more people, including whites, enter the industry and increase the competition for passengers

and access to routes. Catching a taxi to and from work can be a dangerous business. Besides running the risk of being victims in motor accidents, commuters face the threat of being hit by stray bullets or getting in the way of slashing pangas as taximen pursue a bloody internecine warfare.

In the past year, skirmishes among rival operators on the Witwatersrand have resulted in 15 deaths and scores of injuries.

To try to understand the problem JOVIAL RANTAO and JANET HEARD concentrated on Alexandra and Soweto where violence has been at its worst. They spent two days catching taxis from Johannesburg to and around Alexandra and Soweto, speaking to drivers, owners and commuters.



Disputes over routes and ranking rights trigger Reef taxi war

Stev 29/7/89. 332

R3 BILLION that's what commuters (above) are contributing each year to the economy. But driving a taxi can be a lethal occupation. Many drivers like these (right) have begun to kit up with bullet-proof jackets to avoid becoming victims of the fighting.

"I WILL be killed tonight if I have my name in the paper."

The fear in the Alexandra taxi-driver's voice was almost tangible.

He was not alone. Other drivers we approached would speak only on condition of strict anonymity.

Such is the terror that has spread among Alexandra's taximen. Now it is no longer safe for them to go to work dressed only in open-necked shirts and casual slacks.

Today the wise taximan wears a bullet-proof vest and carries anything from an AK-47 or an R4 to a humble panga in case he is confronted by aggressive rivals.

The bloody skirmishes centre around the two rival associations, ATA (the 40-year-old Alexandra Taxi Association) and a group which left ATA in 1987 and formed Armsta (the Alexandra-Randburg-Midrand-Sandton Taxi Association).

Since the split, the groups have been fighting, often violently, for supremacy over routes and ranking rights.

Renewed violence flared up in October last year after friction erupted when operators allegedly ignored their prescribed routes. The on-going war has resulted in eight people being killed.

One driver said that before the violence began he would often work until 8 pm. Now he knocks off before it gets dark — the most dangerous time.

In an attempt to end the violence two months ago, the police and the Alexandra management committee chairman, Mr P Mokoena, tried to persuade the two asso-

ciations to get together. They succeeded. The two organisations met last month and agreed to form a single body Auta (the Alexandra United Taxi Association).

With the agreement sealed, an end to the violence seemed to be in sight at last.

That was last month. But, two weeks ago, Armsta withdrew from Auta, claiming that they had been misled into joining a single body. Now the old tensions are resurfacing and it is feared that the "civil war" is about to erupt again.

A taxi-owner and ATA member, "Joe", agreed that greed and the battle for power on the part of owners was the cause of the violence. If it went unabated, he said, the taxi industry would be crippled.

Mr Sydney Mthembu, a taxi-owner and member of Armsta, blamed the failure of the police to crack down on all illegal "pirate" taxis for the violence. He said the Government had ignored the problems facing the industry.

Drivers said that apart from greed, the battle for power was caused by the many outsiders operating in the industry. This, they said, generated tensions in the community and among local operators.

Another problem which they said increased the conflict was the inadequate ranking facilities.

South African Police press officer Col Franz Malherbe said murders were spontaneous and there was no organised crime involved.

Drivers said a single taxi association was the only solution, but they emphasised the

elections of officials to run such an organisation must be conducted democratically.

Most of the commuters we spoke to believed that there should be a commuter-operator association which would ensure commuters would have a say in the day-to-day running of the industry.

They said that taxis were "the people's transport" initiated and supported by blacks and they felt fiercely loyal to them.

They do not feel the same way about Putco (Public Utility Transport Company), and laughed when asked why they did not commute by bus. Said one man on a trip from Alexandra to Sandton: "We will do all we can to support taxis, even through the bleak spells."

Commuter Mr J Nkosi said taxi-operators needed to attend seminars and lectures on communication to improve relations between rivals: "Surely 9 mms and AK47s are not a way of communication."

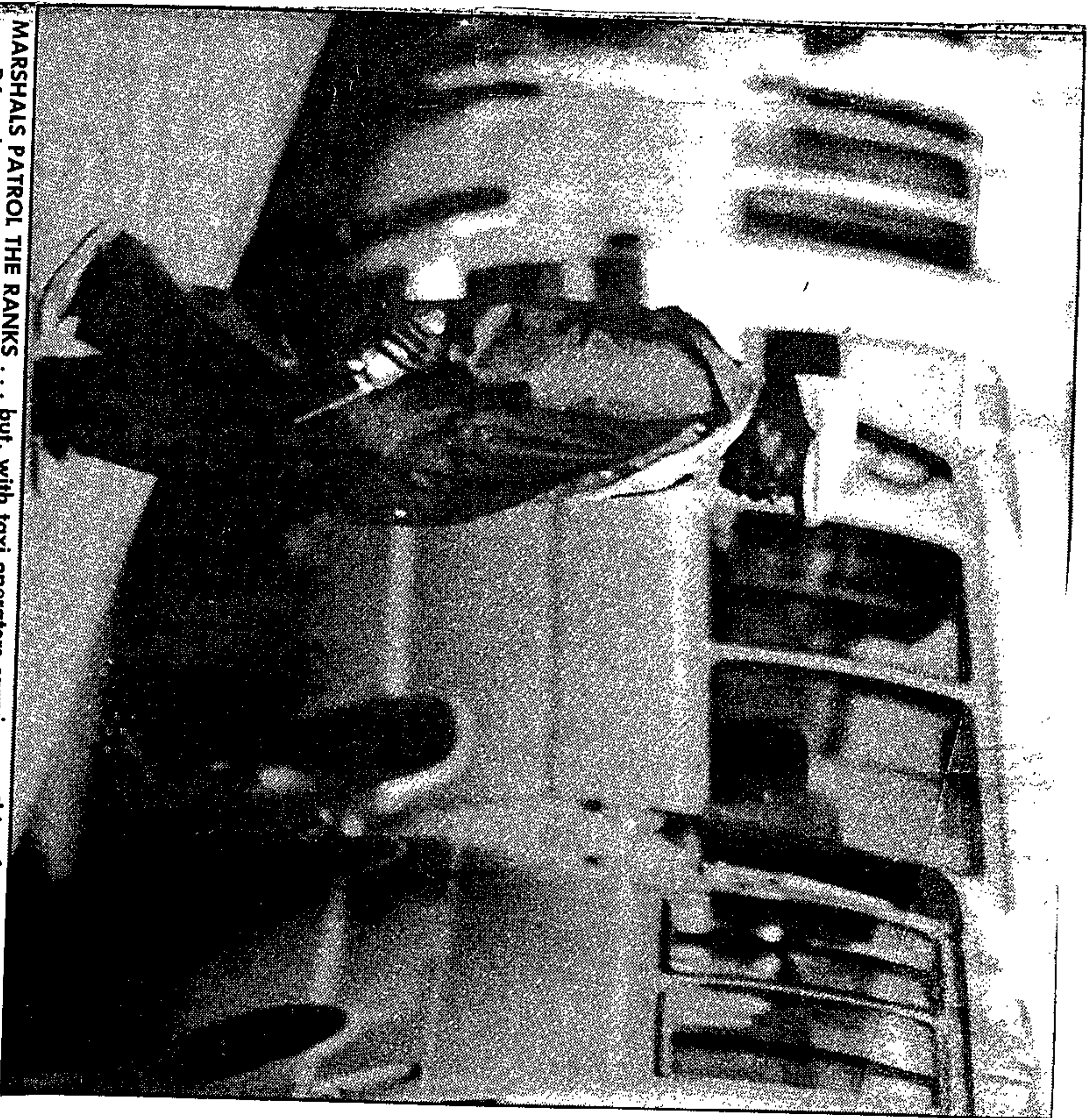
In Soweto, the taxi industry is more organised. To reduce the number of pirates and to keep an eye on members of rival organisations transgressing routes, taxi associations there have deployed squad cars.

But they are not there just to keep law and order between operators. They also step in to solve any driver-passenger problem. Also stewards are posted at ranks to ensure the taxis are not overloaded.

As admirable as these measures are, violence still occurs. Three weeks ago, three people were killed and another three injured by men armed with AK47s and R4s. The fight was apparently caused by conflict

29/04/89

(532)



MARSHALS PATROL THE RANKS . . . but, with taxi operators carrying anything from an AK47 or an R4 to sharp pangas, they find it hard to ensure that rival drivers do not "poach" from others.

association and the Baragwanath Johannesburg Taxi Association, a South African Black Taxi Association (Sabta) affiliate, who argued about route rights to Pretoria.

The policy of rival associations is to operate on a "feeder basis" that gives vehicles a fair share of the market. For example, drivers operating from Baragwanath to Johannesburg drop commuters off at ranks from where Pretoria-bound taxis operate.

Each association establishes routes the taxi-operators must abide by, but operators do not always stick to the route, or they pick up passengers en-route, which undercuts the operation of another "rival" association.

But it is not only re-

operators who are competing for a stake in the taxi market. There are also the pirates.

Pirate operators are not restricted by the regulations laid down by the associations and operate freely within the market.

Legal taxi-operators called for the removal of all pirates and did not think de-regulating the industry would solve the problem. "If just anyone can be in the industry, there will be even more conflict and no control at all," said one.

Ms Elaine Cosser, a researcher at the South African Institute of Race Relations said the increasing number of whites entering the market had exacerbated the conflict. She estimated about 30 percent of the total taxi fleet was owned by whites. "Whites

Battle for passengers

SOUTH AFRICA'S multimillion-rand black taxi industry has been plunged into chaos by vicious battles between rival operators for passengers.

The clashes have claimed the lives of scores of victims countrywide over the past few years.

- In April last year, a Killarney shopowner, Mrs Ethne Shiela Ash (55), and an Alexandra taxi driver, Mr John Tefu, were killed in crossfire between Afa and Armsta.

- Also in April last year, the secretary of the Thokoza Taxi Association, Mr Sonnyboy Motsweneng, was gunned down in front of his house. His death came a few days after that of Mr Aaron "Pats" Mthembi.

- In May last year, a Daveyton taxi owner, Mr Moffat Zitha (42), was shot dead at his home.

- In October last year, Mr Rusty "Russian" Mngadi, a former South African boxing champion, was shot dead.



Minibus taxis — in some cases run by blacks but owned by whites — lined up and awaiting the evening rush in central Johannesburg

Picture: ROBERT BOTHA

45% of black taxis 'owned by whites'

THEO RAWANA

SOME black taxi operators do not own their mini-buses, but work for white owners.

This came to light after the Central Statistical Service (CSS) released figures showing more whites than blacks bought mini-buses.

Of the 786 new minibuses registered this year, 386 were registered by whites and 68 by blacks. Of the 1 152 used minibuses registered in the same period, 624 were registered by whites, against 368 by blacks.

Bara-City Taxi Operators' Association chairman Joshua Simelane confirmed about 45% of taxi operators in his organisation were operating vehicles owned by whites.

"The men hand in about R500 every week to the whites. They are actually working for them. But if you make inquiries the white owner will tell you the operator is paying off the vehicle," said Simelane.

A Road Transportation Board spokesman said anyone could apply for a taxi permit for a car he was going to buy. Asked if it was possible for a vehicle to bear a black operator's name-tag while it was not his, he said on registration the board had to establish if the car belonged to the operator.

Fear and loathing in a taxi

Reckless

IT WOULD be a bit of an exaggeration comparing them with grand prix champions like Nelson Piquet and Mantini, but in the townships they don't call black taxi drivers "bullies of the road" for nothing.

The have over the years earned themselves a reputation of being the most undisciplined and reckless drivers in the country, so much so that one cannot complete one's journey without noticing at least a dozen infringements of traffic regulations.

I recently boarded a Soweto-bound taxi in Johannesburg — and lived to tell the story of one of the most terrifying rides I've ever had.

I had butterflies in my stomach from the moment the 16-seater taxi, colloquially called a "Zola Budd", left the taxi rank in Commissioner Street. The taxi swerved sharply into the busy main street as if the driver wanted to pull off some sort of a stunt.

I gasped for breath, but no one noticed.

Freeway

From there everything went smoothly as the heavy Friday afternoon traffic forced us to slow down. But things changed the moment we reached the freeway.

We were travelling downhill when I noticed the speedometre needle trembling somewhere



between 140 km/h and 150 km/h. I put my foot on an imaginary brake pedal in a hopeless attempt to avoid crashing into a smaller vehicle less than two metres in front of us.

But, of course, this did not help.

I closed my eyes and memories of tragic taxi accidents which claimed the lives of people who were once close to me came flooding back.

Killed

Five weeks earlier a former schoolmate, Daniel Maluleke was killed when a taxi in which he was travelling from the northern Transvaal overturned when the driver failed to negotiate a bend.

A year earlier, a friend's sister, who was a nurse at Baragwanath Hospital, died when a taxi she was in burst a tyre and overturned.

If this happened to them, why couldn't it happen to me? I slowly opened my eyes — to face reality.

The distance between us and the car in front was shrinking fast.



Sowetan reporter, Sy Makaringe

Suddenly the driver, who appeared relaxed, swerved the vehicle into the right lane.

He seemed relaxed because he kept on tapping his hands on the steering wheel to the beat of Melba Moore's hit, *Falling*. For a while, my nightmare seemed to be over.

And it was only for a short while.

Fares

We were travelling in the middle lane as we were approaching the Soweto off-ramp next to Uncle Charlie's.

At this stage the passengers started flogging out their fares from their pockets. Some tendered R20 notes, and others in R10 and R5 notes.

The driver started dishing out change as he was changing lanes.

The way he was manipulating the vehicle while concentrating on his passengers could turn Nelson Piquet green with envy.

This is the most crucial and dangerous point in a taxi journey. The driver must make sure that he does not short-change his

passengers. He must also make sure that he himself has not been short-paid.

Acrobat

All the transactions are done while the taxi is in motion, often at high speed, and most of the time in heavy traffic or built-up areas.

You have to be some sort of a genius or an acrobat to commandeer a moving taxi. A wrong move could prove fatal.

Why people must pay their fares while the taxis are moving also beats me. It appears that to qualify for a job as a taxi driver, one must be a good mathematician.

Commuters aren't angels either. As we reached Soweto, they ordered the driver to stop at awkward places or when it is not safe.

The driver was also not given ample time to indicate that he was moving off the road or stopping. I have heard many stories of drivers who were hurled with abuse and insults after failing to heed the passenger's instructions. One ride through Soweto was not smooth either.

The driver failed to pull off the road completely when he stopped to drop off or pick up passengers and inviting nasty stares from angry motorists.

He then tried to force his way back onto the road as if he had the sole right of using it.

Relieved, I alighted thirty minutes later.

The Media Council

THE South African Media Council is an independent body, established to deal with various matters affecting media reporting and comment.

One of the council's functions is to receive and act upon complaints from members of the public who have not been able to get satisfaction by approaching a newspaper or other news media directly.

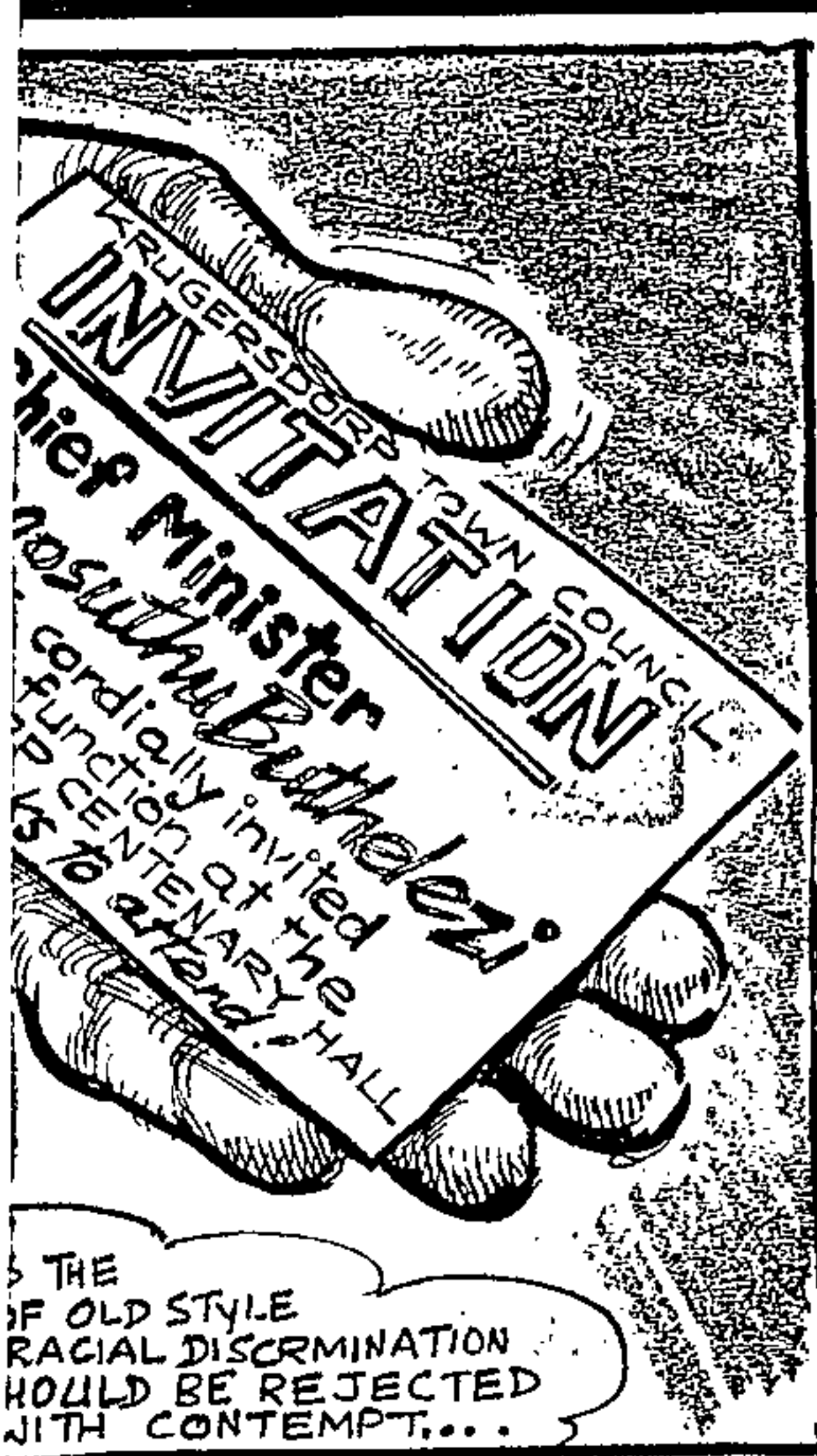
Complaints must relate to published editorial matter and should be lodged within 10 days of publication. But late complaints may be accepted if good reasons can be advanced.

The address is: The Council/Registrar, SA Media Council, PO Box 5222, Cape Town 8000. Telephone: (021) 461-7117. Inquiries are welcomed.

Political comment in this issue by Aggrey Klaaste and Sam Mabe; Sub-editing, headlines and posters by Sydney Mathaku. All of 61, Commando Road, Industria West, Johannesburg.

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THE OLD STYLE OF RACIAL DISCRIMINATION SHOULD BE REJECTED WITH CONTEMPT...



FLASHBACK ... Mr Ronnie Meyer (right), director-general of Transport Affairs, clasps hands with the chairman of Toll Road Concessionaires, Mr Ron McLennan, at the official opening of the Vaal Toll Plaza in July last year.

Tolcon spells out need for toll roads

Star 2/5/89 332

By RON MCLENNAN, Chief Executive of Tolcon

These are the reasons why toll roads are not a rip-off. There are no quick bucks in it and Tolcon, the toll road company, endorses the "user-pays" principle.

Tolcon, the toll road company, is bringing you faster, safer and measurably cheaper motoring.

Tolcon is maintaining roads which the country would otherwise not be able to afford. We are building new roads which would otherwise not have been built this century.

Tolcon links the huge markets of the country's major industrial and manufacturing heartland in the PWV to the port of Durban — providing much of Natal's economic lifeblood in the process.

We are part of privatisation. Tolcon endorses the "user pays" principle which is a more equitable method of taxation.

We are vital to the transport industry. Where local communities are affected, Tolcon offers generous concessions.

We help tourism — and make it safer and easier for you to go on holiday.

Tolcon is a consortium in which five major companies hold the majority of shares. They are Murray and Roberts, Group Five, Grinaker, Keeve Steyn Inc and Sanlam.

Toll roads were introduced after increasing demands on Government funds led to the scrapping of the dedicated fuel fund. This meant that roads had to compete with all other State departments for funds.

We have the concessions to toll the N3 from Alberton to Cedara, near Hilton Road, and the N1 from just south of Uncle Charlie's to Kroonstad.

Over the next 22 years we will spend R1,5 billion (in 1989 rands) building new roads and fixing the old ones. Existing roads will make up 35 percent of the total length of our concession.

We are charging the cheapest rate we can. Our agreement with Government limits us to charging

with Government, Tolcon has to list on the Johannesburg Stock Exchange within 10 years. Government keeps a watchful eye over our activities by virtue of its shareholding in the company which allows it to nominate three members to our board.

The country's assets are protected. We have not bought — or been given — the roads. When our agreement with Government is ratified by Parliament, all we will have is the right to toll the traffic on the roads.

At the end of 25 years we have to give back both the new and the existing roads — or we have to buy the right to toll them again.

Toll roads are not a rip off. There are no quick bucks for the investor.

But they do offer faster, safer, cheaper and more enjoyable motoring.

75 percent of the actual saving you make by driving on one of our roads. We charge far less than this.

This calculation is based on the fact that when you drive on a toll road you save time and fuel — and reduce wear on tyres, brakes, clutches, shock absorbers, springs and a myriad of other moving parts which make up a modern motor vehicle.

We charge far less than the 75 percent maximum — because we work on the "perceived benefit" system.

Applied to the N3 superway, between the foot of Van Reenen Pass and Frere, the saving, calculated according to Automobile Association figures, and adjusted for inflation, would total R17,55.

Roads become cheaper

Tolcon could charge 75 percent of this. Instead we charge only R6,50. That is because our perceived benefits policy acknowledges that motorists do not see all of this as a saving but take into account only the time and the fuel saved.

In October 1988, the perceived benefit savings was R6,66. The toll was, therefore, adjusted downwards and set at R6,50.

Now that the price of fuel has jumped by between 5 c and 8 c a litre, the toll road becomes much cheaper.

Another benefit of toll roads is that the public is allowed to share in us. In terms of our agreement

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Unitrans hits top gear in spite of setbacks

6/Dec 3/5/87
MARC HASENFUSS

UNITRANS transport group maintained its strong growth by posting a 96% increase in taxed profit to R19,8m (R10,1m) for the year-end.

This is in spite of major setbacks in the start-up of the Unitrans Lowveld operation.

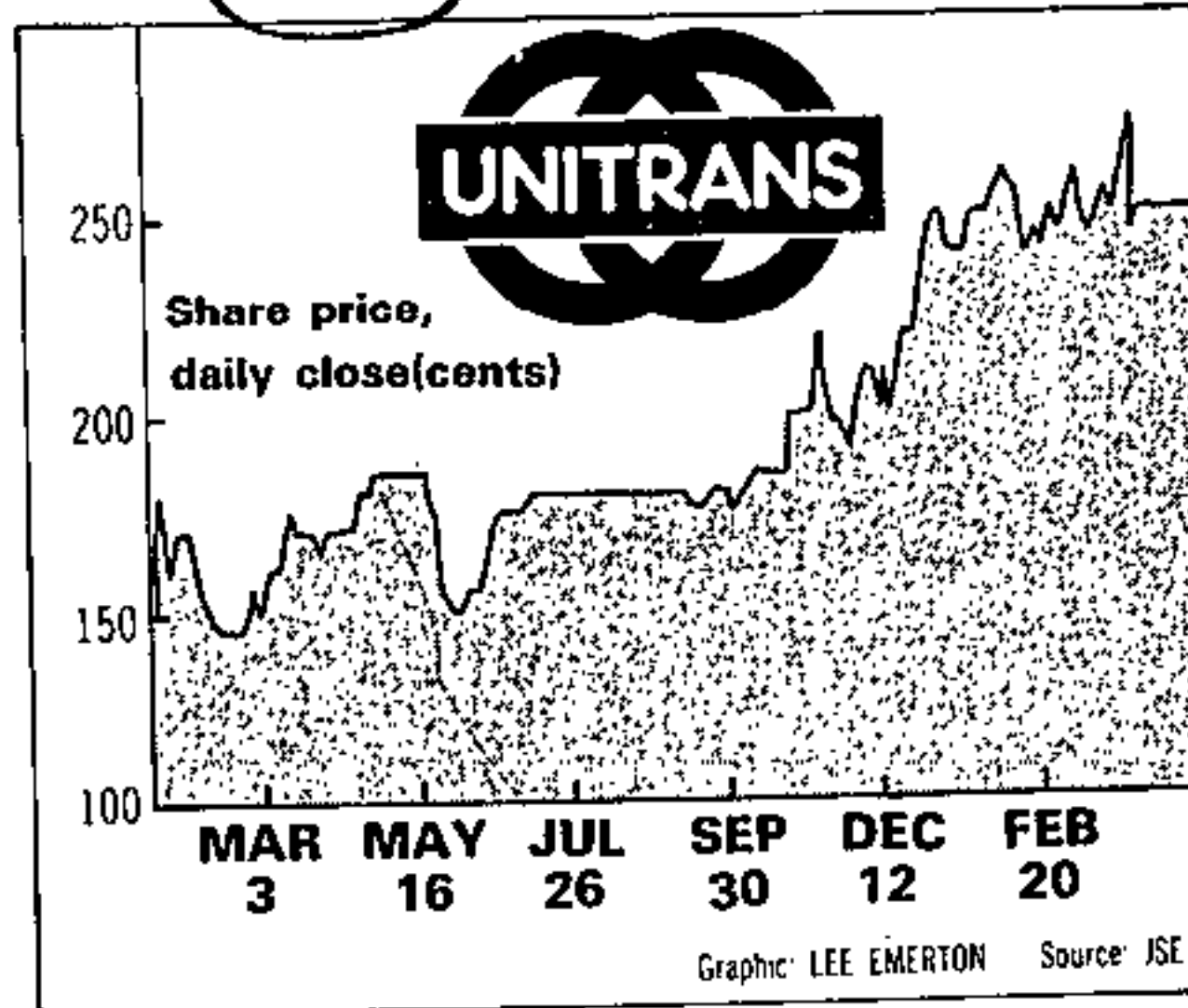
Group earnings a share soared by 96% to 54,4c (27,8c) and a final dividend of 9c was declared to bring the total for the year to 14c (9,4c).

During the past four years Unitrans's attributable earnings have grown by a compounded rate of 64% annually to make it a top performer in the industrial sector.

Swaziland

The group recently acquired a 49% minority interest in Unitrans Sugar for R5,5m and the entire share capital of Unitrans Swazi Holdings, which holds 76% in Unitrans Swaziland, for R2,2m.

Unitrans CE Eduardo Garcia attributed the strong performance to internal growth in the group's freight distribution and warehousing operations although acquisition of Unitrans Swaziland



contributed some growth.

"The Swaziland operation has been managed by Unitrans for many years on behalf of United Transport International and, during the year, we acquired a 76% controlling interest."

He said the acquisition fulfilled a strategy to ex-

tend group distribution activities beyond SA borders.

The decision to modernise the group's fleet would increase capital expenditure but the benefits of a modern fleet's lower operating costs would result in improved profits.

The sale of old vehicles contributed R3,8m to capital profit.

Muscle

Garcia said any assessment of the outlook should consider the uncertain period faced by the transport sector with government's foot bearing down on the economic brakes and imposition of an array of industry-related taxes.

"Because of its size, spread of activities and managerial muscle, Unitrans is better placed than many hauliers to cope with this uncertain outlook, but that does not mean the present year will be particularly easy."

He said Unitrans remained in a relatively strong growth phase and further improvement in earnings was planned.

CAP 7-15 3/5/87
332

50 pc tolls cut on the cards

By BRUCE CAMERON, Political Staff

TOLLS on roads built before the introduction of the toll system are expected to be slashed by 50 percent — probably within two weeks.

But the tolls on new roads are to remain unchanged.

The roads that will be affected by the government decision to substantially reduce tolls on the existing roads are the Mooi River and Tugela tolls in Natal and the Innerdale toll in Johannesburg.

MAINTENANCE

Government sources indicated today that apart from a reduction of about 50 percent in the tolls residents living in the vicinity of the Mooi River toll could continue to pay reduced tolls.

The Mooi River toll for ordinary motor vehicles is likely to be cut from R8 to R4 with the heaviest category of trucks being cut from R30 to R15.

In an announcement in Parliament yesterday Transport Minister Mr Eli Louw said he was negotiating with the two toll consortiums "so that the toll of existing roads be utilised only for the maintenance and upgrading of the existing roads".

The argument about paying double for existing roads "therefore falls away".

He emphasised toll roads "are here to stay as it is definitely in the long-term economic interest of South Africa".

Mr Louw said he had driven on the strongly criticised alternative route to the Mooi River toll last week.

He was satisfied with the alternative route, adding that many other places in the country "would love a road like that".

It took him 26 minutes to travel the alternative route at 100 km/h and 12 minutes on toll road. He paid the R8 toll.

Other 2. Parliament 4. Letters 2 Finance 9. 10 and 11 Racing 14. Sport 14.

Tough times force residents of Mitchell's Plain to squat

AKAS 2/5/87

By MICHAEL DOMAN, False Bay Bureau

DRIVEN by unemployment, the inability to pay rent, or landlords who claim they need their rooms, Mitchell's Plain residents are being forced to "squat".

One group of three lean-tos has adorned the grass verge of a bridge over the railway line in Westport Drive, near the Mitchell's Plain Town Centre, for a few months.

And in recent weeks two families in Taleisig have been squeezed out of their single rooms in nearby houses on to fields where they are sheltered by only plastic sheeting and barricades constructed from their furniture.

Former transport worker Mr John Stevens has lived in the railway bridge community of seven people for six months.

"I lost my job and couldn't pay the rent for my room in Eastridge, so I came to live here in November last year," he explained.

The shelters on the side of the bridge are built of canvas, wood, plastic and bushes, but Mr Davids is happy just to have cover over his head.

"It can be unpleasant outside, but at least the rain is kept out."

"We get our water and use the toilets at the Town Centre — about 400 m away. During the day we have to struggle to get food at the Town Centre."

"From time to time we can get work gardening or cleaning nearby, but it would be better to get a job."

"There are no factories nearby and we don't have the train fare to get to the industrial areas."

Mr Davids said the city council had visited them and that some churches gave them supplies and clothing on occasion.

Families

Two shack families who were unprepared for the heavy rain last weekend were the Hartoghs and the Meyers of Taleisig.

Henry and Veronica Hartogh have lived with their six children — aged from three to 18 years — in a 3 m by 3 m shelter on a field in Heuningsberg Road for two weeks.

They have spent many years sub-letting single rooms from council tenants.

Said Mrs Hartogh: "We paid R40 a month for the last room the eight of us shared, but there are so many things you have to stand from your landlord."

Last weekend's rain came before the Hartoghs had covered their shelter with plastic sheeting from helpful neighbours.

"The children's clothing was ruined and we couldn't send them to school," said Mr Hartogh.

Mrs Hartogh is a machinist at a clothing factory, but was put off work for a week after the rain because of an asthma attack. She also limps as a result of the poliomyelitis she had as a child. Her husband is a driver and the couple say they



OUT IN THE OPEN: A Mitchell's Plain family, Mr Cornelius Meyer, his common-law wife Mrs Annette Hendricks and their four-year-old daughter Luane, have been living in this makeshift shelter after losing their rented room more than a fortnight ago.

Picture: LEON MÜLLER, The Argus

POCKETS WILL BE HIT BY FARE RISE

332

TAXI fares in Vaal Triangle townships have been increased by 20 cents and 50 cents on all local and external routes as from May 1.

In a statement the three major taxi associations said the increases were as a result of the rise in the price of petrol and maintenance of their vehicles.

The fares increases are as follows: Friday to Monday — Evaton-Sebokeng to Vereeniging, Vanderbijlpark, Sharpeville and

BY JOSHUA RABOROKO

Boipatong R1,50 previously R1.
Evaton to Sebokeng 70 cents previously 50 cents on weekdays.

Friday to Monday — Sharpeville to Vereeniging 70 cents previously 50 cents.

The Evaton-Sebokeng to Westgate and Johannesburg weekend fares have been increased from R3 to R3,80.

The fares remain R3 during weekends.

Meanwhile, the Tokoza Taxi Association has announced fare increases that will come into effect as from next Monday (May 8). From Tokoza to Alberton R1 previously 80 cents; Alrode (south and north) to Tokoza 70 cents previously 70 cents; local fare will be 50 cents.

TTA's public relations officer Mr Paul Ngobeni said they would exempt all pensioners from the new hikes. They would be supplied with coupons indicating that they will travel free to any destination.

New deal in offing for SA air travellers

By SYBRAND MOSTERT

A NEW deal could be in the offing for air commuters on internal flights — and if Acorn has its way, South Africans could have the option of more efficient and cheaper flights as early as next year.

Following this week's statement by the Minister of Transport, Mr Eli Louw, that the government would be going ahead with the deregulation of internal flights, Acorn (Aircrew Operating and Recruiting Network) announced they would probably be buying several new aircraft early next year.

"We are offering a unique and fresh concept which could change the face of air travel in South Africa," said one of Acorn's directors, Captain De Villiers Steyn.

Acorn is the marketing and corporate arm of the South African Airways Pilots' Association, and has more than 600 pilots and maintenance crew as members.

"With deregulation in the offing we are offering a completely new type of service in the aviation field," he said.

"What we are saying to any entrepreneur is that we will lease him the crew and the aircraft, while he must look after the marketing side."

Captain Steyn said he could not go into details at present, as Acorn had expected the minister's deregulation statement only later this year.

Mr Louw told Parliament that state airports and air traffic services could be privatised "in due course".

He said legislation would be tabled next year, and that private air operators could apply to work domestic routes in the meantime.

According to a statement released by Acorn, "negotiations are well under way with various airline-orientated organisations".

"Pending the outcome of a feasibility study at present nearing completion, Acorn will be purchasing a number of new, modern, medium-to-large jet aircraft for operation early in the new year," the statement said.

"We will not be in competition with SAA or any other airline," Captain Steyn said.

"Anyone will be able to make use of our crew or aircraft for a day charter or on an internal route for any period — and it is up to them to market the seats."

He said that Acorn's concept had met with much enthusiasm, because SA did not have the resources to be able to afford the "scramble" that followed a similar deregulation move in the United States.

In concrete terms, the new scheme could mean more flights on long weekends, or, in the long term, special tourist charters.

CARL 7/5/89 4/5/89

232

Trencor aims for export growth

Trencor is set to continue to expand its export business, according to chairman and joint MD, Neil Jowell. He earmarks exports, which mainly comprise containers, as a major growth area.

Foreign business already accounts for approximately 20 percent of Trencor's attributable profit. Mr Jowell says international demand for containers is strong and the group's overseas activities have encountered improved trading conditions in their areas of business.

Trencor is a holding company involved in the business of manufacturing, road transport, motor trade and tyres, trading and other activities.

Of these, motor trade and tyre operations contribute a major 31 percent to group pre-tax profit. Activities include the marketing of new tyres and retreads, and motor vehicle franchises in Namaqualand and North Western Cape.

The transport division conducts road haulage in the Cape Province, Transvaal and Namibia and operates express goods services between these areas. The contribution from this division has declined to less than 18 percent of group pre-tax profit.

Mr Jowell comments that the transport industry remains in a state of transition and uncertainty due to deregulation. In addition, transport companies continue to have to contend with unfair competition from Sats.

The manufacturing division accounts for 28 percent of total pre-tax profit and Mr Jowell earmarks this division, which produces truck trailers, road tankers and a range of cargo and tank containers, as having above-average growth potential. He says that demand for truck trailers is particularly strong.

The trading division, with its contribution of 23 percent to group pre-tax profit, embraces the distribution of microcom-

Sharespot

LYNNE PEACH

mainly high growth products like computers and peripheral equipment, and commodity exports to the East.

In the six months to December 1988, Trencor's earnings increased by 53 percent, from 79.7c to 122.3c, on turnover which climbed by 41 percent to R334 million. The interim dividend doubled to 20c in line with management's intention to reduce the disparity between the interim and final dividends.

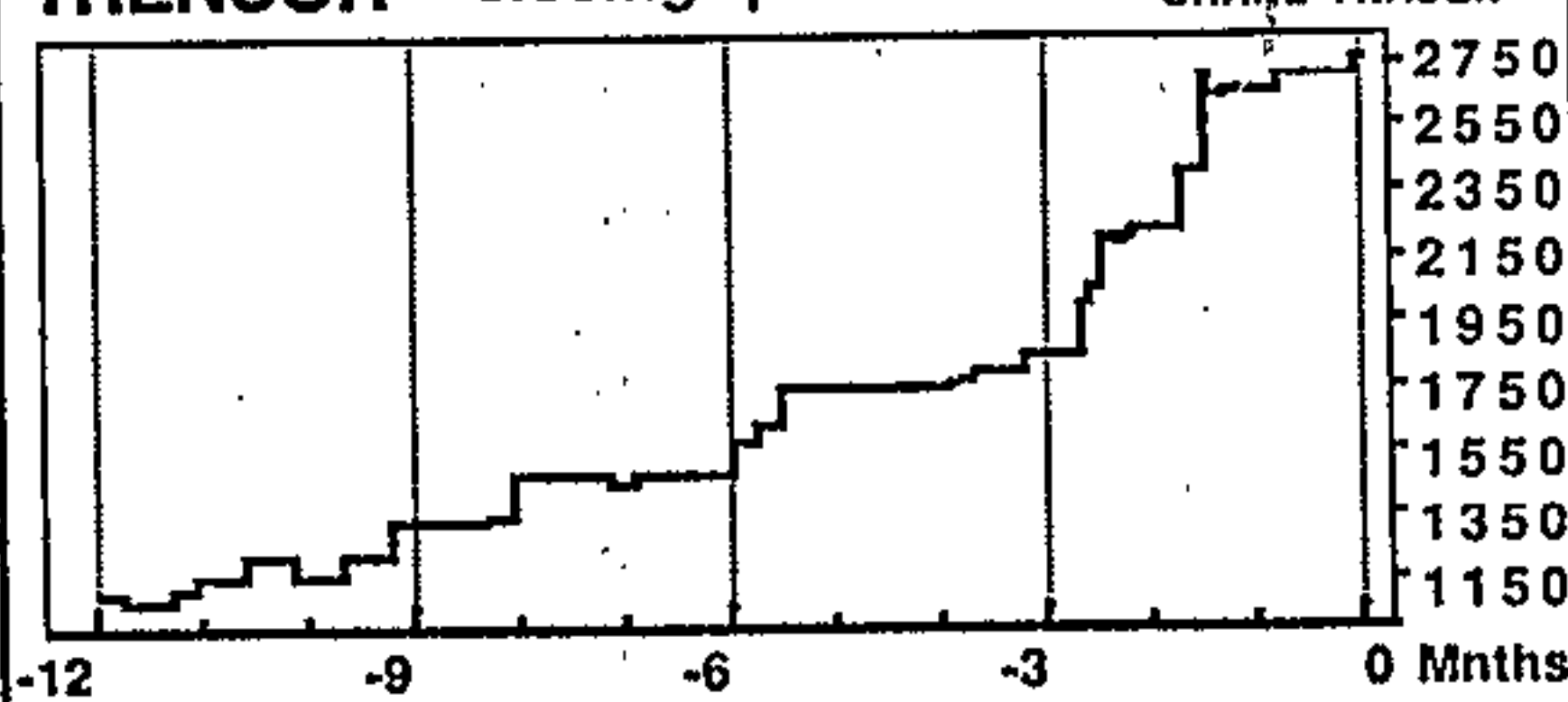
The balance sheet revealed a deterioration in the ratio of interest bearing debt to shareholders equity, from 33 percent at the end of June 1988 to 41 percent at the end of the year. Mr Jowell says that, in the absence of any major acquisition, he expects that the ratio will remain static.

He went on to point out that interim results showed "abnormally" high growth because of the low base in the previous interim. However, in the second half of the current year, the group will be moving from a high base. In view of this, management projects that earnings for the full year will show only a modest increase compared with financial 1987.

Mr Jowell did, however, confirm that some earnings growth was expected to be achieved in the second half of the year which means that growth for the year should exceed 17 percent. If second half earnings grow by three percent, then the total for the current year will be in the region of 300c.

Priced at R27.50, this places the share on a forward price-earnings ratio of around nine. If cover is maintained at 5.1 times, the dividend will be around 59c (a prospective yield of two percent).

TRENCOR - closing price



Thinly traded Trencor has achieved notable share price appreciation over the past year, but the rate of increase appears to have started slowing down.



Three expected to compete with SAA

The Argus Correspondent

JOHANNESBURG. — South African Airways could be faced with three major competitors on main domestic air routes within three years.

The domestic operations of SAA are to be privatised, according to the Minister of Transport, Mr Eli Louw, and routes deregulated to enable other carriers to enter the market.

He told Parliament this week he was introducing legislation to this effect next year.

Yesterday the SAA Pilots' Association's 'Air Crew Off-shore Recruiting Network (Acorn)' announced that pending the outcome of a feasibility study, it would be buying new medium to large jet aircraft for operation early in 1990.

Criteria

Captain Blake Flemmington, Acorn Chief Executive Officer, said the minister's guidelines were in total accord with Acorn's policy that quality and safety were the only criteria that should determine access to the air transport market.

It is expected in the aviation industry that at least two other major airlines would emerge in 1990/1991 to challenge SAA on lucrative routes, such as Johannesburg-Cape Town and Johannesburg-Durban.

One is expected to be an enlarged Safair Lines, currently a freight carrier on national and international routes but with a number of domestic passenger routes, and the other an amalgamation of existing smaller airlines.

SAA will have to apply to the National Transport Commission on an equal footing with the new airlines for rights on all routes. It is thought that there are some which SAA will give up for economic reasons.

It is reported that tentative talks are taking place to establish airlines big enough and modern enough to challenge SAA's current virtual monopoly of key routes.

Approached for comment, two airlines — South African Airways and Safair Lines — declined to make any statement.

Mr Ivan Jackson, general manager of Magnum Airlines, said his company would be looking very carefully at what was being planned.

Acorn's plans to lease out crew and aircraft

New deal in the offing for local air commuters

CAPE TOWN — A new deal could be in the offing for air commuters on internal flights — and if Acorn has its way, South Africans could have the option of more efficient and cheaper flights by next year.

Following yesterday's statement by Transport Minister Eli Louw that government will deregulate internal flights, Acorn (Aircrew Operating and Recruiting Network) announced they would probably buy several new aircraft early next year.

"We are offering a unique and fresh concept which could change the face of air travel in SA," said Acorn director Capt De Villiers Steyn.

Acorn is the marketing and corporate arm of SAA Pilots' Association, and has more than 600 pilots and maintenance crew as members.

"With deregulation in the offing we offer a completely new type of service in the aviation field," said Capt Steyn.

"We will lease any entrepreneur the crew and the aircraft, while he must look after the marketing side."

Steyn said he could not go into detail yet as Acorn had only expected the Minister's deregulation statement later this year.

Louw told Parliament that state air-

Own Correspondent

ports and air traffic services could be privatised "in due course".

Later, Department of Transport chief PRO Leon Els said legislation would be tabled next year, and private air operators could apply to work domestic routes in the meantime.

Louw this week invited companies wanting to compete with SAA on existing and other routes to submit applications in this regard.

Discussions

He also announced that airports and air traffic control services would be converted to public companies with a view to privatising them.

Although the Minister was still having discussions with relevant parties, Els said the new moves would affect airport services not already run by the private sector, including air traffic control, baggage handling, fire services and airport management.

"The whole spectrum of airport facilities would be involved in a corporation."

Catering and parking at airports were already privatised.

Els could not say whether this would mean greater expense to the public.

Steyn said: "Pending the outcome of a feasibility study, Acorn will be purchasing a number of new, modern, medium-to-large jet aircraft for operation early in the new year."

"We will not be in competition with SAA or any other airline."

"Anyone will be able to make use of our crew or aircraft for a day charter or on an internal route for any period — and it is up to them to market seats."

He said Acorn's concept had been met with enthusiasm as SA did not have the resources to be able to afford the "scramble" that followed a similar deregulation move in the US.

The new scheme could mean more flights on long weekends, or in the long term, special tourist charters.

Els said it was still too early to pinpoint exactly how the changes would affect the man-in-the-street financially but the competition had to benefit the public.

He said the plus factors in the long run were that private companies were more flexible and could obtain funds more easily on the open market.

"Competition with SAA on existing and other routes will keep everyone on their toes," he said.

Keep a/c Accs on 332 6/5/89 truckin'

By TREVOR WALKER
Business Staff

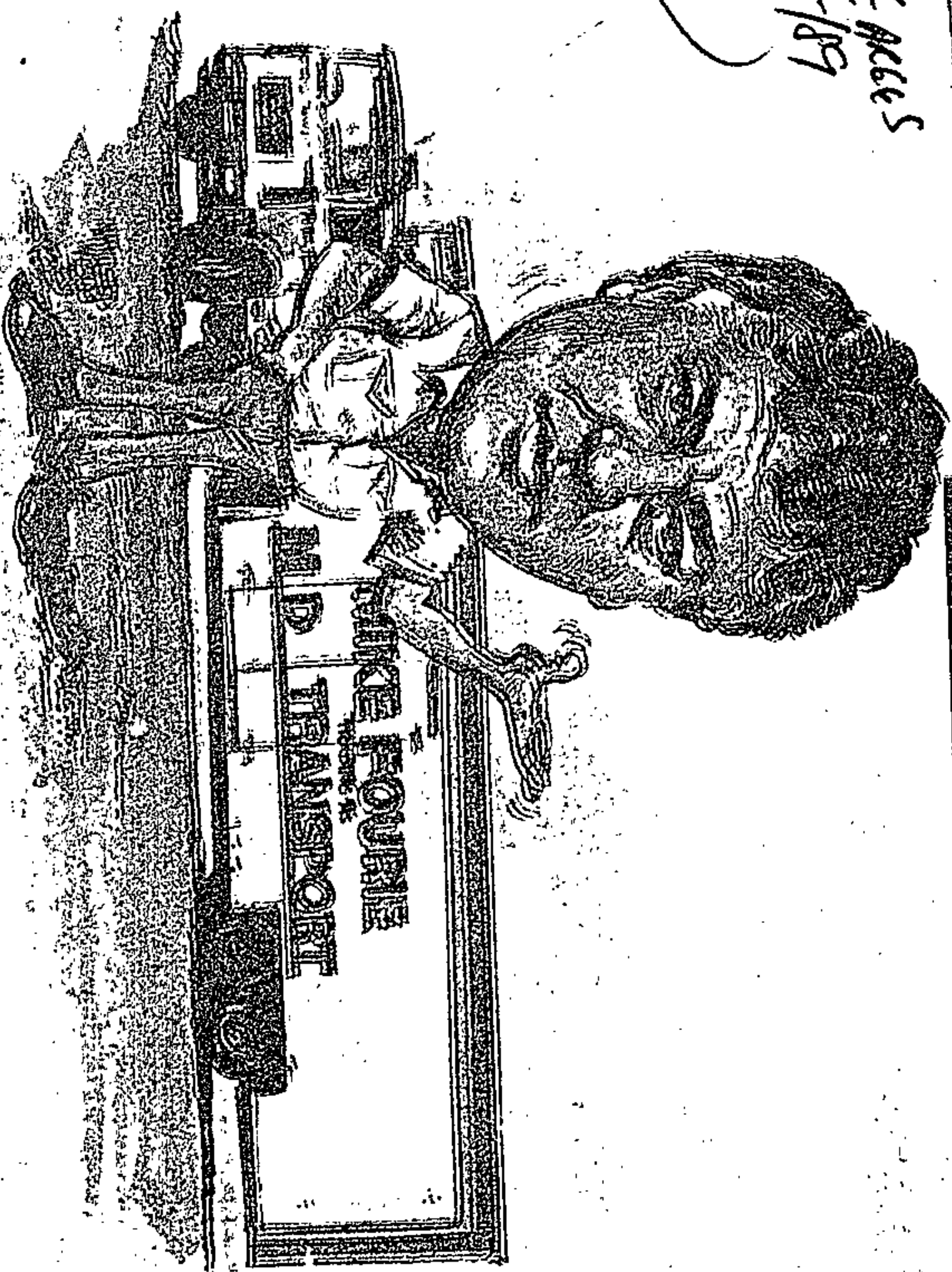
IF ever there was an example of the benefits that can be expected to flow from deregulation, then one need look no further than the extensive road transport network built up by Mr Mike Fourie, owner of MD Transport.

Road transport in this country has been hindered by the privileged competitive position granted South African Transport Services and the curious system of permit allocation that in many instances has proved little more than a licence to make money once the "permit" has been granted.

Moving millions

Mr Fourie who spent most of his working life employed in the furniture trade in Cape Town saw a "transport gap" six years ago and from a small two truck operation on largely bank financed capital, he has built up a countrywide transport company.

Based in Cape Town MD Transport is now moving millions of rands worth of merchandise between the country's major central business districts.



Mike Fourie... going for the transport gap.

The company has a capital structure of about R5-million with over R3-million invested in 14 large mechanical horse type trucks.

Yet Mr Fourie's overall debt position at R700 000 is extremely healthy and in relation to current turnover is a mere bagatelle.

Bonus system

Annual turnover of the company is well over R3-million and the staff of about 65

people all benefit from a bonus system.

"We do not structure bonuses on speed, but on cleanliness and lack of breakage at delivery point," Mr Fourie said.

Mr Fourie, built along the lines of a Boland rugby player — he played for Villagers — is in no way dwarfed by the mammoths he sends out on the road every day.

A macho man in the true

where the manufacturers deliver their goods to an MD Transport transit warehouse facility and these are then transported to whichever store or warehouse is required by the client.

The company does its own truck maintenance.

Mr Fourie says TrustBank and Santam Bank were very good to him, particularly TrustBank in the early days. The trucks are fully covered by IGI Insurance.

Running well

MD Transport, as it is now constituted, "is about as far as I want to take it," says Mr Fourie.

"The present set-up is running very well, debts are minimal, staffing structures are in place and clients are very satisfied with our track record."

He says he has another venture in mind that if it goes ahead will lead to a road transport network for all types of cargo ranging to Hanover, Richmond, Beaufort West and Brits Town.

Strategic points

The idea is to site warehouses at strategic points and guarantee a maximum two-day delivery.

A garage or a co-op needing spares or goods available only in Cape Town could expect them at 8am two days later.

This new company will not be wholly owned by Mr Fourie, but the go-ahead will depend on obtaining an "all load" permit.

by TYRONE SEALE
Weekend Argus Reporter

CITY Tramways says it is slowly being killed off by ruthless minibus taxi operators, rising maintenance costs and the growing number of people who are using their own cars.

Between 1983 and last year Tramways had a 9,3 percent drop in its passenger load, said managing director Mr Barry Gie yesterday.

He was responding to Weekend Argus questions about the effects of the minibus taxi trade on City Tramways' business in general and how it influenced the recent cutback in late-night bus services.

Mr Gie said the decline in the demand for the bus service could partially be put down to the estimated 10 000 independent minibuses competing against 800 peak-hour buses.

Cream off passengers

"The reasons for the decline are many and complex. The increase in the activities of both legal and illegal minibus operations has had an influence.

"The majority of minibus operators exist by running just ahead of buses on peak-hour, high-density bus routes, creaming off passengers and reducing the profitability of these services.

"This has contributed to the cutback in non-profitable, off-peak services which previously were financed by the profitable peak-hour services.

"In addition, the creaming-off effect has a significant impact on bus fares. The bus operator has had to face unprecedented cost increases imposed by government, and thus beyond its control, that have unfairly favoured minibus operators.

"In the past seven months, for instance, diesel fuel has increased by about 50 percent compared to the increase of a little over 15 percent for 97 octane fuel used by minibuses.

"Similarly, since 1985, licence fees for minibuses have remained a miniscule R60 compared to conventional buses, which have gone up since 1985 by up to 371 percent, depending on the weight of the vehicle.

"In November last year licence fees went up by 101 percent so that the company now pays between R2 316 and R4 188 in annual fees for each bus."

Mr Gie said these additional costs had to be passed on to the passenger. The dilemma Tramways faced was to spread these costs among the declining number of passengers using peak-hour services.

The relatively high fare increases therefore made buses less competitive and attractive as a mode of transport.

Uncontrolled taxi operations was not the only factor.

"Perhaps an even bigger impact has been made by private car usage, as increasing affluence has led more and more people switch to this form of transport.

Decrease in demand

"Couple to this the significant physical changes that have taken place within the metropolitan area with shopping centres, suburban office blocks, factory and educational centres all moving closer to the residential suburbs.

"Very few of the changes have been favourable to development of public transport and, if anything, have led to a decrease in demand.

"In addition, there have been marked changes in the leisure-time activities of the people of greater Cape Town. Television and cheap videos have gained popularity in the less-affluent areas and this kind of stay-at-home entertainment is a definite factor in the fall-off of after-hours demand for bus services.

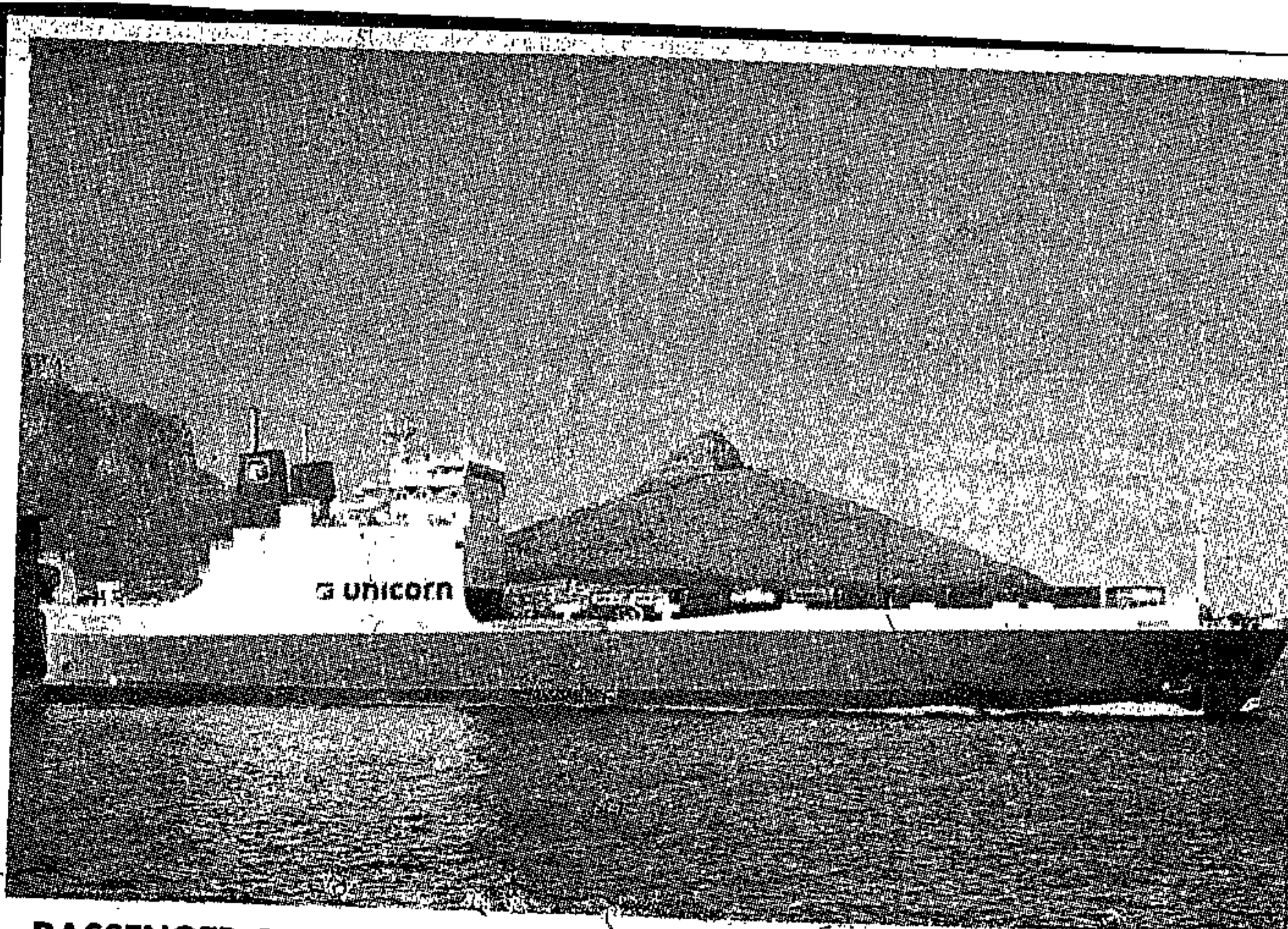
"And it's not only bus services. Where we have withdrawn there has been no sign of minibus operators rushing in to fill the gap."

Safety standards

Regarding taxi safety standards, Mr Gie said that while Tramways vehicles were subject to strict standards outlined in legislation, "no local authority appears to be willing or capable of applying them other than in a token manner" on taxis.

During the same period between 20 and 30 bus drivers had been prosecuted.

Minibus taxis and cost killing us off, say City Tramways



PASSENGER SERVICE: The ro/ro vessel Border leaving Cape Town. It is one of the ships which is to be converted to carry passengers around the coast.

New city passenger ship service for trips along the coast

By HENRI DU PLESSIS
Shipping Reporter

A PASSENGER service on cargo ships is to be offered by Unicorn Lines.

Unicorn will offer a limited passenger service on six of its vessels, including the Border and the Barrier, which are being converted, a spokesman said.

Although the two ships are cargo vessels, both have swimming-pools and space for cars.

Accommodation on all six ships will be en-suite cabins with appointments and furnishing to "senior officer" standards.

Captain D de Wet, executive director of Unicorn, said the company had for some time been aware of the need for a passenger service on the South African coast.

TWICE WEEKLY

"We see this new operation, even though limited, as an extension of our dedication to serving the needs of our customers."

The Border and Barrier supply a twice-weekly service from Durban to Cape Town, with calls at Port Elizabeth and East London.

The Border sails from Durban on Tuesday after-

noons and arrives at East London about 8am the following day. The stay at East London is about six hours, depending on the cargo.

The ship arrives at Port Elizabeth on Thursday about 6am and stays for about 12 hours before leaving for Cape Town and arriving on Friday evening.

The ship leaves Cape Town the following morning on a non-stop passage to Durban, arriving there on Monday about 8am.

Barrier leaves Durban on Friday afternoon and sails directly for Port Elizabeth, arriving there the following day.

AT MIDNIGHT

She leaves Port Elizabeth at midnight on Saturday and arrives in Cape Town on Sunday evening.

On Monday at 8am she leaves for Port Elizabeth, arriving there at 8am on Tuesday and staying for four to six hours before leaving for Durban, where she arrives on Thursday evening.

Unicorn's two container ships operate a fortnightly service between Durban and Walvis Bay, calling at Cape Town, Port Elizabeth and East London.

They sail from Durban on Thursday between noon and midnight directly for Cape Town, where they arrive between noon and 8am on Sunday.

They spend about five hours in port and leave again between 5pm on Sunday and 1am on Monday for Walvis Bay, where they arrive at 6am on the Wednesday.

ON SAME DAY

They leave Walvis at 10pm the same day to return to Durban by way of Cape Town, Port Elizabeth and East London.

The Swakop and the Kuiseb operate a direct service between Durban and Walvis Bay.

Sailing from Durban the ships are in ballast, while back to Durban they carry salt.

Passage times between the terminal ports is about five days given good weather, and the ships need about four days for discharging at Durban.

Cars and caravans can be carried below decks.

All the times depend on the weather, tides and cargo volumes.

332 12-19/5/81

State caught between the buses and the taxis

By HILARY JOFFE

GOVERNMENT attempts to relieve its subsidy burden by deregulating passenger transport face conflicting pressures from the bus companies and black taxi operators, says the South African Institute of Race Relations in its latest *Social and Economic Update*, released this week.

After a year of negotiations, the government has not yet found a bus subsidy formula which will smooth the transition from the present, regulated system to one which will allow greater competition.

According to *Update*, the bus companies hold that the formula proposed by the Department of Transport is inadequate, while the Southern African Black Taxi Association is concerned that the subsidy is too high.

New schemes for subsidies being considered by the Department of Transport depart from existing practice in that they propose to compensate the bus companies regardless of the number of passengers carried. This could increase the amount the bus companies receive.

Update reports that while companies such as Putco have been making representations to the government in an attempt to dispel the uncertainty about the subsidies, Sabta has said the planned subsidy systems would give bus operators a further unfair advantage over black taxis.

The government approved half the 62 000 applications for permits by black taxis made in the 1987/88 financial year. The number of applications was three times that of the previous year.

Update reports that the subsidies are not the only issue on which the government faces conflicting pressures from the bus companies and the taxis.

In Port Elizabeth, the Department of Transport plans to introduce a light rail transport (tram) system which would be competition for both buses and taxis. But it appears more likely to compensate the bus operators by allowing them to run the service, *Update* says.

"Because black passenger transport is uneconomic while present racial policies persist, the government may be forced to continue compensating subsidised operators to enable them to continue offering uneconomic services — this gives it a powerful incentive to favour the subsidised companies," *Update* says.

The newsletter adds that constraints imposed by government racial policies — particularly racial zoning of land — have prevented it from pursuing its privatisation strategy in the field of transport.

Commuter rail services are the one part of the South African Transport Services which the government will not be privatising: "Privatisation is unlikely to relieve the state's subsidy commitment to Sats, because third-class (black) services contribute 70 percent of Sats losses at present."

Update also points to the pressures of competition in the rapidly growing black taxi industry, which may be one cause of the recent violence between taxi operators, as well as of high accident rates.

A further pressure in the industry is the increasing number of whites who are becoming involved in black taxis, and who are likely to have greater access to finance and business skills than the black operators. *Update* cites a Sabta estimate that at least 30 percent of minibuses are owned by whites.

Reform 'key to growth'

By AUDREY D'ANGELO
Financial Editor

THE SA shipping industry is a major earner of foreign exchange — and its potential will increase enormously when political reform makes it more acceptable to have connections with this country, Safmarine MD Mike Finlay said yesterday.

Speaking at the national maritime conference organized by the University of Stellenbosch transport research centre, Finlay said the total cost of sea freight on SA's exports and imports last year was approximately R9 500m.

"Current statistics suggest that SA owned or operated ships lift about 30% of the Republic's liner and import cargoes and probably 12% of the bulk cargoes.

"Using current freight rates we calculate that SA's shipowners are currently saving the country some R1 900m per annum in foreign exchange.

"While this is a substantial figure there is obviously scope for a far greater contribution if there were greater shipper support of SA vessels."

In addition to this, Finlay said, SA

Shipping industry could contribute more

shipping firms were competing successfully on routes which did not touch this country.

"As far as international trading on non-SA routes is concerned, there are enormous opportunities. The two major SA owners have in recent years involved themselves increasingly in worldwide operations unrelated to SA."

"As a consequence of current exchange rates, the international cost of SA crews must be one of the lowest in the world. We have a substantial pool of well qualified seamen — should we not be one of the major suppliers of ships' crews and management services?"

Unfortunately, Finlay said, SA's present political situation prevented this from happening.

"Because of the unpopularity of SA internationally our shipowners have been forced to flag out their vessels

and fly non-SA flags on the sterns of their ships.

"This applies on our liner trade routes as well as our international operations."

"As a result we have also been forced to discontinue employing SA seamen, as people with SA passports are not welcome in many parts of the world."

"Consequently the potential for SA entrepreneurs to become international ship managers using skilled SA crews is almost nil at the present time."

"Equally, the thought of SA becoming a major international centre for shipowners and operators because of the favourable terms of our register is impossible."

But, Finlay said, he was looking forward to a different future. "I do not dismiss these opportunities in the long term. I have every confidence that in the not too distant future the



Mike Finlay

tide will turn and SA will again be able to take her place with pride in the international commercial and maritime world.

"Our duty is to encourage the Government to proceed with a reform programme with maximum expedition. We must all put our shoulders to the wheel and encourage reform."

Call for SA to become a power at sea

Staff Reporter

A FORMER chief of the navy has made a plea for South Africa to become a maritime power.

Vice-Admiral Glen Syndercombe, who recently retired as navy chief, said yesterday a comprehensive national maritime policy was needed to orchestrate and rationalise the country's resources in order to achieve this.

He was speaking at the national maritime conference at the Cape Sun.

The improvements would include rationalising coastal patrol services, improving mapping and surveying, developing tourist recreational areas and exempting certain members of the maritime industry from national service.

Adm Syndercombe, a service veteran in both the merchant and fighting navies, noted that more than 60% of South Africa's gross domestic product was made up of foreign trade.

In order to sustain economic growth SA would require more imports which would have to be balanced by increased exports.

The "elements of a national maritime policy" were:

- Fostering sea-mindedness. South Africans generally were not sea-oriented, and had to realise the sea was their means of livelihood.
- Maximum exploitation — with due regard for the ecology — of beaches and off-shore and in-shore water areas to foster sport, recreation and tourism.
- Manpower management aimed at encouraging South Africans to go to sea.
- Protection of the country's marine life against pollution.
- The co-ordinated control of maritime activities by means of an umbrella body to advise the government on suitable national policy.

Overcoming sanctions

● A policy to govern the negotiation of trade preference agreements that would include preference clauses to ensure South African ships "carry a fair percentage of the goods to be freighted to and from our country."

● Planning and policy to overcome the sanctions and boycotts being experienced by foreign-going South African merchant ships.

● Promotion and protection of the local ship-building industry.

● Fostering maritime research to the benefit of all in that field.

● Rationalisation of maritime communications services.

● Exploitation of minerals off the seabed to the benefit of all.

● Rationalisation of maritime defence and policing services.

Director-General of Transport Mr R G Meyer told the conference that in the past 19 years the increasing use of Third World flags and "flags of convenience" had led to certain cargo ships being a menace to their crews and other vessels.

They were also the cause of pollution, he said.

Mr Meyer said that before 1970 the International Maritime Organisation (IMO) conventions which required "flag states" to enforce the IMO's standards on their own ships had proved "quite feasible".

"Since then, however, there has been an accelerated move away from traditional flags towards Third World flags and the so-called 'flags of convenience'."

As a result, genuine links between ownership, management, flag and registry were becoming increasingly blurred.

Mr Meyer said steps were being taken to "substantially" increase the R20 000 maximum fine that could be imposed on ships which polluted the sea by discharging oil.

● Mr Meyer said a code of procedures issued by the Department of Transport for the safe handling of cargoes of coal had become a bestseller in the transport industry worldwide.

The code's objectives were to inform the shipping industry about necessary precautions, to persuade it to adopt sound handling practices so as to improve safety at sea and to facilitate the flow of coal exports by averting delays caused to ships with coal cargoes which had overheated.

● More reports — Page 8

Tollgate Holdings to control Gants

CAL. Truks 12/5/89 332

By BRUCE WILLAN

THE Gant's Holdings (Gants) AGM is expected to be a fiery one today. It will be announced that Tollgate Holdings (TGH) is to take control of the group, ending the Gant family control of the company started in 1955.

In a statement issued by Tollgate, which already owns a 25% stake in Gants and had first right of refusal on any other shares held by the Gant family, the company announced the deal would be a straightforward share swap of one Tollgate share for every 2,5 Gants shares held.

This will give TGH control of 56% of the 60m authorised issued Gants shares.

Gant's executive chairman, David Gant, is to resign from his position and will be replaced by Hennie Diedericks, the present MD of TGH.

Robin Merry, MD of Gants will remain but TGH have indicated that management will be strengthened.

The acquisition is part of TGH's policy of concentrating its expansion efforts in the consumer sector.

Diedericks says "The acquisition fits ideally, the TGH philosophy of gaining control of growth orientated, recession proof, soundly managed companies with a direct focus on consumer markets."

Last year Gants bought the Delport Group of canning factories for R28m giving it a stronger foothold in the Transvaal and Natal markets.

David Gant says, "Growth of Gants has been excellent and the time has come for it to receive the management and financial input of a large industrial holdings group."

Gant is to pursue other family farming interests and his political career as vice chairman of the Democratic Party (DP).

It is believed he will be nominated to stand for the DP in the Helderberg constituency if Denis Worrall does not.

TGH are expected to further

Gants interests in its field.

Diedericks says that TGH would like to see Gants broaden within its own sector but that it will aggressively seek additional avenues in export markets.

Gants already has an export operation via Swaziland which contributes about R80m a year in turnover.

This could be increased if use was made of Gants's 26% holding in UK marking company, Peaty Mills.

Gants recently bought Case Agricultural Machinery when the American company decided to disinvest from SA and it is expected that TGH will sell this division as it wants to concentrate on the consumer sector.

Although Gant will be leaving the company started by his grandfather, he will still have an interest in the group via the TGH shares.

Should he at any time want to sell these, Duros — the holding company of TGH — will have first right of refusal to his holding in TGH.

Ratanda taxi boycott goes into 10th day

By Jovial Rantao and Thabo Leshilo

Residents of Ratanda township have embarked on a taxi boycott — which enters its 10th day today — following fare increases varying from 20 to 80 per cent set by the Heidelberg Taxi Association (HTA).

The fare increases were introduced on May 1 and residents were not consulted about them.

The disagreement has led to the formation of the Ratanda Residents and Workers Committee (RRWC). The committee held a mass meeting on May 4 where it was decided to use public transport.

Community leaders have expressed fears of an outbreak of violence following the HTA's withdrawal from negotiations with the RRWC.

The HTA says:

The HTA increased the taxi fares without any consultation whatsoever with the community.

We approached them and a meeting was held after which it was resolved to suspend the hikes until the community was consulted and a mandate was given to the HTA to go ahead with the fare increases.

Before we could meet with the residents, we received a letter from the HTA notifying us that our meeting with them, scheduled for May 7 was off.

The taxi operators started forcing people to pay the increased fares.

One of our committee members, Mr Oupa Buthlezi survived two attempts to kidnap him by a mini-bus full of taxi operators.

We call upon the HTA to negotiate with the people because we want to avoid a Maritzburg-type situation.

The RRWC says:

Chairman Mr Samuel Mntambo said the increases were necessitated by the recent increase in the petrol price and higher maintenance costs.

He conceded that some members of his association did not respect their executive committee.

Certain operators started to force commuters to pay the "suggested" increased hikes without the executive committee's approval.

The fare increases were mooted at a special meeting convened by the taxi drivers and owners, but were never sanctioned by the executive committee.

Mr Mntambo denied that the association was acting in concert with the police. He condemned the involvement, if any, of the police in the matter and said he was willing to meet the RRWC to resolve the issue.

Ro-ro ships boost coastal trade

332
Call 7/17/85 12/5/89
Financial Editor

THE introduction of ro-ro ships with faster handling of cargo and a shorter turnaround time has given a boost to coastal shipping, Unicorn executive director Ray Wicks told the national maritime conference yesterday.

Wicks said that coastal tonnages declined steadily from 1979 to 1983. This was partly due to a decline in the economy but also to increased competition by road transport.

However, the introduction of a coastal ro-ro service and increased shipment of bulk commodities, together with a change in the system of calculating wharfage charges, reversed this situation.

The use of coastal shipping had risen steadily in the past three years.

Port time had been reduced from four days to less than 18 hours in most cases. "This has led to a 50% improvement in turnaround time, from 14 to 7 days."

Putco seeking permission to carry all races

By Winnie Graham

Putco, the main bus service for commuters on the Witwatersrand, is once again to seek permission to carry passengers of all races.

Putco buses are already carrying a growing number of whites who, black commuters say, are being picked up by drivers without "fuss or bother".

The Putco drivers' attitude is in contrast to that of some white Johannesburg bus drivers who are refusing to carry blacks on certain city routes.

A spokesman for Putco said this week that its approach was

"entirely non-racialistic".

"The company is willing to carry any passengers, regardless of race. Putco, however, is subjected to extensive regulatory control, and the company's willingness to disregard colour is thus constrained."

But Putco intended to "pursue its desired objective to carry people of all races".

He said he was not aware that Putco drivers were picking up white passengers, but before Putco can officially open its service, it will need a permit from the Road Transportation Board.

When Putco applied for per-

mission to carry passengers of all races in April 1987, the application was turned down because most of the municipalities which would have been affected raised objections.

Johannesburg Municipal Transport (JMT) indicated a willingness to co-operate with Putco, but the Public Transport Association objected strongly.

Though that application was not successful, the changing mood in South Africa could produce a different outcome now.

There is good reason for Putco to push for a non-racial bus service.

The growth of the black taxi business has reduced commuter demand and skimmed the cream off Putco's bus volumes.

But the company spokesman maintained Putco had "fully adjusted" its approach to commuter needs.

"Putco believes there is a place in the market for both bus and combi-taxi. The right of the commuter to exercise freedom of choice is not at all disputed."

● POTS, a Putco group company operating between Johannesburg and Sandton, holds a multiracial licence and carries all races on some routes.

Will maritime zones dispute arise over Namibian islands?

By JOHN YELD
Staff Reporter

SOUTH AFRICA has an indisputable claim to territorial sovereignty over the Prince Edward group of islands, which includes Marion Island and the Penguin Islands off Namibia, according to State law adviser and advocate Mr Albert Hoffmann.

However, there could be a conflict of interest following possible claims to maritime zones by an independent Namibia, Mr Hoffmann added.

The Penguin Islands, which include Ichaboe and Plum Pudding, are 12 small islands fringing the Namibian coast between Walvis Bay and the mouth of the Orange river. Two of them — Penguin and Seal Islands — are in Luderitz Bay.

In a paper read on his behalf by Professor Derry Devine of the University of Cape Town's Institute of Marine Law, Mr Hoffmann told the National Maritime Conference in the city last week that all these territories could be regarded as true islands in international law.

OVERLAPPING CLAIMS

Marion and Prince Edward Islands each had a territorial sea zone of 12 nautical miles and an exclusive fishing zone of 200 nautical miles. All 12 of the Penguin Islands were, in principle, also entitled to a territorial sea and an exclusive fishing zone, Mr Hoffmann said.

"The proximity of the Penguin Islands to the coast of SWA/Namibia and the latter's own possible claims to maritime zones would result in claims overlapping which will have to be resolved by a delimitation agreement between South Africa and an independent SWA/Namibia."

● The present value of ship-repairs in South Africa

was about R80-million but the future of the local shipbuilding industry was bleak, the conference heard.

In a paper read on his behalf, Mr B O'Connor, executive director of Dorbyl Limited, said the low value of the rand made the local repair of ships attractive to international owners, although this was being eroded by inflation.

It is also unfortunate that ship-repairers in South Africa generally rely on one or two major accidents or disasters each year to achieve their profits, and conditions along our coast have usually provided these.

EFFICIENT HARBOUR

Mr O'Connor said that although the probable cost of replacing local ships was estimated at more than R1-billion at present values, the shipbuilding industry could not remain competitive.

"Unless there is a favourable change in world market conditions or some form of assistance to the industry there is a distinct danger that the infrastructure and resources of the shipbuilding industry, which have been created over decades, will be allowed to disintegrate," Mr O'Connor said.

● Maputo was the most efficient foreign harbour on the east coast south of the Equator but was operating at less than half its original capacity, Mr N W Oosthuizen, Sats' chief director (harbour operations), told the conference.

Of the total imports and exports on the sub-continent, 98,7 percent was landed and shipped through South African ports. The share of Maputo and Luderitz amounted to only 1,3 percent, Mr Oosthuizen said.

Richards Bay, commissioned in 1976, was the largest single coal terminal in the world and Southern Africa's fastest growing port.

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THE CONFERENCE FOR WHICH THEY HAD

Cape Times, Monday, May 15, 1989 7

Police probe cheating of taxi owners

JOHANNESBURG. — The Commercial Branch of the SA Police is investigating a number of cases where black mini-taxi owners are being cheated out of thousands of rands by unscrupulous whites.

The SAP public relations officer for the Witwatersrand, Lt Eugene Opperman, said yesterday that they were investigating a scheme whereby a company enlisted whites to buy mini-buses on hire purchase; these vehicles would then be transferred to the company to be "administered" and then leased to black taxi drivers.

The whites who negotiated the hire-purchase agreement would receive R200 on delivery of the taxi and R200 a month for 48 months — the duration of the contract. The black taxi driver would then pay between R300 and R450 a week to the company for the same period, after which the vehicle would become his property.

Lt Opperman said that not only did this scheme contravene Article 8 of the Act on credit agreements but it was also theft. A vehicle remained the property of a financial institution until it was fully paid for and it was illegal to hand over a vehicle to a third party for financial gain.

Referring to another scheme, Lt Opperman said police throughout the country were being inundated with complaints from blacks who handed over deposits of between R8 000 and R15 000 to individuals or organisations to obtain hire-purchase facilities for them. These whites or organisations would keep the deposit without handing over the vehicles.

Lt Opperman said that although there were probably organisations or individuals who had honest intentions, it was also clear that there were those without consciences who set out to exploit. He warned the public to be careful and not to be naive.

"Unfortunately the police cannot investigate every organisation's business," Lt Opperman said.

Individuals, organisations or institutions that made use of these or other schemes to cheat the public, must expect the police to take strong action against them, he said.

TAXI ROW FLARES

POLICE arrested five members of a Mamelodi taxi squad in the township on Saturday for obstructing free flow of traffic.

The five were among a number of taxi owners who manned an "illegal" roadblock in Mamelodi, stopping taxis, checking permits and ordering passengers from Eersterus-based and "white" owned taxis.

The five were given notices to appear in court soon or alternatively pay an admission of guilt fine of R100.

This was the latest development in a row between some Eersterus and Mamelodi taxi owners, which erupted early this year when Eersterus taxi drivers apparently stopped several Mamelodi-based taxis from doing business in Eersterus.

The Mamelodi taxi owners retaliated by stopping white-owned and Eersterus-based taxis from entering Mamelodi. About 50 vehicles were stopped and passengers ordered out and directed into waiting Mamelodi taxis.

SOWETAN REPORTER

by preventing Mamelodi taxis from doing business in their area since the beginning of this year.

"Even in Van der Walt Street loading zone, Eersterus taxi owners wanted to have the best of the two worlds. They stopped Mamelodi taxi drivers from ferrying coloured passengers while they operated in both areas," he said.

Mr Ntlatleng said the problem would not be solved as long as the authorities seemed reluctant to call both sides to order.

Mr Pratley Damons, chairman of Eersterus

Mr Godfrey Ntlatleng, former executive vice-president of Sabta who was among those ordered to appear in court, said he went there to see to it that there was no fight between the two groups.

The operation continued peacefully until the police and Mamelodi traffic officers stepped in.

The police and traffic inspectors held a lengthy discussion with the Mamelodi taxi owners in a bid to defuse the situation.

Commenting on the roadblock, Mr Ntlatleng said this was an act of retaliation by Mamelodi taxi owners.

"Eersterus taxi owners started the whole thing

Taxi Association, and Mr Petrus Motaung, chairman of Melodi/Tshwane Taxi Association, said taxi associations from both areas and transport authorities needed to meet.

ABOUT 30 percent of the more than 110 000 black minibus taxis are owned by whites and this must be blamed on the Government's policies of privatisation and deregulation. This was said by Southern African Black Taxi Association in an article published in the latest issue of the *Social and Economic Update* released by the South African Institute of Race Relations. Sabta says in Kimberley, for example, 22 out of 80 permit holders who ply the city-to-Galeshewe routes are whites.

The article says Sabta has warned that deregulation and privatisation may increase the trend to white ownership. Sabta believes whites are able to "penetrate the market because they have greater access to capital and to the assets which are required as security for loans." One example, it argues, is fraudulent operations in which whites buy vehicles through hire purchase, pass them to a company which then passes them on to would-be black

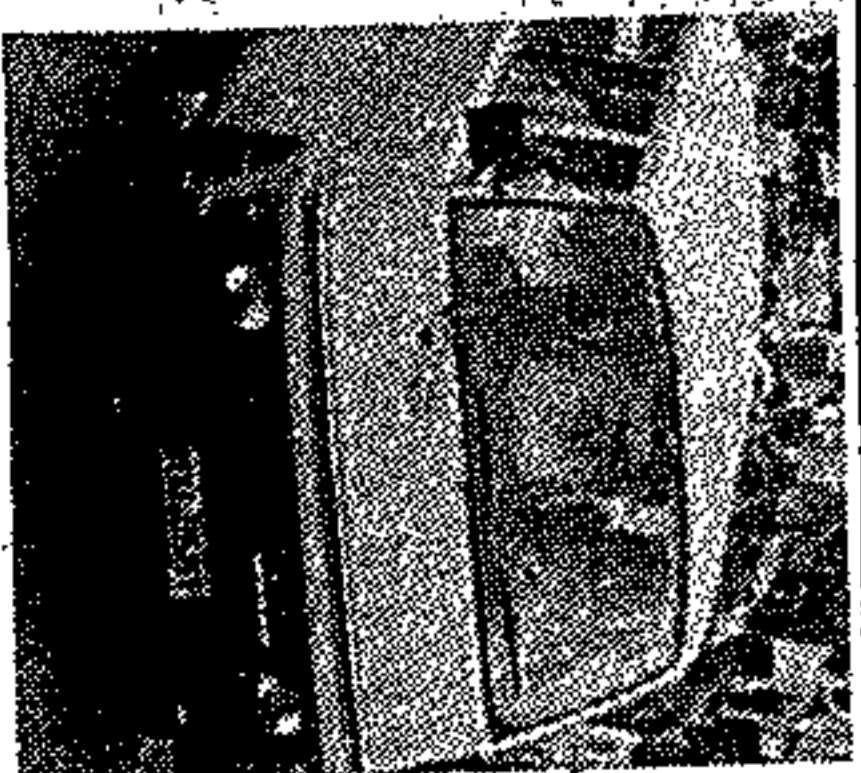
Whites own over 30 000 black taxis

taxi owners, which is reportedly widespread. This type of arrangement offers some blacks their only prospect of acquiring vehicles. The article says that

black taxi owners who use these schemes must, in addition to the normal repayments, pay a monthly fee to both the individual HP buyer and the distributing company.

This practise was illegal and some 800 cases were being investigated by the Commercial Branch of the South African Police at John Vorster Square.

The Department of Transport has said it was concerned at the practise but has left this to the police.



Taxis barred from Mamelodi

By McKeed Kotlolo,
Pretoria Bureau

At least five taxi operators in Mamelodi were arrested at the weekend after allegedly manning roadblocks to bar coloured and white-owned taxis from operating in the township.

They were summoned to appear in court or pay R100 fines for obstructing traffic flow.

Tickets were issued after more than 50 taxis were stopped at the Mamelodi roadblocks. Permits were checked and passengers were ordered from white and coloured-owned taxis to waiting Mamelodi taxis.

Trouble started early this year when Mamelodi taxis operating between the township and Pretoria were prevented from ferrying coloured passengers while coloured taxis continued to transport black commuters.

Black taxis which continued to enter Eersterus were allegedly charged R6 per load by a coloured pirate squad. Mamelodi operators retaliated by setting up roadblocks this weekend.

The roadblocks were dismantled after lengthy talks between police, Mamelodi traffic officials and local taxi officials.

The SA market remains steady

A GENERALLY firm tone is still being experienced in most parts of the world, although perhaps there is a slight easing for handy sized tonnage in the Pacific, Afromar reports. Very firm conditions are being seen in the Atlantic, with rumours circulating that US\$30 may have been paid for a 52 000-ton cargo of heavy grain from the US Gulf to Japan.

The South African market remains steady for most types of vessels, although a shortage is still being experienced for handy sized vessels, and owners of these are trying to push rates even higher.

Activity was seen in the grain trades, with four cargoes of about 30 000-tons each of wheat being sold for June dates, believed to be destined for Mediterranean buyers. Two parcels of 16 500-tons each of yellow maize, combined to one cargo of 33 000-tons, were sold for shipment during the first half of July.

Turkish charterers were looking for a vessel to lift up to 40 000-tons of wheat from East London to Turkey for a second half of May position. A major grain house was quoting a cargo of 33 000-tons of maize from SA to three ports in Japan for second half June loading, but was not reacting to rate levels of \$27,50 asked by some owners.

Coal has again seen relatively little activity, although there were some selling

SHIPPING

enquiries circulating. Interest was seen from the Far East to lift a total of 300 000-tons of coal from Maputo or Durban in up to 12 bottoms, with shipment from June until the end of the year.

A 30-35 000-ton cargo was quoted by a trading house from Richards Bay to the west coast of Italy for loading at the end of May/early June, with charterers indicating in the region of \$17 per ton. The same charterers were talking a rate of around \$17,50 for a 30-40 000-ton cargo from Durban to Greece and a rate of \$21-\$22 per ton was mentioned for a 30 000-ton cargo from Maputo to Taiwan.

Some \$18,50 was paid for a combination of 120 000-tons from Hampton Roads, completing Richards Bay to Japan, for an end May/early June position. Some 25-30 000-tons of phosphate rock was quoted from Kpeme in West Africa to Richards Bay for loading during the first half of June, with charterers indicating their interest at \$9.

Turkish charterers were in the market to lift at least two small parcels of ferro manganese from Durban, and local charterers had interest to move several parcels of ferro alloys to the Far East.

Fleetrent expands into Vanderbijlpark

MARC HASENFUSS 332

FLEETRENT, SA's largest truck rental company, has expanded its operation in Vanderbijlpark with the opening of its new premises in the GE6 Industrial area.

Group director Lindsey Cook said owing to the great potential for truck rental in and around Vanderbijlpark, the branch was a top money-spinner.

"The recent expansion was essential to cope with the demand for vehicles from the enormous chemical, plastics and iron and steel plants in this area."

Added to this was the demand from Johannesburg-based companies whose substantial and long-term contracts in the engineering and construction fields were two important sectors of the industry requiring high utilisation of transport vehicles, she said.

Fleetrent commands a 22% market share in the truck rental industry, estimated to be worth more than R200m a year.

Imperial Group lists its subsidiary

The Imperial Group is to become a pyramid company through obtaining a listing for a new company, Imperial Investments, it was announced yesterday.

The new company, Imperial Investments will hold all the group's investments — Imperial Car Rental, Imperial Truck Systems and Imperial's motor interests.

According to the announcement by UAL Merchant Bank the new listing will be achieved by a reduction in the Imperial group's share premium account which will be effected by giving Imperial shareholders shares in the company.

Although Imperial's stake in the new company will be reduced by the capital reduction, the

shareholders' interest in the group will remain unchanged as in exchange they will receive shares in the new company.

Joint managing director Bill Lynch explained that the move will be beneficial for Imperial. "The new company, Imperial Investments, will have greater flexibility to take advantage of all expansion and acquisition opportunities without Imperial's controlling shareholders losing control of the group."

In the financial year to end-June last year, turnover had soared to R321,4 million and earnings to R8,6 million. For the six months to December, Imperial further reported a 51 percent rise in earnings and a 50 percent increase in its interim dividend. — Sapa

332

SOWETAN Tuesday May 16 1989

HUNDREDS CHEATED

More taxi HP scams exposed

POLICE countrywide are being overwhelmed by hundreds of cases of fraudulent hire purchase deals — involving possibly millions of rand — in which black minibus taxi drivers pay up to R15 000 deposits but get no vehicle. The wave of exploitation by

unscrupulous white operators has resulted in so many complainants streaming to commercial branch offices throughout the country that police have urged victims to report instead at police stations. A police spokesman said the frauds were a direct result of the

uncovering of a R48 million hire purchase scam, also involving minibuses, earlier this year and in which kickbacks were made to the operators by the buyers. However, the difference this time was that, instead of paying large fees to two parties as in the original scam, black taxi drivers were now not even getting the vehicles for which they had paid deposits, said the spokesman.

He said deposits between R8 000 and R15 000 were paid. The scams revolved on the middle-man concept and these received up to R300 per month for 48 months from taxi drivers, he added.

He added that private individuals had now apparently learnt about the mechanics of the scam and were now applying it themselves all over the country.

"Countless people are now imitating the scheme and the police now see people are taking deposits from blacks but never deliver the vehicle," said Witwatersrand police spokesman Lieutenant-Colonel Malherbe.

Longrail plans put brake on pay out

ROAD and rail transport specialist Longrail reported significant organic growth in the year to February.

The group's attributable income increased by a solid 59% to R5,9m (R3,7m), while earnings a share grew by 35% to 10c (7,4c) after securing a number of medium-term contracts, all of which contributed to profitability.

Longrail's net income rose 62% to R6m (R3,8m) and a final dividend of 3c (3c) was declared. It was not increased because funds were retained for capex.

Joint MD Marius Els was satisfied with the group's performance.

He said: "While substantial increases in fuel costs, as well as interest rates and licence fees, affected the entire industry, group results demonstrate we have con-

tained the impact of these increases."

The company acquired the remaining 19,8% of D J Breytenbach Transport for R275 000 cash. Its name was changed to Long Distance (Cape).

Els said the ongoing success of both trading arms of the group, Long Distance and Railit, could largely be attributed to a very simple combination of a high-quality service at competitive rates.

Longrail MD Tim Edwards expected the growth trend to be sustained.

"In the coming year the group will look to the penetration of specialised markets, in particular at increasing our operation in country districts and airfreight."

MARC HASENFUSS

332

Sabta is set to broaden horizons

THEO RAWANA (332)

SABTA was poised to set up a R6m transport operation in Mozambique, it said yesterday. 10/17/81

Sabta PRO Terry Mphahlele said Sabta was awaiting response to proposals it had made to the Mozambican government after the Maputo administration's request for 100 taxis to help the country's ailing passenger transport system.

Sabta had proposed that the Federation for African Business and Consumer Services should be given authority to raise money — about R6m — with SA banks for the taxi operation.

It had also suggested that a Sabta taxi association be founded in Mozambique and a garage established.

HUMANANA.

1135

WEDNESDAY, 17 MAY 1989

1136

Monte Vista Laer	650	650	568	529
Panorama Laer (Welgelegen)	700	700	736	810
Parow Voorbereiding	300	300	182	172
Parowvallei Laer	500	500	274	273
Parowvallei Voorbereiding	300	300	181	178
Parow-Noord Laer	650	650	241	230
Parow-Oos Laer (Parow Noord)	600	600	359	347
Parow-Sentraal Laer (Gesluit)	550	0	186	0
Parow-Wes Laer (Parow)	450	450	524	645
President Hoër (Vrijzee)	800	800	872	857
Ruyterwacht Voorbereiding	400	400	277	258
Saffier Laer (Parowvallei)	550	550	229	265
Simonsberg Laer (Kraaifontein)	600	600	805	764
Stellenberg Hoër	850	850	713	894
The Settlers High (Bellville)	600	600	876	843
Totius Laer (Bellville)	500	500	370	405
Tygerberg Hoër Handel (Parow)	900	900	618	553
Tygerberg Hoër (Parow)	850	850	948	964
Vredelust Laer (Bellville)	400	400	273	294
Vrijzee Voorbereiding	450	450	353	355
Welgemoced Laer	700	700	578	607
Westcliff Special School (Bellville)	450	450	495	518
Wolraad Woltemade Laer (Bothasig)	600	600	571	576

* Capacity in respect of permanent structures only.
capacity as at 1989-05-05
enrolment as at 1989-01-27.

(bb) 39 400 39 700 36 264 36 670

HUMANANA.

1137

WEDNESDAY, 17 MAY 1989

1138

HOUSE OF REPRESENTATIVES

1988 an estimated 19 000 mini-buses were involved in collisions.

QUESTIONS

† Indicates translated version.

For oral reply:

General Affairs:

*1. Mr P A CHENDRICKSE—Law and Order.

[Reply standing over.]

For written reply:

General Affairs:

Mini-bus taxis: accidents

13. Mr W J DIETRICH asked the Minister of Transport Affairs:

- (1) (a) How many accidents involving mini-bus taxis were reported during the latest specified period of six months for which figures are available and (b) (i) how many persons were (aa) injured and (bb) killed in these accidents and (ii) what were the ages of those (aa) injured and (bb) killed;
- (2) whether his Department is taking any measures to ensure the safety of mini-bus passengers; if so, what measures;
- (3) whether he will make a statement on the matter?

C89E

The MINISTER OF TRANSPORT AFFAIRS:

- (1) (a) Between July 1988 and December

- (b) (i) (aa) 5 500
- (bb) 310

(ii) (aa) and (bb) The ages of the injured and fatally injured ranged from 16 to over 60. Of these 88% were between 20 and 50 years of age.

The above reply is based on information published by the Central Statistical Service. Since the information does not distinguish between mini-bus taxis and mini-buses used for private transport, the assumption was made that all mini-buses are used as taxis.

- (2) Since it is one of the Department's functions to improve the safety of all road users, officials of the Department have had various discussions with the organised taxi-industry on this matter. As a result of these discussions, as well as awareness amongst taxi-operators themselves that the number of mini-bus collisions should be reduced, the National Transport Commission resolved to contribute R254 000 towards a research programme to train taxi-drivers in basic driving and management skills and vehicle maintenance. Likewise the National Road Safety Council is engaged in planning a number of projects with a view to improve the safety of mini-bus passengers.

- (3) No.

WHITES are infiltrating township businesses and threatening the livelihood of many black entrepreneurs.

Their main assault is directed at the lucrative minibus market.

Other sections of the informal sector, seen widely as the means towards "black economic empowerment", also faced with the same threat from whites.

Social and Economic Update written by the SA Institute of Race Relations researcher, Elaine Cosser, points out that at least 30 percent of minibus taxis are owned by whites.

But officials of the Southern Africa Black Taxi Association (Sabta) and the South African Long Distance Transport Association (Saldta) the two black organisations in the transport industry, say the 30 percent figure is conservative and put their estimate at 50 percent and which they say is growing by the day.

They both warned that deregulation may increase the trend to white ownership.

The burgeoning black taxi industry has created thousands of jobs. Most taxi drivers do not own the vehicle.

They work for an employer, and some of the employers are white.

Sabta's president, Mr James Ngcoya, said most taxis were white-owned. He expressed fears that deregulation may hamper the prospects of growth in the transport industry.

Front

He said: "Whites are taking over our industry. At the moment they have to hide behind a black front because they have capital and to the assets which are required as security for loans."

"The fraudulent operations in which whites buy vehicles through hire purchase agreements and then pass them to would-be taxi owners, must be stopped."

Saldta president Mr Peter Rabali said whites

WHITES ARE TAKING OVER

Main thrust aimed at the taxi trade

By
**JOSHUA
RABOROKO**

buy taxis in their names then register them in the names of black drivers.

On paper, he adds, the vehicle belongs to a black person, but in reality it belongs to a white man.

"We want protection from the Government. This is the reason why we do not favour deregulation," Rabali says.

According to Central Statistics Services' racial breakdown of 18 093 new minibuses bought in 1988, 6994 were sold to whites and 3 120 to blacks.

Of the 31 502 used vehicles purchased 13 745 were bought by whites and 11 896 by blacks.

Ngcoya said the figures indicated a true reflection of the whites who were able to penetrate the market.

He said whites were taking advantage of the ignorance of people who do not know who to turn to for money to buy minibuses.

Sabta has a scheme through which it can help would-be taxi operators to obtain vehicles.

"These people must approach us for advice for financial assistance which we run with Westbank," he says.

Rabali said some violent clashes between members of rival taxi associations countrywide can be attributed to competition from white-owned taxis and private operators.

Problem

Another problem for the black taxi industry reported in *Update* is the proposed tram system for Port Elizabeth, for which it appears that a private company, Tramway Holdings, may be given the sole right to run the scheme.

If tram systems become widespread, they can limit the taxi industry's growth.

The problem, says *Update*, is that there is clearly not enough of a market to accommodate 31 000 new taxi operators a year and one reason for



Mr James Ngcoya... "50 percent of taxis are white-owned."

instability. It may well be one cause of the growing violence between generators," says *Update*.

These problems could fuel demands for continued regulation of passenger transport.

Deregulation is throwing up similar problems where black business is concerned. *Update* reports that black businessmen are uneasy about the fact that the removal of controls on township business allows white business to move

a plethora of controls on township businesses and allows whites to operate in the townships provided that they form partnerships with their black counterparts.

Whites hold up to 49 percent of such joint ventures. Previously township business required government permission to raise capital from partnerships with a white person.

President of the

18/05/89

introducing tram systems is to avoid building the new roads which would be required to meet continued taxi industry growth.

"While market forces may well resolve this problem in the longer term, competition for limited markets has serious potential for

in. The conversion of Certain Rights to Leasehold Act, which came into effect in January, allows the occupants of an estimated 230 000 to 300 000 properties in townships to acquire leasehold title free of charge.

The Act also abolishes

National African Federated Chamber of Commerce Mr Sam Motsuenyane, has expressed fears that the Act may simply increase white penetration rather than free black business of restraints.

Added to this problem is the fact that there are big corporates that have established shopping complexes on the borders of the townships. Motsuenyane says.

President of the African Council of Hawkers and Informal Business, Mr. Lawrence Mavundla, says many hawkers who sell goods in the streets are actually "fronting" for whites. The people who hawk food in office buildings are often employed by white-owned restaurants.

332

Twin policies run into problems

76/5/89
S.M.
The twin policies of deregulation and privatisation are running into problems, especially where transport is concerned, according to research released by the South African Institute of Race Relations.

In the latest issue of the Institute's "Social and Economic Update", it is reported that the Southern Africa Black Taxi Association (Sabta) has warned that deregulation may increase the trend to white ownership, pointing out that at least 30 percent of minibus taxis are owned by whites.

Another problem for the black taxi industry was the proposed tram system in Port Elizabeth for which it appeared a private company, Tramway Hold-

ings, would be given the sole right to run the scheme. If tram systems became widespread, they could limit the taxi industry's growth.

232
Deregulation was throwing up similar problems where black business was concerned. Black businessmen were uneasy about the fact that the removal of controls on township business allowed white business to move in.

Whites could hold up to 49 percent of such joint ventures and black business spokesmen like Dr Sam Motsuenyane, president of the National African Federated Chambers of Commerce and Industry, feared the Act could increase white penetration rather than free black business of restraints.

B/Dam 19/5/89

332

Fuel consumption is an important factor

FUEL is responsible for about 50% of fleet costs, says motor industry consultant Mike Crankshaw.

Yet few transport managers pay fuel consumption the attention it deserves.

Just one vehicle using an extra two litres of fuel every 100km on the Rand — and travelling 2500km a month — will add roughly R670 to the transport department's bills annually, he warns.

In a large fleet, the extra cost can be considerable.

A factor that should be kept in mind is that a car with an automatic gearbox may use as much as a litre every 100km more than a manual model.

"Yet a lot of people pick a manual for town and an automatic for country. Sales reps tend to get automatics."

Another point, he says, is the power/weight ratio. A smaller engine is not necessarily the answer, especially over long distances.

"On a long trip a salesman is likely to put his foot down; if the car is un-

derpowered he will drive harder to achieve the desired speed. This eats fuel."

Control of private use of company cars is also wastefully casual in many cases, he believes. Where employees are allowed to use cars for personal travel, the approach has traditionally been: You pay for holiday petrol and oil, the rest is on the company. But a simple calculation shows how expensive this attitude can be.

Recoup

"Let us say a vehicle costs 55c/km to run and that petrol and oil account for 12c/km. If the employee goes from Johannesburg to Cape Town on holiday (3000km return) and does 1500km of running about during his leave, the cost to the company will be 55c minus 12c, or 43c/km. Grand total: R1935 to subsidise a single employee's holiday."

In the US, where 82% of companies allow employees to use their fleet cars for personal travel, a far tighter grip is maintained.

Most American firms tend to recoup costs attributable to private use.

Transport productivity specialist Charel Schickerling says a lot of companies are now restricting free private travel to 2500km/month. But control is a problem. If an employee filling in a logbook decides to cheat, it is going to be difficult to spot.

Fleet management systems can impose travelling limits on a vehicle, he says. Reports can be run on average daily mileage, or they can be run towards the end of the month.

"But it is all rather theoretical. If a salesman is good, the company will want to keep him."

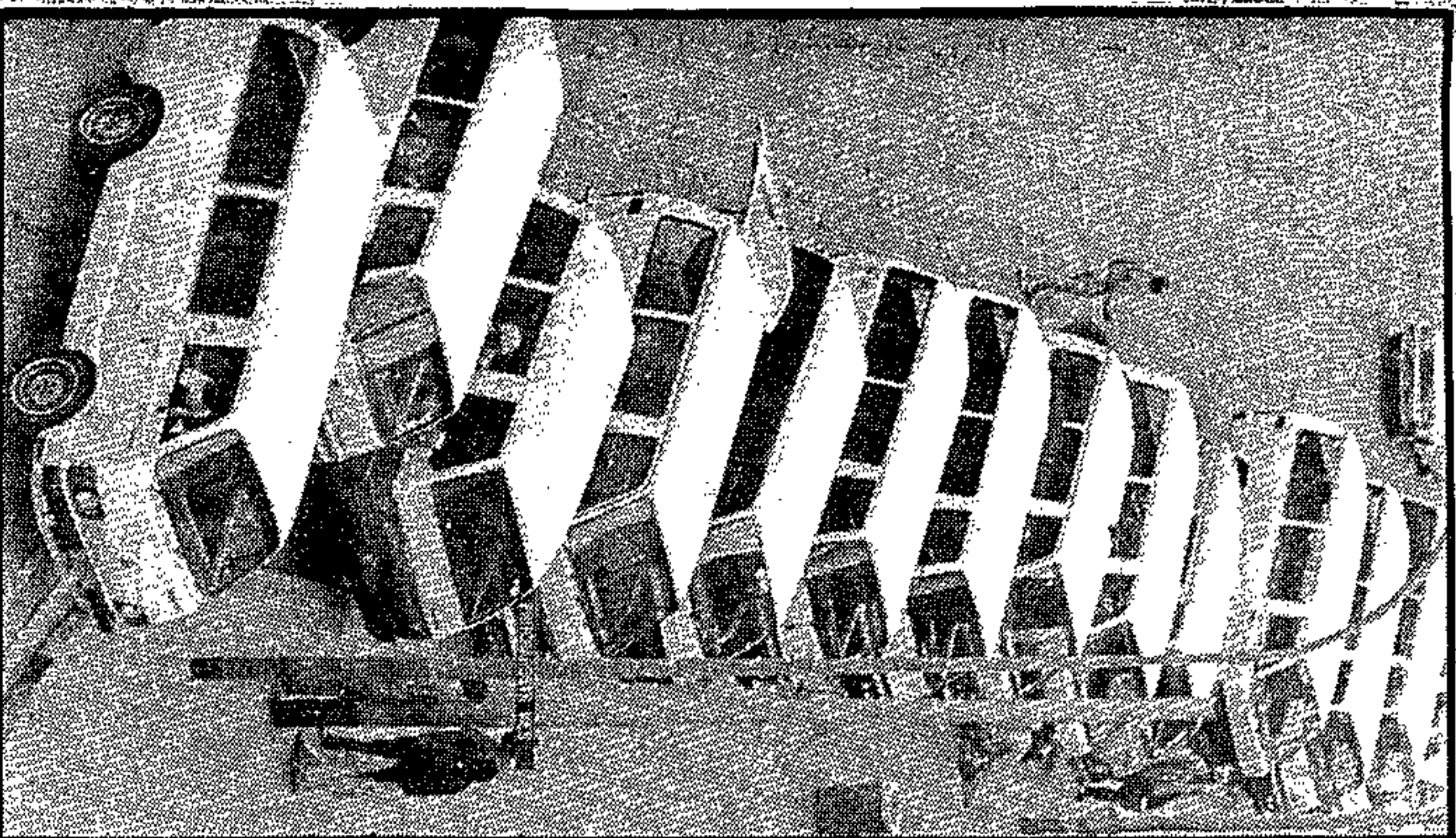
The hassle involved in control of company cars is one of the reasons many companies are switching to car allowances.

In commercial fleets, installation of monitoring devices such as tachographs, on-board computers and careful route planning make control much easier.

Wesbank looks to South America

By David H. H. 1/11/89

332



MINIBUS TAXIS . . . Wesbank adapted stokfel — the traditional African system of fund raising — and is now looking to South America for more alternative Third World systems to help those from the lower income groups buy their first cars.

Picture: ROBERT BOTHA

IN LESS than two years Wesbank has financed close on R100m minibuses taxis — using an adaptation of a traditional African system of fund-raising called stokfel.

Now the bank is examining ways of adapting the scheme so thousands of people in the lower income groups can become first-time car buyers.

A Wesbank team has just returned from Brazil, where it investigated a similar Third World system called consortia finance.

Winner

The team found this system is "working well" in a hyper-inflationary environment.

The African stokfel system, shortened from *isikofela*, is based on mutual co-operation and responsibility.

Southern Africa Black Taxi Association (Sabta) national advisor James Chapman gives a simple stokfel example: Ten people who want to start their own business each put 25% of their monthly income into a pool.

At the end of the first month they hold a draw, and the winner invests the pool money in a new venture.

"The other nine draw again, and so it goes round the group. The last man wouldn't have to wait more than five months to go into action, because each month the lucky ones have been putting a double portion back into the pool."

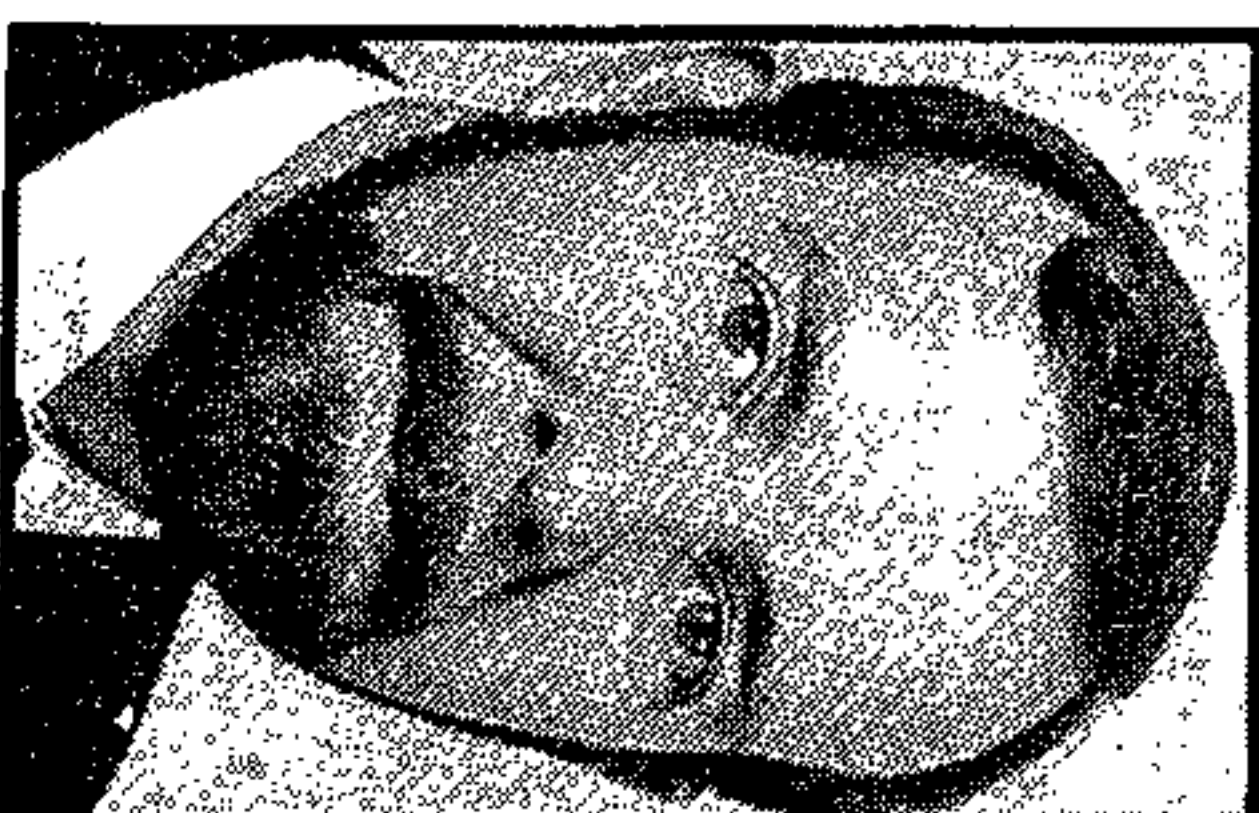
Fund-raising stokfels can be simple "savings accounts" to meet the emergencies of an extended family.

At the other end of the scale are highly complex transactions to raise money for ventures such as factories, or supermarkets.

Since few applications for minibuses taxis have the kind of record required for conventional financing, Wesbank decided to try a stokfel approach.

Potential taxi owners pay 20% of the purchase price of a vehicle into the Sabta Foundation, set up specifically as a collective responsibility surety against loans granted by the bank.

Some purchasers raised



NEVILLE NIGHTINGALE

the 20% deposit through private stokfels. The fund, now worth R15m, has seldom had to be drawn upon.

"Bad debts have been negligible — only a fraction of 1%," says Wesbank senior GM Neville Nightingale.

In the first year of the scheme, some 2,000 taxis were financed. Transactions are still in excess of 100 a month.

The South American excursion was made to explore ways of extending the taxi-financing scheme to

Formula

"The maximum lease period is five months, and you're paying more than 100% a month interest. In that climate consortia finance is working very well."

The bank still has a lot of work to do before a satisfactory formula can be established for SA.

"Besides, now would be the wrong time to introduce a new concept that is going to expand purchases when the authorities are trying to restrict public spending."

But he is confident that, in time, a car financing plan will be worked out for people in the lower income brackets.

CMT-71413 1/15/89 (332) 228

ROUGH JUSTICE
... Taxi drivers in Nyanga beat a man who they claimed was involved in stripping and stoning a taxi. Witnesses said the drivers locked three men in a taxi, then removed them one by one and beat them with sjamboks and sticks. Police warned taxi drivers not to take the law into their own hands.
● Report — Page 2



Date: Lockey Johnny Cowenitt

Police warning after taxi drivers beat up trio

Staff Reporter

CRK 19/5/89 332
POLICE yesterday warned township taxi drivers not to take the law into their own hands after a mob of drivers savagely beat three men they accused of complicity in stoning and stripping one of their vehicles.

Residents near Terminus Square looked on yesterday as the drivers locked the victims in a taxi before removing them one by one for beatings with sjamboks and sticks.

One witness, who declined to be named for fear of reprisals, said the beatings seemed to be an attempt to force confessions out of the trio or to establish the whereabouts of some people. One of the victims had pulled free and was allowed to run away while the other two, blood streaming from their wounds, were driven off in an apparent attempt to seek out the homes of the alleged offenders.

Police liaison officer Lieutenant Attie

Laubscher confirmed that Nyanga detectives were investigating charges of assault, malicious injury to property and theft.

He said the beatings were a sequel to a collision between two vehicles in Emms Drive, Nyanga, the previous night. Two taxis were stoned and one was stripped of parts.

Lt Laubscher said police would not tolerate any more violence from "taxi people".

Bunker ³³² surcharge

up 1.2%
61 Jan 22 1959

THE South African Coastwise Conference has announced that, due to the recent fuel price increase, it has become necessary to review the bunker surcharge payable on all coastal cargo shipments.

The current bunker surcharge will increase by 1.2% in respect of all ships commencing to load as from today. The new bunker surcharge is now 7.3%.

Unicorn Lines have announced in Durban that they have undertaken to continue to do their utmost to keep operational costs as low as possible.

They're flooding

7332 22/05/89

An increasing number of whites are becoming involved in the black taxi business, previously a black economic stronghold. **DAWN BARKHUIZEN** reports.

Some black people want them in; others want them out — but which ever way you look at it whites are breaking the ranks of the black taxis.

Recent estimates put the number of whites involved in the black taxi industry at between 30 and 50 percent and growing.

Police have warned that unscrupulous whites are cheating black minibus drivers out of millions of rands. The South African Institute of Race Relations says their entry into the highly competitive industry could exacerbate violence and be perceived as a threat to the first black stronghold in the economy.

Recent reports indicate increasing incidents of violence aimed at white-owned taxis.

A number of whites keen to make a quick buck have burnt their fingers and lost money but the majority are seen by blacks as sharks, "ripping off the black man every which way — and we want them out".

"Whites are trying to flood this little island that we have built in the economy," said South African Black Taxi Association spokesman Mr Jabu Mabuza.

Race around

"In their efforts to make a quick kill they are discrediting the organisation and taking us for a ride."

He gave the example of white entrepreneurs offering black "drivers" R800 a month. In return drivers had give the taxi owners R1 000 a month and foot their own petrol bills (averaging R300 to R400 a week).

"No wonder the drivers have to race around. They have to make as many trips as is humanly possible to make ends meet," he said.

"Greedy whites well versed in business tactics are taking advantage of our people's ignorance. On top of this the drivers are untrained — no wonder we have such a bad name," he said.

His association, which this week put the percentage of whites in the game at 50 percent, is adamant they want the white man out.

"Our intention is not to apply reverse racism but to give blacks the chance to make up for the imbalances created in the past," he said.

"We initially tried to caution the authorities that deregulation would become a dirty word if it were not correctly handled. Now the need for



Whites are entering the black taxi industry — and police have

the government to provide protection is clear."

The appearance of whites on the black taxi scene was also causing an increase in black-on-black violence as competition between drivers, particularly between those driving black-owned and white-owned minibuses, became more intense.

"Basically the white master is pushing us further and further apart," he said.

Two "white masters" interviewed by The Star had burnt their fingers and emerged with a decidedly different perception of the black taxi business.

"A lot of blacks are keen to be drivers because they cannot afford

their own taxis," a white former owner said.

"And the blacks who run the ranks are equally happy to take the R1 000 joining fee and R50 every time you drive off with a load of passengers."

"They are just like the mafia."

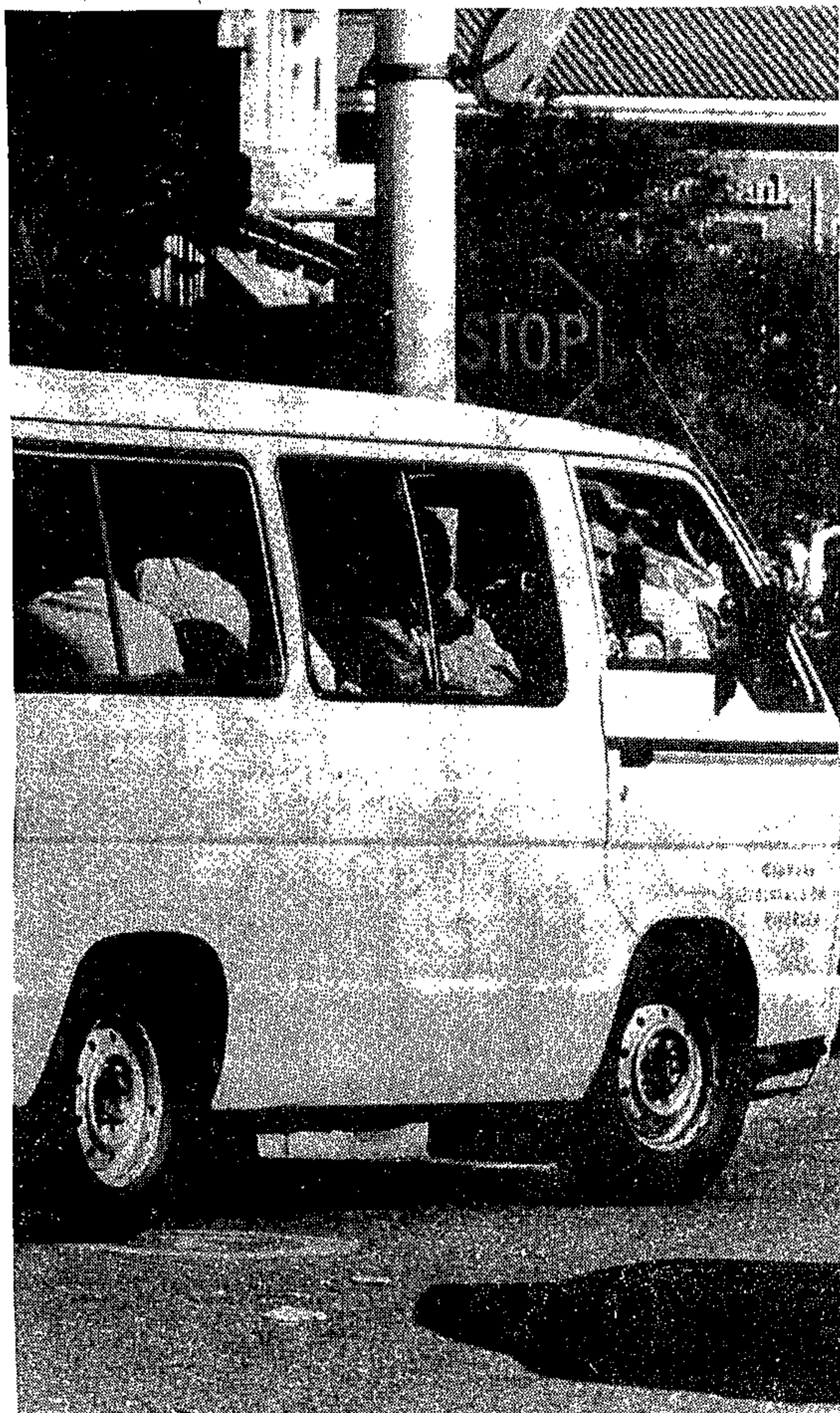
He bought a minibus and employed a driver in the belief that he could bolster his monthly income by running a weekly trip to Pietersburg carrying 14 people and charging them of R35 each way.

Trouble loomed when his first vehicle was stolen within a week. The second rolled, costing R3 500 to repair, and insurance demanded R12 000 upfront.

the taxi island

Star 22/1/89

332



ned that some are cheating black drivers out of millions of rands.

"It was a nightmare. Every month I had to pay out more and more. I hate to think how many thousand rand I lost," he said.

"My monthly payments were: insurance R500, vehicle repayments R1 100, petrol R600, driver R600, rank payments R400.

"Then there were service costs averaging R200 to R300, invariably we needed a new tyre costing R100 and the taxi was not always full."

Another man, named Kim, quit the black taxi game after eight months, selling his taxi for the value of the loan. His driver reacted by paying a witchdoctor to curse the minibus.

Kim's agreement with a driver went wrong when the driver began

offering him diamonds and drugs in lieu of the R500 he asked each week.

"I bought the bus for R22 000 and had to pay back R800 a month. The driver agreed to give me R500 a week, he was to pay petrol and could keep the difference. I figured I could make about R1 000 a month."

But his driver frequently failed to make his payments and after eight months Kim sold his minibus.

He conceded there were whites making money — but the trick was to get the right driver on the right rank with the right route.

Independent operators can earn between R1 000 and R1 500 after costs in a good month but the high

cost of new vehicles frequently forces them into the employ of white owners.

A South African Institute of Race Relations researcher, Mrs Elaine Cosser, estimated about 30 percent or more of the total black taxi fleet was owned by whites.

Their easy access to capital, familiarity with bureaucratic procedure and market skills put them ahead in the competition against blacks, she said.

"Many whites are running fleets of taxis using black drivers. There are even agencies opening up," she said.

In her opinion their presence exacerbated the conflict in the industry.

"The main problem is the increase in competition. And violence is the natural upshot," she said.

Official figures show there have been 62 000 applications in the last few years. Unofficial figures put the number of taxis on the road at between 90 000 and 100 000.

Mrs Cosser noted increased reports of violence against white-owned taxis.

"Whites are seen as a threat to the first stronghold that blacks have in the economy. Ideologically — in one of the few areas where blacks can make a go of it on a large scale — they also pose a threat."

Statistics

She blamed the bad standards of driving on owners, both black and white, who often demanded that drivers make up unreasonable quotas.

To alleviate the problem, she suggested alternate means of establishing credit worthiness; closer liaison with local authorities; and diversification into related industries.

Statistics released by the Central Statistics Service (CSS) indicate that, despite the phenomenal growth in the sector, more and more whites are purchasing minibuses than blacks.

Of the new minibuses registered in January this year, 386 were registered by whites and 68 by blacks. Coloureds, Asians and private companies made up the bulk.

Of the 1 152 used minibuses registered for the same period, 642 were registered by whites against the 368 registered by blacks.

This shows that vehicles used by the black community are older than in any other community.

A spokesman however cautioned that many vehicles were not used as minibuses. He added that a number of black taxis operating in South Africa were registered in TBVC countries, and for these no statistics were available.

Statistics from the Department of Transport were not readily available.

SHIPPING

Good demand for coal fixes

Bl Day 22/5/89 (day) 332

STEADY conditions are now being experienced in most areas just prior to the normal commencement of the northern hemisphere summer holiday period, Afrumar reports.

In the Atlantic, good type Panamax sized vessels have been obtaining employment in excess of US\$14 000 per day for medium-term time charter employment of between three to five or six to eight months.

Forward enquiry tends to be lacking and time will tell if this is because charterers have been holding back their orders in view of the recent high levels or a genuine lull is about to be experienced.

Conditions for early positions are still firm in the South African market for most sizes.

More fixing was reported in the coal sector this week. A fixture was arranged for 100 000-tons from Richards Bay to Milaki in Greece at US\$10,50 for a June loading, which subsequently failed. However, owners then re-fixed the vessel to Hong Kong at the same rate.

A slightly larger cargo of 110 000-tons was arranged from Richards Bay to Rotterdam at US\$9,60, also for June loading. French charterers took a part cargo of 65 000-tons in two grades from Richards Bay to Rotterdam at US\$10,10 for loading during the second half of June.

Three ports

A prompt cargo of 46 000-tons was fixed from Richards Bay to Italy at a rate of US\$16,75 on the basis of discharging at three ports.

A trading house was quoting two cargoes of 30 000-tons each from Maputo to Taiwan for loading during May and June and was indicating a rate in the region of US\$21-22 per ton.

Spanish charterers were indicating a rate of US\$16-17 per ton for 30 000-tons from Richards Bay to two ports in northern Spain.

There seemed to be more interest in loading grain out of SA, with charterers indicating around US\$27 per ton for 30 000-ton cargoes of maize on the basis of discharging at one port in Japan.

Turkish charterers were looking for tonnage to lift about 18 000-40 000-tons of wheat and were thought to be considering doing the business on time charter basis.

Unsuccessful

Taiwanese interests were still trying to fix a 25 000-ton cargo of manganese ore from Port Elizabeth to Kaohsiung, with shipment during the second half of June, but were seemingly not successful in getting owners to consider a rate under US\$20.

There was interest in shipping 4 500-tons of steel rebars from Durban to Birmingham at the end of June, and 15 000-tons of steel billets from Cape Town to Taiwan on a prompt position.

A parcel of 3 000-5 000-tons of ores was quoted from Greece to Cape Town, with shipment during June.

American charterers had an enquiry for a vessel to lift about 28 000-tons of ores and alloys from SA to several US Gulf ports.

Whites own many 'black' mini-bus taxis

CPM Trunk 5/15/89
332

Own Correspondent

JOHANNESBURG. — Some black taxi operators do not own the mini-buses they run on taxi routes, but are actually working for white owners.

This came to light after the Central Statistics (CS) released figures that showed that more whites than blacks were buying mini-buses.

45% of vehicles

Of the 786 new mini-buses registered this year, 386 were registered by whites and 68 registered by blacks, the figures showed.

Of the 1 152 used mini-buses registered in the same period, 624 were registered by whites against the 368 registered by blacks.

Bara-City Taxi Operators' Association chairman Mr Joshua Simelane confirmed that about 45% of taxi operators in his organisation were operat-

ing vehicles owned by whites.

"The men hand in about R500 every week to the whites. They are actually working for the whites."

"If you make inquiries the white owner will tell you he bought the vehicle for the operator because the latter had no money and that the operator is paying off the vehicle," said Mr Simelane.

Name-tag

A Road Transportation Board spokesman said anyone could apply for a taxi permit for a car he was still going to buy.

Asked if it was possible for a vehicle to bear a black operator's name-tag while it was not his, he said that on registration of the taxi the board had to establish if the car belonged to the operator.

"It would be illegal if an operator went into the business without registering," he said.

CITY



NATIONAL

Road-toll slash discounts, concessions

ALUS 23/5/89
332

By BRUCE CAMERON, Political Staff

ROAD tolls are to be slashed. In the next two weeks nominal levies will be introduced for those who live in the areas of the tollgates and frequent users will be granted discounts.

In the face of huge public opposition to the tolling of roads already paid for by the taxpayer, the Minister of Transport, Mr Eli Louw, announced today that roads would be tolled on a different basis.

The levy would be related to the cost of operating, maintaining and improving the roads.

The levies on the controversial Mooi River plaza on the N3, where motorists have deliberately burst through the gates, are to be almost halved.

The levy has been reduced from R8 to R4,50 for light vehicles and from R10 to R5,50 for light vehicles with trailers. The levies for heavy vehicles will be reduced by 15 percent.

The R1 levy applicable to all Mooi River-registered light vehicles will remain, while Mooi River-registered

heavy vehicles will receive a 75 percent discount.

Light vehicles registered "bona fide" in Glencoe, Klip River, Bergville, Estcourt and Weenen magisterial districts will be allowed through the main route at the plaza for R2 and a 50 percent discount on existing tariffs will be granted on other categories of vehicles in the five magisterial districts.

Reductions are also to be applied to Grasmere toll on the N1 at Johannesburg, as well as on the yet-to-be opened Gosworth toll near Krugersdorp.

Concession tickets

Gosworth toll discounts will be offered to frequent users divided into categories of more than 34 trips and 69 trips a month with the levy for a light vehicle set at 70c.

At Grasmere light-vehicle tariffs are to be reduced by 50c to R2,50 with residents of Ennerdale and adjoining areas being issued with R10 concession tickets.

Residents of Vanderbijlpark, Sebokeng, Evaton and other areas still be

defined will be able to buy R20 concession tickets.

Mr Raphl Hardingham New Republican Party MP for Mooi River, who has been at the centre of the fight against the Mooi River toll, welcomed the about-turn but said he had hoped the toll would be lifted totally for Mooi River residents.

In a statement Mr Louw said after discussions with MPs and others "it has become clear to me that whilst privatisation and tolling of new roads is acceptable, the tolling of existing roads on the present basis is less acceptable, mainly because of the argument advanced that these roads have already been paid for".

Mr Louw said that as a result he had negotiated with the two toll companies and it was agreed that tolling of existing roads will be calculated at a level relating to the cost of operating, maintaining and improving the roads.

"The argument that these roads have already been paid for therefore falls away."

Mr Louw defended the toll system and appealed for positive support.

Student's conviction may halt path to bar

Capt Timp 25/5/89
Court Reporter

THE son of a prominent city attorney, convicted of scattering "stayaway" pamphlets on a Strand Street footbridge, may have problems being admitted to the bar as a lawyer, the Cape Town Magistrate's Court heard yesterday.

Julian David Snitcher, 24, of Claremont, son of attorney Mr Norman Snitcher, was fined R1 000 (or 100 days) for contravening the emergency regulations by distributing about 500 pamphlets containing a subversive statement, on June 2 near Strand Street. Half the fine was suspended for three years.

The magistrate, Mr M J C Tolken, found that Snitcher knew the pamphlets contained a subversive statement.

The conviction may affect Snitcher's career as a lawyer, Mr Tolken accepted. "You may not be allowed to practice as an attorney because of this."

Not all against toll roads in SA, AA finds

Capt Timp 25/5/89 332
Staff Reporter

NOT everybody is opposed to toll roads — this was the surprise finding of the AA's questionnaire on toll roads, which was sent out at the beginning of the year.

In fact, more than 80% of motorists were willing to pay toll fees on new roads. However, more than 73% said no to tolling existing roads.

Almost 22% of respondents said construction of new or upgraded roads should be financed by increasing the petrol price.

More than 60% of motorists said they would like to see existing fuel levies, taxes and licence fees used exclusively for road purposes.

They realised the country had a money problem but felt the government should provide an adequate road network, since road users were already paying via fuel levies, petrol taxes and licence fees.

Most motorists wanted a National Road Fund — a dedicated fund purely for road building and maintenance — reinstated.

The typical Western Province motorist (67%) was not prepared to pay a toll on an existing road, compared to 73,1% elsewhere in South Africa. However, 80% of local motorists were willing to pay toll on a new road built specifically as a toll road, while 81,6% were in favour of this elsewhere in South Africa.

WP motorists who are against toll financing (22,4%) suggested new or upgraded roads should be financed by increasing the petrol price (20,1% elsewhere). Higher licence fees were fine for 14,5% (16,2% elsewhere) but only 1,4% were in favour of higher income tax (3,0% elsewhere).

Fewer are travelling by bus, says transport chief

By Stan Hlophe

A sharp decrease in bus passengers — by more than one third — especially in urban areas had created problems for the bus industry, the director-general of transport, Mr R G Meyer, said yesterday.

Mr Meyer was speaking at the annual meeting of the Southern African Bus Operators Association (Sabua) in Sandton.

He said the drop in passenger numbers compounded by the affluency and selective means of transport adopted by bus passengers contributed to the sharp fall of the market.

He pointed out that the introduction of the minibus-taxi had played a big role over the past few years in influencing passengers' choice of transport.

"As this country developed,

the role of the taxi in the transportation industry has changed considerably. A number of years ago the original purpose of the taxi was to render to individual passengers a door-to-door service as well as a supplementary and feeder service to bus and rail transport.

"The advent of combi-type vehicles as taxis greatly contributed to their increase in popularity. Theoretically one would have thought that the combi-taxi would only be competitive and attractive at distances ranging from 10 to 20 km.

"But in practice these vehicles operate on a commuting basis over much longer distances — as much as 40 km and even longer distances such as Johannesburg to Durban, or Pretoria to Pietersburg," he said.

Violence follows Ratanda taxi boycott

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A UNILATERAL 13 percent increase in taxi fares in Ratanda, near Heidelberg, has set taxi-drivers against the community and sparked a three-week boycott of taxi services.

Since the boycott began, several Ratanda activists say they have received death threats. Activists say the drivers have drawn up a "hit list" of people considered to be behind the boycott.

Although the Heidelberg Taxi Association (HTA) has now agreed to reduce the increase, residents appear determined to sustain the boycott, in protest against what they consider to be a lack of consultation on the fares issue.

The trouble started when the HTA announced that single fares from the township to Heidelberg would be increased from 70c to 90c with effect from May 1.

At a meeting the day before the increases were due to take effect, the HTA and the Ratanda Residents and Workers Committee (RRWC) agreed that the hike should be suspended pending the outcome of a residents' meeting.

Initially, the taxi drivers continued to charge the old fares. However, a few days later, they unilaterally implemented the new increases.

At a mass meeting, residents expressed dismay that the initial agreement had not been honoured and resolved to use buses and private transport until there was further consultation between the residents' committee and the taxi association.

The boycott was rigorously observed, the taxi association has now agreed to reduce the increase by 10c, to 80c.

Weekly Mail Reporter

However, the majority of residents seem determined to continue the boycott. Explained one member of the community: "Even if they can bring down the fare to 30c, the association must still consult the residents on whatever decision they are taking."

Tensions within the community erupted into violence recently when one of the buses had its tyres slashed by people believed to be taxi drivers or their supporters.

Community activists have also been threatened and one activist, Oupa Buthelezi, says there have been attempts on his life.

Thomas "Vicks" Hlatshawayo, a shop steward at Rembrandt, has also been told that his name is on a "hit list" drawn up by drivers.

This followed an agreement between workers at Rembrandt, the largest employer in Heidelberg, and management, in terms of which the company would provide special bus transport for its employees.

Assocom gives nod to tolls, but sets limits

By Lloyd Coutts

The Association of Chambers of Commerce and Industry (Assocom) has conditionally agreed to road tolls.

In a statement released yesterday, Assocom said the re-introduction of the Road Fund was the most efficient and equitable way of maintaining roads and providing additional facilities. However, it accepted that funds allocated by the Minister of Finance might be insufficient.

It agreed to the tolling of roads on the understanding that this would be regarded as a short to medium-term method of funding new roads and facilities, and made several conditions:

- The road network as it existed on January 1 1988 be regarded as inviolate as far as tolls were concerned.
- Tolls applied to new facilities only

and not to any road in existence on January 1 1988, unless agreed to.

● Cross-subsidisation was opposed and therefore Assocom did not condone the levying of a toll on one road to finance another.

● Once the capital costs had been amortised, the toll could be retained to finance maintenance.

● Where a new facility was provided, the existing road would become the alternate road.

● A proportion of the tolls collected must be re-invested in the industry to finance roads and maintenance.

● In all instances where Government planned to introduce a toll on a road or other facility, the private sector and the general public must be consulted.

● A mechanism must be established for negotiations in the event that these principles are not adhered to.

Three men are executed in Pretoria

Three men were executed this morning at Pretoria Central Prison.

They were Patrick Jabulani Msomi (31), who was convicted in September 1988 for the robbery and murder of a 58-year-old woman in Johannesburg; Simon Mbatha (35), convicted in August last year on three charges of theft, the murder of two men near Alberton in 1987 and possession of firearms and ammunition; and Abraham Mngomezulu (no age given), convicted in 1987 for the murder of a police informer in Pretoria. — Staff Reporter.

332

Cape Times, Friday, May 26, 1989 5

More killed in cars than war

Staff Reporter

THE 10 691 deaths caused by road accidents last year exceeded the total number of South Africans who died fighting during World War II — and cost the country more than R2 billion.

This emerged from a trauma study included in the Medical Research Council's (MRC) annual report for 1988, tabled in Parliament yesterday.

Trauma expert Dr Johan van der Spuy said trauma, next to circulatory diseases, was the second largest cause of death in the country.

South Africa's road death rate was eight times higher than Scandinavia, six times higher than Britain and three times more than the US.

In Cape Town the mean blood alcohol level of a group of 35 driver fatalities was 0,24 g/100mm — triple the permissible level.

Describing current traffic laws as "reasonably adequate", Dr Van der Spuy said there was a "major shortfall" in law enforcement.

"Trauma is unparalleled by any of the major disease groups as a cause of loss of potential and actual manpower. It kills selectively during childhood and in the 15 to 35 age group," he said.

The country faced a "desperate shortage" of rehabilitation services for trauma victims.

B 10 am 26/5/89

Romano's R10 chance is paying off

DIVERSIFICATION is paying off for Romano Furniture which expects to show a satisfactory profit on the recently-acquired Luries Transport division for the year to June, in spite of a lower volume of orders on the furniture side of the business.

The transport division was bought for a mere R10 last year.

In an interview yesterday MD Mario de Chaud said Luries then consisted of one man and a truck.

"The truck had broken down; it was in pieces somewhere, and we had to invest a lot of money in having it fixed, but it has been an excellent investment," he added.

This division now consists of six trucks to service Romano deliveries and another six which deliver for OK Bazaars and Lubners and do domestic removals.

Romano also makes brass and chrome furniture, garden furniture, security gates, burglar bars and light fittings.

The light fittings and transport operations were acquired since the company was listed in July 1987.



CHARLOTTE MATHEWS

Romano's interim results to December showed a 40% drop in net profit to R149 000, before the sale of land and buildings, compared to the previous year, although, as a result of the sales, profit rose by 17% to R289 000.

332

Decline

Directors attributed poor results to the number of cancellations of orders in December and a rise in the cost of raw materials and labour.

Financial director Jeff Blumberg said the company had now confirmed some raw material prices for several months to come.

Faced with a decline in orders, however, the company is carrying high stock levels.

Blumberg said heavy investment was made last year in plant for the lighting division, but it was running at only 60%-70% capacity.

"We are hoping to see through this year and pick up in 1990," said De Chaud.

LUXURY DE LUXE TRAIN JOURNEY FOR CAP:

Steam extravag

A LUXURY de luxe steam train journey through some of the Cape's most gorgeous scenery is on track following the apparent success of a similar venture in the Transvaal.

Witbank entrepreneur Rohan Vos — whose home is in Cape Town — hopes to launch the Cape journey in the next 18 months to two years.

The planned three-day route will wind from Cape Town to Knysna via Stellenbosch, Worcester and George, stopping frequently to enable travellers to go on off little jaunts to places like wine farms.

But unless you've got lots and lots of money, don't get too excited. The cheapest fare is likely to be at least R1 000, sharing.

Earlier this month Mr Vos's venture started rolling when his first restored train chuffed out of Pretoria station on its maiden trip and 21 passengers began a hedonistic steam adventure in the style of another era.

A dream realised

The whistle and the French champagne signalling the departure of Rovos Rail's 93-year-old Class 6 locomotive also marked the realisation of a dream for Mr Vos.

Rovos Rail, a private commercial rail service, offers one of the most expensive and luxurious steam train rides in the world, surpassing, he says, the Orient Express and Sats's Blue Train.

The A suite will set you back R4 000 for the three-day trip through the Transvaal Lowveld, so the train is not going to be within the reach of many local steam buffs and, if the first trip is anything to go by, most guests will be visitors from Europe well-heeled with weak rands.

In the sumptuous compartments nothing has been overlooked.

There are maps, goggles (to keep the soot out of your eyes when you have your head out the window), cosy towelling dressing gowns and an array of luxury toiletries.

If you have forgotten anything, relax. The train has a li-

By THERESE ANDERS and VIVIEN HORLER
Weekend Argus Reporters



brary of books and magazines, writing paper, ties, medicine ... even condoms (which the Blue Train doesn't carry, despite requests, according to an ex-Sats staffer now with Rovos Rail).

Three chefs and six attendants discreetly wait on guests 24 hours a day — there is hardly any need to leave the glassed-in observation car as the train steams its way around the breathtaking Sabie and Graskop forests.

German head chef John Schmidt introduces foreign passengers to the very best in South African fare, including ostrich fillet with mushrooms and gerkins in a cream sauce, noisettes of Karoo lamb with whisky and green peppercorn sauce, and crumbed sole filled with a shrimp and cheese soufflé.

For the sweet lovers there is champagne sorbet, caramel oranges and pecan pie and guests are invited to choose from the large range of superior South African wines in the train's cellar.

The steam train bug bit Mr Vos in childhood 40-odd years ago when he used to travel by

rail from the Western Transvaal to boarding school in Cape Town.

The son of a doctor, Mr Vos admits there's still much in him of the boy who loved trains and boats and planes.

He's had a bash at all of them, but owning his own train was a burning ambition.

He began buying up old rolling stock for a song in the mid-1980s when Sats was withdrawing steam.

His original plan was to put together a train for the private use of his family — wife, Anthea and four children — but it was not long before the entrepreneur in him saw greater commercial possibilities for his project.

He put together the concept of an Orient Express-type venture between Pretoria and the Lowveld and set off, cheque book in hand, to scour the country for steam locos and pre-war railway coaches.

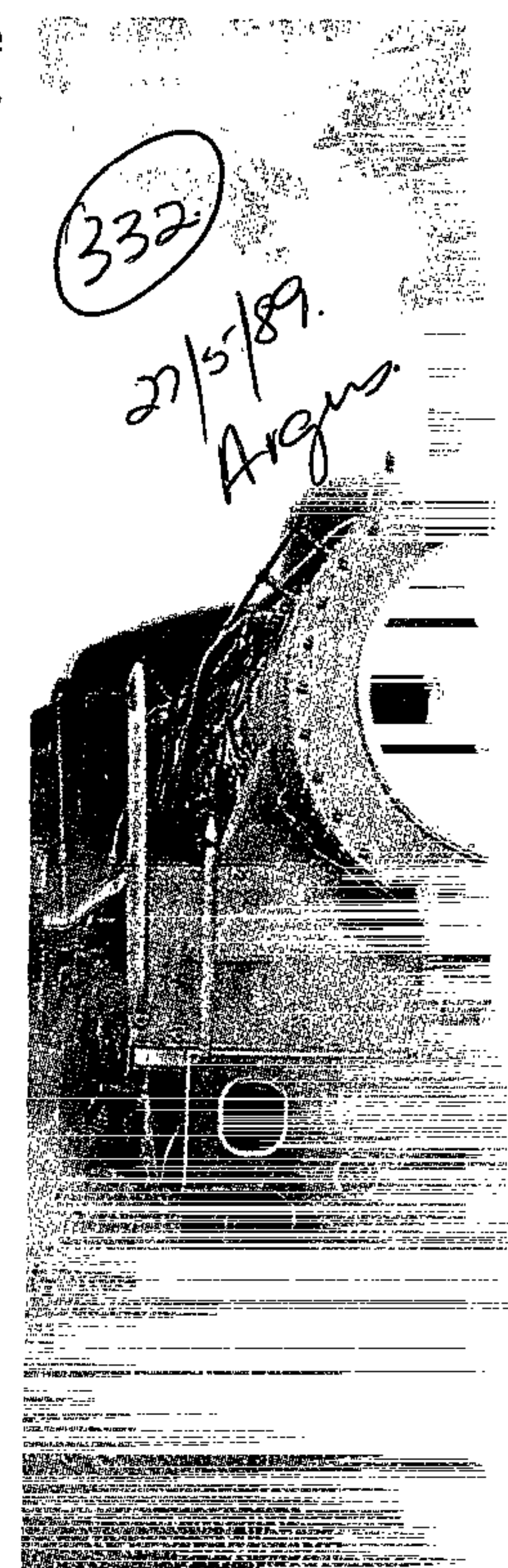
One forlorn loco was rescued from a sorry end in a Pretoria scrapyard, the Voortrekker movement at Chrissiesmeer was induced to part with its prized guardsvan and all Mr Vos needed was the okay from Sats, which he got in December 1986.

Sats amazed

He lets on that the brass at Sats head office was "incredulous" at his proposal to run a luxury private steam train on their routes, but he was in the right place at the right time because the winds of privatisation were beginning to blow through the corridors of power.

Sats's conditions were that Rovos Rail pay for using its lines and hire Sats drivers to operate the locos.

"Most of the drivers qualified to run steam trains are quite elderly now," he says, "but Sats still has a few steam trains and needs to keep people trained to run them. Also you find younger drivers who've always been fascinated by steam who get their steam tickets off their own bat.



"The thing is that drivers don't only have to know their locomotive, they also have to know every yard of the line — exactly where to blow the whistle, exactly when to do what. This has been the biggest stumbling block to the venture."

Next came the laborious task of getting the 50-year-old workhorses into running condition and restoring coaches with collapsed ceilings and rotting wood to their original old-world splendour, while providing modern-day comforts.

Mr Vos is a man with exacting standards.

The team of 30 craftsmen and workers at his Witbank siding came to know that any imperfection would be followed by an order to "pull it out and start again".

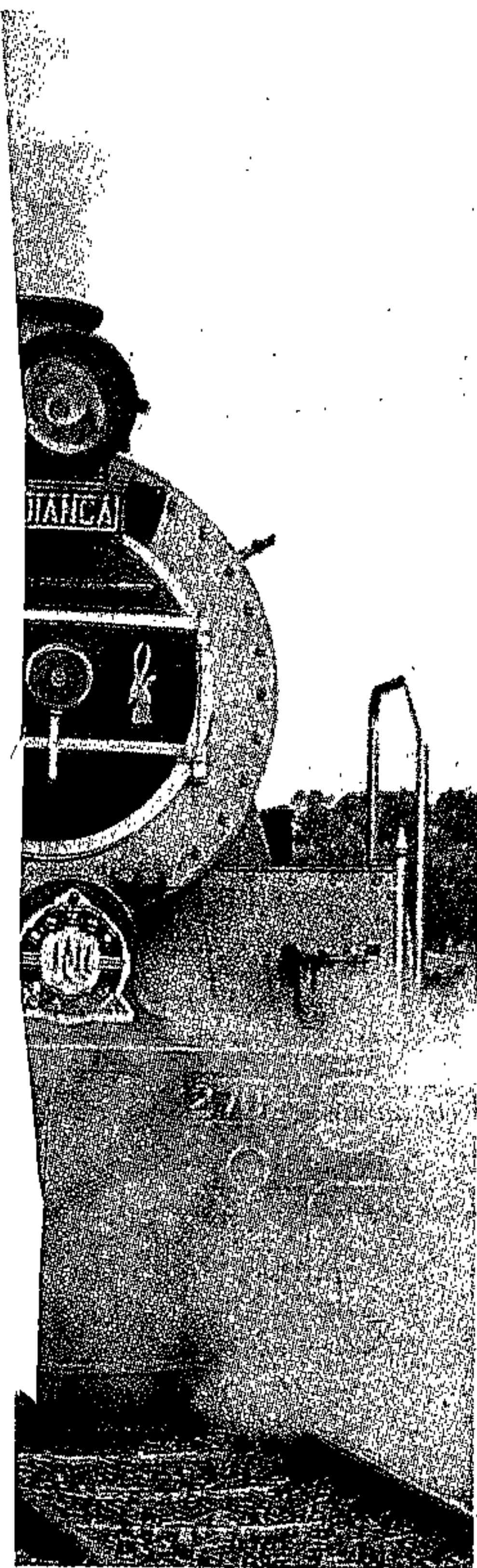
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Above: Rovos Rail's 93-year-old Class 6 locomotive.

It cost millions.
Where did he get the where-withal?

Mr Vos hesitates to talk money. He says it was regarded at his old school — Bishops — to be "not quite the done thing" to describe oneself as a millionaire.

Two locomotives have already been entirely rebuilt from scratch, and work is going ahead on another three.

