PUB. SECTOR- GOVT.— STATE ENTERPRISES

1987

JULY — DECEMBER. SEPT.

A tiny detail amid the gloss: A R28-m loss

An unveiling explodes into angry stoning

By MONO BADELA

BENJAMIN MOLOISE'S ghost stalked Mamelodi on Sunday — minutes after his tombstone was unveiled angry youths stoned the nearby tombstone of a former security policeman, Warrant Officer Phillipus Selepe

Selepe was called "a murderer" and "a dog". Youths threatened to return with picks and hammers and desecrate the tomb saying "Dog, you will never rest in peace"

Moloise was sentenced to death in 1982 for the murder of Selepe and was hanged in October 1985, despite pressure from the international community and a plea by 49 Commonweath leaders to reprieve his sentence

Selepe's grave is about 10m from that of three former African National Congress guerrillas, Thelle Simon Mogoerane, Thabo Marcus Motaung and Jerry Semano Mosololi They were hanged in June 1983 for their role in the attack on the Moroka police station by Umkhonto WeSizwe

Before the ceremony the South African Police set up a road block near the entrance to Mamelodi but there were no incidents

Boni Kgosan, a family friend, told *Weekly Mail* that attempts were made to vandalise Moloise's memorial Mamelodi youth guarded the grave on Saturday night

The epithaph on Moloise's tombstone was taken from a poem he wrote while on death row It read "Why must we fear death? Death fears no-one, whoever is created from dust, to dust must return one day The time and mode of my death have already been decreed"

Security police had earlier asked Pauline Moloise, Benjamin's mother, to show them the epithaph.

Two die, two injured in new PE violence

By MIKE LOEWE, Port Elizabeth

TWO members of the Ama Afrika vigilante group in Kwanobuhle died and two senior UDF figures were critically injured in violence which flared last weekend

On Tuesday, Eastern Cape police spokesman Lieutenant Kobus van Rensburg was reported to have said "To our knowledge it is not that tense" Since the violence — which the PFP claims is being egged on by the SA Police and municipal police — began on January 4, 11 Kwanobhule residents have died Nine are said to have been UDF supporters The two Ama Afrika members killed last weekend were the first vigilantes to be killed

According to Joseph Maliwa, spokesman for the Ama Afrika, also known as African Peoples' Concerned Committee, the two were stabbed by UDF members But the UDF denied responsibility for their deaths

UDF spokesman, Ray Mde, said two prominent UDF figures were hacked and stabbed, and four UDF homes were gutted in petrol-bomb attacks in what is said to have been retaliation attacks

Residents have also been incensed by the destruction two weeks ago of the R6 000 Langa Shooting Memorial, allegedly by hammer-weilding members of the vigilante group

On Wednesday the condition of Emson Banda, the 37-year-old president of the Uitenhage Residents' Congress who is in Livingstone Hospital's intensive care unit, was stable.

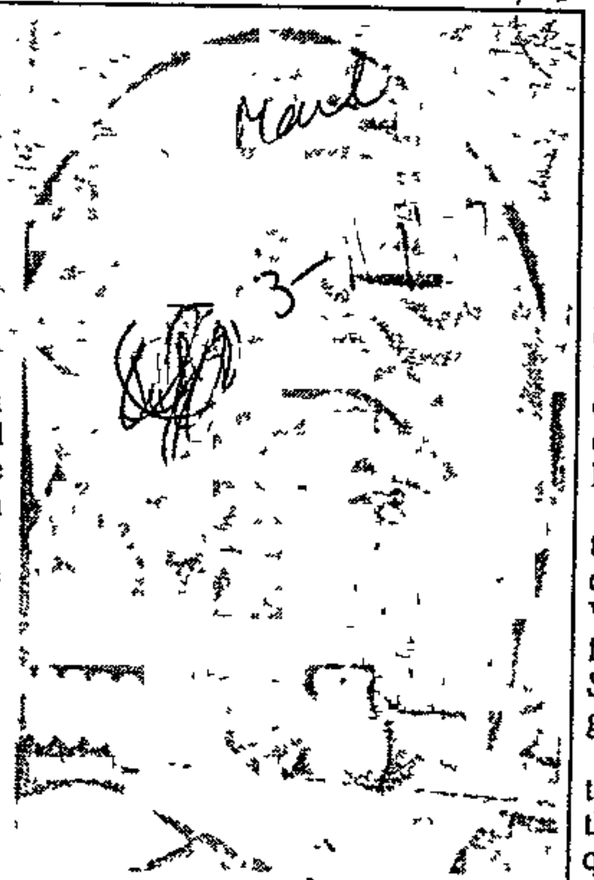
He was stabbed in the head, chest and abdomen and his body is covered in weals and abrasions. Banda's wife, Euralia, said he was attacked on Sunday while jogging She said his attackers were vigilantes who erected a makeshift roadblock

The other UDF activist attacked, A S Sibidla, is in a critical condition in Uitenhage's Provincial Hospital He was reportedly hacked with axes and pangas on Monday

Rory Riordan of the PFP's Operation Real South Africa said the vigilantes were conducting search and destroy raids against anyone connected with the UDF The organisation is trying to defuse the situation, but according to reports, Kwanobuhle is tense.

A local lawyer confirmed that 16 summonses will be served on the Minister of Law and Order and various individuals said to be members of the vigilante group

The lawyer, who did not wish to be named for professional reasons, said family and relatives of the victims of the January 3 violence were suing for R100 000. — East Cape News Agency



Former detainee Emson Banda, now a victim of a vigilante attack

Picture MIKE LOEWE, ECNA

JEAN LE MAY reports on the fine print in the SABC's glossy annual report

THE SABC's tendency to camouflage dire situations is not only restricted to its presentation of the news Its annual report, tabled in parliament at the end of the session last Friday, is a prime example of the corporation's pretty-picture painting

It is a handsome piece of work, presented on glossy paper with plenty of colour photographs Until one spots the financial details one would think it came from a money-spinner, but it didn't. The SABC had an operational loss of R27,9-million in 1986

The reasons for this financial disaster will be probed when the subject comes up for debate in parliament. What I am concerned with is the frankly expressed politicisation of the SABC as the National Party's propaganda machine.

This is not, of course, new but it is the first time, to my knowledge, that the SABC has spelt out its methods quite so baldly Without doubt, this is one spin-off of Alwyn Schlebusch's appointment to the cabinet as minister in the State President's department entrusted with administration and broadcasting services

In case there was any doubt, the SABC has now been transformed into a full-fledged propaganda machine Its "community responsibility", we find, is to "further the causes of harmony and co-operation in all its programmes and services" It will "provide no platform for incitement to confrontation, revolution, violence and disorder".

Fair enough But let's have a look at how this philosophy affects the SABC's "informative function".

The news division, we read, performed "with responsibility, placing the interests of the country first". There is no mention of the fact that emergency regulations have emasculated news gathering and reporting

Instead of claiming, as the SABC has in the past, that it strives for "balance" the report comes close to boasting that news services are one sided. "The realities at home and abroad were reflected, but without providing a platform for revolutionary or radical elements to propagate their standpoints or ideologies"

At the same time, purposeful attempts were made to consolidate anti-revolutionary and conciliatory schools of thought across racial lines.

The nine Nguni and Sotho services, we read, were collectively and individually confronted anew with tremendous challenges The marxist-socialist-inspired attempt against South Africa was intensified Large-scale insecurity, confusion and even fear were the result

As the credible voice of moderation and reason in South Africa, these services had to anticipate and interpret the situation for the black population.

The interpretation seems to infer that we now have Christian National broadcasting as well as Christian National Education

The "challenges" were met in several ways, says the report, including "a series of seminars for personnel and associates throughout the country on the ideological attack against the pure gospel of Christ, the spiritual defenses (sic) and equipping of listeners to enable them to resist the inevitable, courses for participating ministers with christocentric preaching as their theme and corresponding discussions that highlighted the difference between theology and ideology, the exposure of radicalism, using the Kairos document as a point of departure".

The SABC's external radio services apparently devoted a great deal of time explaining the State President's reform programme to the outside world

Listeners abroad, and particularly those in Africa, were informed of the black striving for freedom and that the South African authorities did not wish to suppress the striving, but it was also pointed out that the ANC's championing of violence was anathema to most South Africans

Mwasa man questioned

A SOUTH African Broadcasting Corporation employee and member of the Media Workers' Association of South Africa was questioned for two hours by Pietersburg security police on Friday, it was disclosed yesterday.

Mr Patrick Lesibana Mantshiu, an announcer attached to Radio Lebowa in Pietersburg, said he was questioned about Mwasa.

The police liaison office in Pietersburg said the security police had "no comment to make on this case."

Mr Mantshiu's questioning comes in the wake of a Mwasa breakthrough in organising workers at various SABC plants.

Mwasa's vice-president, Mr Mathatha Tsedu, condemned the police action and said: "It is obvious that our members are being harassed and intimidated to frighten them away from Mwasa. This effort will not succeed. Mwasa members have experienced similar actions and worse in the past and this will not affect our commitment to protect and advance the interest of our members."

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Escom has plan to save R3m a year

GRETA STEYN

ESCOM hopes to save R3m a year in offshore interest payments through direct participation in foreign exchange markets, Escom forex head Sid Sharp told a Press conference yesterday.

The corporation's new, internationally-linked, dealing room was set up because the Reserve Bank's forward-cover arrangements with public corporations ended on December 31 last year

The Reserve Bank's withdrawal meant corporations had to arrange forward cover through commercial banks.

Although Escom deals mainly with South African banks, it plans to expand its foreign exchange business with offshore banks

Sharp has just returned from a trip to Europe to strengthen banking ties.

He said Escom dealers "shopped around" for the best rates in the market.

The difference between the best rate and the second best amounted to a saving of about R300 000 a month

About 600 foreign transactions are handled each month and the organisation is in the process of developing other hedging instruments, such as currency futures and options

It is Escom's policy to cover at least 90% of its foreign currency risk through the rand at all times

At present its total foreign debt is $10,6bn, which at current rates amounts to more than R20bn

However, the dollar/rand risk has been covered with the South African banks and translates to a total rand liability of R13,5bn

Union 'must act on strike talks'

Business Day Reporter and Sapa

ISCOR management did not intend to initiate talks to resolve the legal strike staged yesterday by 6 500 workers at the Vanderbijlpark plant, said a corporation spokesman.

The strike was called over Iscor's offer of a 34c-an-hour minimum wage increase The National Union of Metalworkers of SA (Numsa) demanded a 75c across-the-board increase

Numsa also demanded May Day and June 16 as paid holidays, maternity and paternity leave, a full-time shop steward, a 40-hour workweek and an end to tax deductions from workers' wages

Iscor spokesman Piet du Plessis said. "The ball is now in the union's court. We have not refused to talk further but management will not make the first approach"

He said Numsa's wage demands "would amount to an overall wage cost increase in excess of 70%".

He said Iscor was not considering mass dismissals now and a contingency plan to ensure steel production and despatching was in operation

There are 8 000 blue-collar workers at Vanderbijlpark Most voted last week in a ballot for strike action.

Numsa said last week after its aborted stoppage in the industry that strike action at companies where the union had in-house agreements could occur

A union spokesman said yesterday that Numsa had been refused permission to set up ballots at Iscor's Pretoria and Newcastle plants as most of the workers at these plants were not union members

More Iscor workers strike

ANOTHER 150 Iscor workers joined 6 500 of their colleagues on strike yesterday as the action spread from the Vanderbijl Park plant to the corporation's Glen Douglas dolomite mine near Meyerton.

And, the National Union of Metalworkers of SA (Numsa) says about 1 000 members at Samancor in the eastern Transvaal stopped work yesterday after the dismissal of an undisclosed number for their participation in last week's industry-wide metal strike.

ALAN FINE

There appears to be no end in sight to the Iscor strike, with management saying yesterday it had no intention of improving the 34c an hour wage offer which triggered the action.

An Iscor spokesman said while it could not carry on indefinitely, contingency planning meant the company could continue for "a couple of weeks" without suffering any ill-effects. He said, however, the Glen Douglas strike was illegal.

Numsa spokesman Bernie Fanaroff said management had told worker representatives that no Numsa employees, including those at other plants and not on strike, would receive the increases implemented on July 1. That was confirmed by an Iscor spokesman.

The spokesman denied, however, an allegation by Fanaroff that management had said "when, after a month, workers are hungry they can ask Bobby Marie (another Numsa official) for food".

Cape Times 23/7/87

US group made anti-ANC tape

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Own Correspondent

JOHANNESBURG. — The film clip on the ANC in Tuesday night's "Network" was provided by an American evangelical organization called the National Religious Broadcasters (NRB).

The anti-ANC clip coincided with the arrival back home of the Idasa delegates from their Dakar talks.

According to sources in the US, the NRB are a large and well supported evangelical radio and television agency with a right-wing stand.

A SABC spokesman said the corporation had used film from the NRB before, though not frequently. Asked why the SABC had not chosen to use film provided by networks based in SA — to which the SABC has ready access in terms of an agreement on the use of its satellite service — he said the NRB film "was available to us".

The NRB executive director in the US, Dr Ben Armstrong, said he could not remember their doing a documentary specifically on the ANC but had sent correspondents to South Africa about three times in the past two years.

Iscor deadlock as 7 000 continue strike

By SEFAKO NYAKA

TALKS between Iscor management and the National Union of Metalworkers (Numsa) remained deadlocked yesterday as 7 000 workers continued their legal strike at the giant Vanderbijpark plant.

And yesterday the strike spread to Iscor's Glen Douglas dolomite mine near Meyerton when 150 workers downed tools.

The corporation's workers, who represent more than 30 percent of the total work force at the parastatal, came out on strike last Monday after a 97 percent vote in favour of the action.

Iscor is not party to the steel and engineering industry's main wage agreement, whose controversial extension last week aborted a national wage strike by 60 000 workers in the metal industry.

Iscor, like some 10 other plants, has a house agreement with the union.

Talks between Numsa and Iscor broke down after workers rejected a management offer of a 34c an hour increase, demanding instead an increase of 75c an hour.

Other demands include:

- May Day and June 16 as paid holidays.
- Maternity and paternity leave.
- Full-time shop stewards.
- A 40-hour week and
- An end to tax deductions from wages.

Iscor recently signed an agreement with nine other recognised unions, mainly white. The agreement includes:

- A 12,5 percent pay rise
- Improvement in shift allowance, vacation leave and maternity benefits.

An Iscor representative yesterday said no Numsa members would receive the increases, implemented on July 1.

Workers at Iscor's Newcastle and Pretoria plants have decided to stall possible strike action "for tactical reasons", a Numsa representative said.

The strike is however expected to snowball next week after the results of strike ballots at Middelburg Steel, Highveld Steel and Uscor Vaal are made known.

Numsa has also declared a dispute at 10 Metal Box factories and six Van Leer plants.

This week Numsa shop stewards meet in Johannesburg to decide what action to take after last week's abortive strike

Meanwhile, in Witbank, Samancor management was yesterday locked in talks with Numsa in a bid to end the strike by 1 000 workers at Ferrometals alloy plant.

The workers went out on strike after several of their colleagues were dismissed for downing tools after Manpower Minister Pietie du Plessis declared last week's strike illegal

The workers were expected to sign "warning forms" and when they refused they were dismissed

Seifsa director Sam van Coller said his organisation has advised its members not to dismiss any worker who engaged in strike action last week.

In Ladysmith 600 BTR Dunlop workers returned to work this week, ending a five-week legal wage strike.

The workers accepted an improved offer by management which included a 23 percent an hour increase The increase would push the minimum wage to R2,75 an hour.

Striking workers fired

JOHANNESBURG. — The National Union of Metalworkers of South Africa (Numsa) is planning legal action to protect about 2 000 members who have been threatened with dismissal at Samancor plants in Meyerton and Witbank. Numsa spokesman Dr Bernie Fanaroff said a number of workers had been dismissed and others issued with warnings at Samancor's Ferrometals plant after the national strike in the metal industry last week.

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Racing for all races

Iscor strike is continuing

THE LEGAL wage strike of nearly 7 000 workers at Iscor's plant at Vanderbijlpark is still continuing, though workers at the Glen Douglas Dolomite Mines have returned to work after downing tools illegally this week.

Meanwhile, Iscor management met Numsa representatives at the Newcastle plant where the company's wage offer was clarified to the workers.

Iscor's public relations manager, PM du Plessis, said the legal strike at Vanderbijlpark of between 6 400 and 7 000 workers was continuing despite negotiations with the union on Monday.

Iscor is not covered by the main agreement for the steel and engineering industry and has a separate house agreement with the Metal and Allied Workers' Union – which recently joined other metal unions to form Numsa.

Wage talks between Mawu and Iscor ended in a deadlock this year with the union demanding a 75 cents an hour increase across-the-board and Iscor offering 34 cents.

Iscor's spokesman said on Monday that Numsa's wage demands would amount to an overall wage cost increase in excess of 70 percent. – Sapa.

Now it's ANC-TV!

Public wants more of that controversial Network film claims SABC

THE SABC is considering a repeat of a controversial Network TV documentary which featured ANC leaders Joe Slovo and Oliver Tambo talking about the banned organisation and its strategy.

The documentary formed the major part of the programme on Tuesday night and has drawn criticism in some quarters for being "blatant propaganda".

Mr Christo Kritzinger, executive editor of the SABC's news and public affairs division, said more than 300 calls this week have requested more material showing the ANC

'The impact of the report, apparently is that the public wants to see more of the ANC speaking for itself instead of just Government Ministers talking about the ANC," he said

Atrocities

"We will very likely screen the programme again soon '

The 30-minute report — which also showed necklacing and other atrocities — was compiled by Cliff Saunders and had taken three weeks to complete, said Mr Kritzinger

The rights for the opening 10-minute American news report had to be obtained, and the SABC's TV news correspondents had supplied the the rest of the footage on the ANC leaders from the US and Europe

The appearance of Mr Slovo and Mr Tambo on SA screens is unprecedented Both may not be quoted by SA media without permission

By DOUGLAS GORDON, TV Correspondent

— which in practice is often difficult to obtain

The SABC secured permission to screen the two men and to quote extracts from the ANC's official Sechaba publications from the Minister of Justice, Mr Kobie Coetsee, who viewed the programme in advance last week — which is also unprecedented

Timing

Mr Kritzinger said the timing of the documentary, on the day that the Idasa delegation returned from Dakar, was a coincidence

The high viewership of Tuesday's Network report, screened immediately before Dallas, was also unplanned, he said

"We received no more than a dozen calls protesting about the programme," he said "But we've had more than 300 calls and telegrams asking for a rescreening

Clearance

"The fact that the Idasa party returned on Tuesday was irrelevant We had scheduled the show last week, after clearance from the Minister

"We have been preparing the report for some time It took several weeks for the producer to research the many issues of Sechaba magazine for material for the programme," he said

● The Bore War — Richard McNeill's view, Page 23

Pay strike at Iscor now in seventh day

By Mike Siluma

The pay strike by between 6 400 and 7 000 members of the National Union of Metalworkers (Numsa) at Iscor's Vanderbijlpark steel works entered its seventh day today with no movement from either side

At the same time, Numsa is awaiting management's response to an offer by 1 000 members to return to work at Samancor's Witbank ferro-metals plant — in exchange for a suspension of disciplinary proceedings instituted after the national wage strike two weeks ago

Numsa members at Iscor are on strike to back demands including an across-the-board 75c an hour pay increase, instead of the 34c offered by management

Other demands include the recognition of May Day and June 16 as paid holidays, maternity and paternity leave, a full-time shop steward, a 40-hour week and an end to tax deductions from workers' wages

Disciplinary proceedings against Samancor workers follow the national metal wage strike which was called off after being declared illegal by Government decree

The union said the dispute centres on management's insistence that the workers were not involved in the industrial council wage talks and therefore had no right to strike The union believes the workers are covered by the industrial council negotiations.

The union spokesman said workers had offered to return to work on condition management suspended disciplinary action and that the dispute be referred to the Industrial Court

About 3 000 workers who went on strike at the nearby Highveld Steel plant on Thursday in solidarity with the Samancor workers returned to work on Friday

SABC-CP court battle

Report fuels opposition parties' anger at partisan slant

by John MacLennan
Weekend Argus Political Staff

THE SABC emerged officially as the Government's propaganda arm this week with the publication of an extraordinary annual report riddled with Natspeak.

It is the first to be tabled in Parliament since the political purification of the Auckland Park board of governors and since the organisation became the responsibility of Mr Alwyn "Klip-oog" Schlebusch, the no-nonsense Minister in the State President's Office.

Now the CP is investigating means to bring the SABC to account It may take the form of a call for an investigation by means of a parliamentary special committee or an application to court in which the party will try to prove that the SABC has not abided by the provisions of its licence

The report will provide evidence that might bolster both initiatives and it is certain, at the very least, to lead to fiery criticism in Parliament

Reflected "onslaught"

It says the SABC news division has "unashamedly geared itself to play a constructive and positive role as an information medium, in spite of criticism from certain quarters"

It also notes that it reflected the economic and military "onslaught" fairly and admits "Continual and particular attention was paid to the Government's commitment to reform in order to achieve a broadening of democracy"

In spite of the welter of criticism directed at the organisation — especially in regard to its election and "unrest" coverage — the SABC claims that it "performed its informative function with responsibility, placing the interests of the country first".

Both the PFP and the CP will dispute this heatedly when the SABC's role as an impartial and the major disseminator of news comes before Parliament after the July recess.

Both parties take issue with the SABC's assertion that it puts South Africa first, and say it merely reflects the NP's perception of this goal

Mr David Dalling of the PFP says "For the NP, the interests of the country are best served by the promotion of their policy, which is apartheid in one form or another , albeit in another wrapping

Ministers' views

"The SABC is very closely allied to the NP and the Government and accordingly their perception of what is good for South Africa is to give maximum coverage and exposure to the views of Cabinet Ministers and NP policy"

He says this perception differs radically from that of most other South Africans

Mr Dalling emphasises that for years the public has been fed a diet of managed news Now, most whites are unaware of the stresses and strains which confront society and are unable to judge the issues.

In its report the SABC claims it has no hestitation in taking on controversial topics and claims it places them "in perspective in a responsible manner"

Mr Dalling says that the SABC, in fact, sees its role as "pacification to lull (people) into a sense of security"

Mr Fanie Jacobs of the CP says of the SABC's assertion that it puts South Africa first "It is more than a coincidence that 'put South Africa first' was also one of the slogans of the NP in the last election

Mr Jacobs, a former professor and new MP for Losberg, says the SABC has failed to adhere to the stipulations of its licence on several counts because it is not impartial

"There is a good case that the SABC has overstepped its licence We are now gathering evidence and considering legal options," he said

(260) B Day 28/7/87

Louis Nel sings to set the record straight on THAT song

CABINET had unanimously agreed on the controversial R4,3m Info pop song "Together we'll build a brighter future", former Deputy Information Minister Louis Nel said yesterday.

Nel said, in a letter to Business Day, President P W Botha had given him "all the support a Minister can expect from his leader".

When it became clear that production costs of the song would amount to R1,9m, Nel said he decided not to go ahead with the advertising programme without a specific Cabinet decision to do so.

This was despite the fact the Bureau for had the necessary funds available and that Nel was empowered to commit the funds for the promotion and advertising of the song.

Nel said Cabinet unanimously approved an advertising programme of R2,4m which brought the song's total cost to R4,3m.

With the exception of the late Minister John Wiley, no member of the Cabinet ever voiced any criticism of the song to him personally.

Setting the record straight on the song, Nel, who now practises as an attorney in Pretoria, said: "Neither the bureau nor I

DOMINIQUE GILBERT

thought out or approved the communication programme which included the song. The song was part of a communication programme submitted by a public relations firm called The Agency to a joint interdepartmental committee — of which the Bureau for Information was not a member — and was thereafter approved of by a Cabinet committee of which I was not a member."

The Cabinet committee handed the communication programme, including the song, to the bureau for implementation. Nel said: "As the bureau had not budgeted for this programme, additional funds were then made available to the bureau for this purpose."

As government was obliged in today's "modern world" to make use of "modern communication techniques" and pay for them, Nel said he supported the song and still does.

Referring to a Business Day report under the heading "Louis Nel buys historical Pretoria house" in which it was mentioned that he was "dropped as Deputy Minister of Information last year after the info-song fiasco that cost the SA taxpayer R4,3m", Nel said "The bureau's peace song, controversial as it was, had nothing to do with the fact that the State President relieved me of my position as a Deputy Minister and offered me an ambassadorship.

"After all, if that had been the State President's reason, he would have told me so, and he did not.

"The song project was controversial only until it was screened on TV. Thereafter the criticism disappeared into thin air. The project was professionally implemented. There was no 'fiasco'."

B1 Day 29/7/87

Iscor fails in attempt to break strike

ALAN FINE

TALKS yesterday between Iscor and the National Union of Metalworkers of SA (Numsa) failed to break the stalemate in the wage strike by 6 500 workers at the company's Vanderbijlpark plant

According to Numsa spokesman Bobby Marie, Iscor's chief negotiator said he had been instructed by the Iscor board to advise the union to persuade members to return to work

Marie said Iscor had not revised its offer at all A return to work in the immediate future was unlikely, and the strike had become a trial of strength

Management had also explained it was concerned at the possible effect of a separate Numsa deal on Iscor's relationship with the other nine unions it deals with These are mostly artisan unions, and agreement with them has been reached

"This confirms our belief that the company has a very cosy relationship with them," Marie said

He added management had not given any ultimatums and had expressed appreciation for Numsa's peaceful conduct of the strike

An Iscor spokesman confirmed Numsa's report on the meeting He said negotiators had agreed to report back to top management on the discussions

Iscor says it will not back down on pay offer

ALAN FINE and HAMISH McINDOE

STRIKE-HIT Iscor yesterday reaffirmed, in a telex to the National Union of Metalworkers of SA (Numsa) that it would not back down on its pay offer in the current wage round for workers at its flagship Vanderbijlpark steelworks.

This follows a meeting on Tuesday with Numsa officials to try and break the 10-day-old strike affecting nearly 7 000 workers at Vanderbijlpark.

Management, in a telex to the union yesterday, said its final wage offer of a 34c an hour minimum wage increase was non-negotiable, and urged the union to convince members to return to work.

Numsa spokesman Bobby Marie said the union had reported back to striking workers on management's stance. He said they had expressed anger and had refused to consider returning.

Numsa announced yesterday a number of in-house wage agreements with firms in southern Natal.

At Feralloys, the union won 15% to 20% increases for members.

Wage increases of 60c an hour, 27% on the lowest grade up to 17% in the highest grade were achieved at Xpanda Products in Pinetown.

□ Numsa has also met with the NUM to discuss the dispute at Samancor. The dispute is over disciplinary warnings issued to workers who took part in the July 14 nationwide metal strike.

TV licences up by 20% to R72

By ANTHONY JOHNSON and RENEE MOODIE

TELEVISION licences are to increase by 20% — from R60 to R72 — from October 1.

The increase, announced in Parliament yesterday by the Minister of Broadcast Services, Mr Alwyn Schlebusch, was greeted with anger by consumer organizations, who predicted that "seething discontent" aroused by continual price increases would "come to a head some time".

Both the Conservative Party and the Progressive Federal Party said the move was not justifed because the SABC was mainly a vehicle for National Party propaganda.

Mr Schlebusch said the increase, appoved by the cabinet yesterday, was caused by "the current financial position of the SABC", which had suffered a loss of R56,5-million between 1984 and 1986.

"The most important reason for the deteriorating position" was the fact that the amount spent on advertising in all media in 1985 and 1986 had increased by only about 7%

Professor J L Weyers, chairman of the Consumer Council, said: "Everything just keeps going up.

'Seething discontent'

"Salary increases do not compensate for prices going up all the time. I have a feeling that people are beginning to say 'up to this point and no further' There is a seething discontent which will come to a head at some time."

The Conservative Party greeted the increase with "surprised shock", coming as it did after a 30% increase last year

A PFP spokesman on the SABC, Mr Peter Soal, said: "The daily diet of National Party political claptrap is not worth an extra 12 cents, let alone R12 a year

"Viewers would not mind paying a little extra if the SABC was able to provide programmes of quality and variety"

The minister said it had been decided to retain the tariff for concessionary licences at R24

● What do you think of the R12 increase? Phone Teleletters at 208 4722 between 10am and noon today.

Strikes threaten mines: disputes hit Iscor, Sasol

JOHANNESBURG — A major strike by 5 000 workers erupted at Sasol's Secunda plant in the Eastern Transvaal yesterday while the two-week-old legal strike at Iscor's steelworks in Vanderbijlpark threatened to spread to Newcastle

The National Union of Mineworkers (NUM) also announced a build-up to a national strike in the coal and gold mining industries while a spate of smaller disputes and stoppages hit individual mines this week

However up to 20 000 postal workers around the country returned to work today after staging a nationwide two-day stoppage in sympathy with 1 700 workers in the Eastern Cape

A major strike in the metal industry also appears to have been settled as about 1000 workers at Samancor's Ferro-alloys plant in the Eastern Transvaal agreed to return to work after talks last night between the National Union of Metalworkers of South Africa (Numsa) and the company

About 1 900 workers at Impala Platinum Refineries also returned to work after talks between their union and management last night settled a three-day strike

But in SWA/Namibia a strike by 4 600 miners at three Tsumeb Corporation Limited chrome mines continued as management warned it had started dismissing some strikers — Sapa

Govt moves on privatization

CAPE TIMES 31/7/87

By CHRIS CAIRNCROSS

THE government is to indicate on Monday which way it has decided to go on privatisation when a White Paper is due to be tabled in Parliament.

This was confirmed yesterday by sources from the Department of Economic Affairs and Technology.

It is understood that the role of SA Transport Services (Sats) will be highlighted in the report, providing an example of the way the privatisation process is to be handled.

An important element in this regard will be the recommendations of ex-Gencor chairman Wim de Villiers, who has been investigating Sats' operations, after completing a similar exercise at Eskom.

Early publication of the White Paper on privatisation is viewed as having considerable relevance to the deliberations about a future tax system for SA which will inevitably follow publication of the Margo Commission's report.

Tabling of this report has been promised for the latter stages of the current Parliamentary session by Finance Minister Barend du Plessis.

It will also be accompanied by a White Paper outlining government's generalised responses to the commission's recommendations.

It is understood that at least 18 state or semi-state activities have been identified as potentials for privatisation.

The private sector has expressed the hope that government will go beyond merely tagging service areas for privatisation.

The argument is that Government has the opportunity to emulate the British example and hive off a number of large state-controlled operations.

and (ii) mini-committees of joint management centres had been established as at 1 June 1987 and (b) where is each of them located,

(2) whether it is the intention of the Government to increase the number of joint management centres, if so, (a) when, (b) by what number and (c) why?

The MINISTER OF LAW AND ORDER

(1) and (2) the hon member is referred to the oral reply to Question No 23 on 8 April 1986 as well as the oral reply to Question No 2 on 23 June 1987

Human Sciences Research Council

248 Mr P G SOAL asked the Minister of National Education

Whether, with reference to his reply to Question No 55 on 16 June 1987, the Human Sciences Research Council has completed its work in respect of any of the directives given to it, if so, (a) which matters have been concluded and (b) what action has been taken in respect of each of these matters as a result of the research conducted by the Council?

The MINISTER OF NATIONAL EDUCATION

(a) (i) The informal sector and zoning in Black residential areas

(ii) Investigation into the current test procedures at provincial and municipal traffic test centres

(iii) Interface attitudes of State Departments and Black communities

(iv) Urban Black's perceptions of the general state of emergency

(v) Juvenile delinquency (aa) the appearance and extent of juvenile delinquency in the RSA according to official crime statistics and (bb) the etiology of juvenile delinquency and the processing and treatment of juvenile offenders

(vi) Formative evaluation research concerning reading matter on nutritional guidance

(b) The steps in respect of each of these matters are the responsibility of the commissioning body, and the HSRC does not control such steps

Supplementary reply to Question 241 on 28 July 1987, put by Dr M S Barnard (col 429)

Aids

241 Dr M S BARNARD asked the Minister of National Health and Population Development

How many carriers of the acquired immune deficiency syndrome virus had been identified in respect of each race group in South Africa as at the latest specified date for which information is available?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

Whites	1 140
Coloureds	31
Indians	3
Blacks	*1 093
Unknown	57
Total	2 324

*Of which 946 were miners

Iscor steeled for strike

GRETA STEYN

WORKERS at Iscor's Newcastle steelworks are to go on strike on Monday over a wage dispute, after a strike ballot held by the National Union of Metalworkers of SA, (Numsa), an Iscor spokesman said yesterday.

He said about 1 400 Numsa members would down tools out of a total workforce of 4 500.

The wage dispute arose over Iscor's offer of 34c an hour minimum wages and the union's demand for 75c an hour. About 6 500 workers at the corporation's Vanderbijlpark steelworks have been on strike over the issue since July 20.

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31/7/87

Eksteen hints at tighter controls

3/18/87

(260) 5 Day

PATRICK BULGER

SABC chief Riaan Eksteen has hinted at tighter control over the flow of news at the corporation in a statement that indicates he will definitely stay on in his post

Eksteen is reported to have survived an attempt by President P W Botha last week to fire him, after television coverage of Labour Party leader Allan Hendrickse's resignation from the Cabinet

In a statement at the weekend, Eksteen effectively apologised for allowing Hendrickse time on the box While he did not mention him by name, Eksteen said he was "aware that the SABC sometimes makes mistakes"

He said he was looking into measures that would improve management.

"This is something to which I am continuously giving attention I shall be devoting even more attention to this in future," he said

The statement suggests Eksteen has been given to believe the board — which in terms of the Broadcasting Act is the only body empowered to dismiss a director-general — will not fire him when it meets this week

Eksteen repeated his view that it was the SABC's duty "to fight the revolutionary climate in SA and to reflect points of view about this fully, and in a balanced way, so as to bring about peace in SA".

He was relaxing at his Pretoria home at the weekend, and would not talk to the Press

Privatization: Govt gives details

Political Staff

THE government has spelt out its attitude on privatization and deregulation in a white paper tabled in Parliament yesterday by Mr Alwyn Schlebusch, the Minister in the State President's office entrusted with administration and broadcasting services.

In tabling the white paper, Mr Schlebusch cautioned that the privatization process should not be seen as an end in itself, but essentially as a means of improving economic performance by

☐ The more effective use of available production factors such as capital, manpower, material,

☐ Optimizing market forces in order to allow demand and supply to determine as far as possible the production of services and products,

☐ Increasing the percentage of private sector, and decreasing the percentage of public sector net fixed investment, thereby reversing a trend established over past years

Mr Schlebusch declared that government policy will in future be dictated by the following guidelines

☐ State consumption expenditure must be curtailed as far as possible,

☐ Services in respect of which the state accepts responsibility must be provided to an extent and at a standard which the country can afford,

☐ Social services must as far as possible be focused on the really needy,

☐ Personnel expenditure must be kept in check,

☐ Services must as far as possible be provided on an economic basis on the user-charge principle,

☐ Wherever possible, state business enterprises and public corporations will be run on a profit-and-loss basis with targetted return on capital as the criterion,

☐ Other semi-government organizations must, wherever possible, be operated on business principles;

☐ Trading accounts will be instituted and business-orientated control applied wherever possible in respect of all of the state's commercial activities,

☐ Investment in buildings will be curbed by means of rationalization,

☐ Viability studies will be conducted before economic projects requiring large capital investments are undertaken,

☐ Government guarantees for loans will be limited and controlled more strictly

The white paper sets out the privatization methods government is prepared to countenance, and the guidelines and criteria which dictate those decisions

Mr Schlebusch said yesterday the government was not in favour of selling public-sector enterprises or assets to the private sector just to obtain the non-recurring additional income from the proceeds But it is prepared to consider the sale of such assets if it is convinced that this will be in the long-term interests of South Africa

He said the government was also not prepared to sell undertakings in any way that will result in a private sector monopoly

Partnerships were envisaged where it would not be considered acceptable to transfer an existing state enterprise to the private sector in its entirety, or where the nature or extent of a new enterprise would require the involvement of the state

Parnerships could include the acquisition of shares by the private sector in new or existing state undertakings as an interim or permanent arrangement

The report concludes that such a partnership arrangement may be appropriate in the case of natural monopolies or when, for special reasons, full private ownership is deemed not to be in the interest of the country

The government is also in favour of arrangements whereby facilities that cannot be used fully by the public sector can be leased to the private sector

Privatization bid, but no State sales

Political Staff

THE government's privatization initiative, spelt out in a white paper tabled in Parliament yesterday, stops short of placing the "for sale" sign outside any State or semi-State body.

☐ Government spokesmen have been at considerable pains to stress that the sale of public sector assets ranks fairly low in the list of priorities governing privatization

☐ South Africa is not about to emulate the example established in Britain

☐ The government stresses that it is not in favour of selling public sector enterprises or assets to the private sector just to obtain the non-recurring additional income from the proceeds.

☐ Nor is it prepared to sell undertakings that will in any way result in private sector monopolies.

☐ Government sources indicated yesterday that the privatization policy outlined in the white paper has purposefully not been specific — because the Cabinet remains divided on which State assets should be sold and how this should be effected

☐ The white paper does, however, signal the start of an intensified three-year programme, during which special further attention is to be given to privatization and deregulation, with the aim of curtailing the public sector's involvement in the economy.

☐ This is to be orchestrated directly from the State President's office, under the stewardship of Dr Alwyn Schlebusch, the Minister entrusted with administration and broadcasting services.

Govt. privatization plan revealed: it's surprisingly low-key

THE government's privatization initiative, spelt out in a white paper tabled in Parliament yesterday, stops short of placing the "for sale" signs outside any State or semi-state body.

The government spokesmen have emphasized that the sale of public sector assets ranks fairly low in the list of priorities governing privatization

South Africa is not about to emulate the example established in Britain

The government emphasizes that it is not in favour of selling public sector enterprises or assets to the private sector just to obtain the non-recurring additional income from the proceeds

Nor is it prepared to sell undertakings that will in any way result in private sector monopolies

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☐ Privatization: Govt gives details — Page 5

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Our Johannesburg correspondent reports that private sector employer bodies yesterday welcomed the white paper, but appealed to government not to wait three years before taking any action

They also asked for the private sector to be included in a joint body to evaluate progress.

"It is essential that the programme of privatization be tackled as soon as possible," said a statement by the Private Sector Privatization Committee, representing Assocom, the Afrikaanse Handelsinstituut, the Chamber of Mines, the Federated Chamber of Industries and the SA Agricultural Union

"The proposed three-year planning programme should not preclude interim action being taken, with the help of the private sector"

The statement said the white paper's approach was broadly in line with representations by the private sector.

It accepted government's view that privatization must not be seen as an end in itself but as part of a broad strategy for achieving economic development, growth and a stable social environment

While agreeing with general implementation guidelines in the white paper, the employer bodies said "The committee of ministers on privatization should be expanded into a formal joint body incorporating representatives of private sector organizations for the purpose of initiating and evaluating progress"

ARGUS 30/9/87

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Television on trial

Too much *WHAT* on TV? Yo! TONY JACKMAN disappeared under hundreds of responses to our Television Quiz and surfaced looking delighted with some replies and astounded by others.

THE "nauseating oversupply" of American television fare on SABC-TV channels is turning local viewers right off American junk, drivel and trash — to use some of the more polite words used by respondents to our television quiz

The "comments" sections of scores of returned questionaires were filled with scrawled diatribes against "second-rate American adolescent movies", "brats", "precocious kids" and "childish drivel"

Further evidence of the reaction against the predominance of American fare on local TV can be seen in the magnificent performance of David Attenborough's fine documentary, *The Living Planet*

Asked to name their favourite programme, 20 percent of all respondents listed *The Living Planet*, beaten only by the one American series almost all local TV fans love to love — *L A Law*

"Too much sex"

There was also minor reaction to what a few regard as "too much sex" on SABC-TV channels and a handful of respondents complained about what one person referred to as "too much negro stuff from America" and another as "excessive American negro exposure"

But the respondents who voted *The Cosby Show* into third place (11 percent named it their favourite programme) would seem to disagree

What do *you* think of commercial breaks, violence, news coverage, simulcasting and bilingualism on SABC-TV channels?

Read on

TRIED AND TESTED: *L A Law's* Michael "So what if I'm short — I'm rich!" Tucker; Alan "Leave my doggie alone" Rachins; Corbin "Come up and sue me sometime" Bernsen and Jimmy "I'm for the underdog" Smits; Jill "So what if he's short — he's rich!" Eikenberry; Richard "And you thought *St Elsewhere* was good" Dysart; Harry "Take the damn picture so I can get home to Grace" Hamlin and Michele "No puns on my surname please" Greene.

TOP 20

1 *L A Law*
2 *The Living Planet*
3. *The Cosby Show*
4 *MacGyver*
5 *Dynasty*
6 *Dallas*
7. Mini-serials
8 *Hill St Blues*
9. *Durrell In Russia*
10. *Moonlighting*
11 *The Golden Girls*
12 Sport
13 *M*A*S*H*
14 *Cagney And Lacy*
15 *Miami Vice*
16 *Family Ties*
17 *Santa Barbara*
18 *Webster*
19 *Potpourri*
20 *Verspeelde Lente*

THE WINNING FORMULA: This remarkable creature can survive in any environment in any part of the world, even on SABC-TV He is Sir David Attenborough and he is more popular than the Ewings

Law, nature series runaway favourites

TASTES are changing, it seems

In the past soapies like *Dallas* and *Dynasty* have dominated when we have asked readers to name their favourite TV show.

But get this: right behind the predictable winner, *L A Law*, in our Top 20 of your favourite TV programmes was David Attenborough's superb nature series, *The Living Planet*

L A Law was picked by a quarter of all the respondents as their favourite programme, and a fifth opted for *The Living Planet* Together, they swallowed up 45 percent of all votes.

The Cosby Show, in third place, received 11 percent of all votes, and even *MacGyver*, placed fourth, managed to beat both *Dynasty* and *Dallas* into fifth and sixth place respectively.

It seems that local viewers are finally growing tired of the doings of the Ewings and Carringtons

Mini-serials took seventh place and next up was *Hill Street Blues* Rounding off the Top 10 were *Durrell In Russia* and *Moonlighting*.

The only local drama series to make the Top 20 was Manie van Rensburg's *Verspeelde Lente*, even though this was a repeat screening, and *Potpourri* was the only magazine or actuality programme to feature prominently

Santa Barbara made the Top 20 almost entirely on the strength of votes by people under 24, while *L A Law* and *The Living Planet* were popular across the board.

Simulcasting a hit

A WHOPPING 94 percent of all Afrikaans-speaking respondents prefer the simulcast soundtrack to the dubbed Afrikaans version

This was the second-highest percentage recorded and was marginally higher than even that of English-speaking respondents

Simulcasting is an enormous hit allround, *but*, many people made the point that it would make more sense for the original soundtrack to be broadcast on TV, with the dubbed Afrikaans soundtrack on radio

We asked whether you preferred dubbed programmes or the simulcast soundtrack on radio, and the dubbed soundtracks can consider themselves soundly trounced

For example, all respondents in the 16-24 age group said they preferred the simulcast soundtrack on radio to the dubbed version The same goes for students and people in the 35-49 age group

The lowest poll was in the over-50 age group, of whom 89 percent said they preferred the simulcast soundtrack

Strongly in favour of simulcasting were 94 percent of Afrikaans-speaking and male respondents, 93 percent of females, English-speakers, breadwinners and the 25-34 age group, and 92 percent of retired people and housewives

Adverts: 'We were conned'

ARGUS 31-7-87 (260)

THERE *are* still too many advertisements during SABC-TV programmes — so say 85 percent of respondents in our TV quiz.

That is the signal Argus readers are sending to Auckland Park only months after the SABC gave in to consumer demands for a review of the practice.

But there are still advertising breaks, and viewers are still unhappy about them As one respondent put it, "Producers try to build tension, and the ads break it."

Another demanded that the adverts be "more tastefully inserted, not when a moment of suspense or emotion is imminent".

The general feeling was summed up by the respondent who said, simply: "We were conned"

Many said they refused to buy products advertised during programmes, while the most startling comment was by the woman who asserted that adverts were "the pits and could cause violence in the living room"

Another complaint from several quarters was that the ads are *louder* than the programmes.

The results were as follows. Voting yes. 100 percent of students, 94 percent of the 16-24 age group; 88 percent of housewives, pensioners and females; 86 percent of English-speakers; 85 percent of the over-50s, 81 percent of males and the 35-49 age group; 79 percent of breadwinners and those aged 25-34

Afrikaans-speaking respondents registered the lowest vote, but nevertheless a resounding 72 percent were against them.

DIE NASTY: Joan Collins and John Forsythe demonstrate, respectively, sex and violence on the box.

Viewers divided on sex and violence

THERE is far too much explicit sex and violence on TV

Well, that's one person's opinion Perhaps we should have indicated that the questions applied only to South African television

The question actually related to violence on TV did you think there was too much, we asked

Most respondents (55 percent) did not think there was too much, while 45 percent said yes, several of these having something to say about sex on TV

●"There is too much sex and nudity in bed — it's disgusting!"

●"I would like to see fewer sex programmes and more Christian movies"

●"There is too much sex in all imported films"

"What's the fuss"

A contrary standpoint was taken by the respondent who felt there was too much fuss about sex and violence on TV "It happens in our daily lives, so what's all the fuss?"

'News utterly worthless'

THE NEWS and *Network* are SABC-TV's contribution "to the total onslaught of noise and omissions".

Nothing raised the ire like our question as to what you think of TV news and public affairs coverage:

● "News is a shadow of what it used to be. We are fobbed off with peripheral trivia, precluding vital news"

● "The news is too insular; too little world coverage, too much talk"

● "The news service is utterly worthless. To watch is an exercise in frustration and exasperation and boredom."

● "The interviews are stodgy — more open debate is needed."

● "The presentation of the news is biased and shallow. There is too little true journalism."

The total tally. 63 percent not happy with news and public affairs coverage on TV; only 37 percent happy.

Also unhappy with news coverage were 74 percent of retired people; 65 percent of English-speakers; 61 percent of the 16-24s, 69 percent of the 25-34s; 67 percent of the 50+ group; 64 percent of males, 62 percent of females; 61 percent of breadwinners; 68 percent of students; 57 percent of housewives and 51 percent of the 35-49 age group.

Only one group came out in support — 65 percent of Afrikaans-speaking respondents were in favour.

And another "TV violence is a reflection of the violent times in which we live".

One even complained there was *not enough* violence on TV "I like *Wielie Walie* a little bit though"

There is not too much violence on TV, said 78 percent of students, 76 percent of the under-25s, 71 percent of the 25-34 group, 66 percent of males and 67 percent of Afrikaans-speakers

There is too much, said 57 percent of the over-50s, 54 percent of females, 59 percent of housewives and 67 percent of retired people

The 35-49 and English-speaking groups were marginal 51 percent of the first and 53 percent of the second voted "no"

65 percent happy with bilingual programmes

PROBABLY the most surprising result was the response when we asked whether you like SABC-TV's bilingual programming

Having received numerous letters and phone calls of complaint about the relatively new SABC-TV habit of broadcasting bilingual programmes, we expected a resounding "no" vote

However, the vote went 65 percent in favour of SABC-TV's bilingual programming, with 35 percent saying they were against it

The highest vote in favour was from Afrikaans-speaking respondents, of whom 81 percent were in favour The only group to vote against was the retired, of whom 56 percent said they did not like bilingual programming

The over-50s voted 58 percent in favour of bilingual programming

Others in favour 77 percent of housewives, 74 percent of the 16-24 and 35-49 age groups, 64 percent of the 25-34 group, 67 percent of females, 63 percent of males, 64 percent of students and English-speaking respondents, and 81 percent of Afrikaans-speakers

Iscor sets deadline for return to work

ALAN FINE

ISCOR yesterday delivered an ultimatum to the National Union of Metalworkers of SA (Numsa) that striking members employed at its Vanderbijlpark plant return to work tomorrow or they will be dismissed.

The 6 500 workers have been on strike since July 20 in support of demands for an improved wage offer.

According to a corporation spokesman, Iscor told Numsa it was suffering major losses as a result of the strike action, which is having a detrimental effect on clients. It was thus impossible to continue with the existing situation.

Numsa spokesman Bobby Marie said the union would take legal advice on the ultimatum and would hold a meeting of members to discuss their response.

Rapid rail transit system

253 Mr P G SOAL asked the Minister of Transport Affairs.

(1) Whether, with reference to his reply to Question No 300 on 23 February 1987, a decision has as yet been taken on the introduction of a rapid rail transit system for Johannesburg, if not, (a) why not and (b) when is it anticipated that a decision will be taken, if so, what was that decision,

(2) what specified factors are being taken into consideration in taking a decision on this matter?

The MINISTER OF TRANSPORT AFFAIRS

(1) No

(a) Adequate funds for the project are not assured

(b) After further discourse with the public and the Johannesburg City Council and when it becomes foreseeable that funds for the various phases of a project of such magnitude will be available

(2) The following factors will be decisive—

* The availability of funds,
* The support of all interested parties, and
* Unqualified consensus that the proposed project is viable and in the public interest

***The Citizen* transported**

269 Mr D J DALLING asked the Minister of Transport Affairs:

With reference to his reply to Question No 2 on 26 May 1987, (a) how many copies of *The Citizen* were transported by the South African Airways from Johannesburg to other destinations on a daily basis in April and May 1987, respectively, (b) what was the freight weight of the newspapers so transported in each of these months and (c) what, in the absence of any special agreement existing, was the normal commercial charge for such transportation in each of these months?

The MINISTER OF TRANSPORT AFFAIRS

(a) Information is not available as airfreight is based on mass and not units

(b) 6 083 and 5 875 kilograms respectively

(c)

	Johannesburg/Cape Town	*Johannesburg/Durban*
	R/kg	R/kg
Up to and including 100 kg per shipment	1,80	0,84
More than 100 kg per shipment	1,35	0,63
More than 300 kg per shipment	1,26	0,59
More than 500 kg per shipment	1,17	0,55

***The Citizen* copies to passengers**

270 Mr D J DALLING asked the Minister of Transport Affairs

(1) With reference to his reply to Question No 2 on 26 May 1987, how many copies of *The Citizen* were used by the South African Airways on a daily basis for in-flight purposes in April and May 1987, respectively,

(2) whether such copies were given to all passengers travelling in the business and first class sections of aircraft, if not, (a) why not and (b) to which passengers were they given,

(3) how many passengers travelled (a) business and (b) first class on morning flights from Johannesburg to other destinations in April and May 1987, respectively?

The MINISTER OF TRANSPORT AFFAIRS

(1) 376 and 407 respectively

(2) (a) and (b) Copies were offered to all passengers in the business and first class sections

(3) (a) and (b) Separate figures are not readily available

SA Transport Services Board

296 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

(1) (a) How many commissioners are serving on the South African Transport Services Board at present, (b) what (i) academic and/or (ii) other specified qualifications in the field of transport do they hold in each case, (c) (i) for how long has each of these commissioners served on the Board and (ii) what is the normal term of office of a commissioner and (d) in respect of what date is this information furnished,

(2) whether he is considering appointing persons currently holding key positions in industry or commerce to the Board, if so, what are the relevant particulars?

The MINISTER OF TRANSPORT AFFAIRS

(1) (a) Three

(b) (i) and (ii) It is the sole prerogative of the State President to make appointments of this nature

(c) (i) Since 1 December 1974, 1 November 1975 and 1 October 1981, respectively

(ii) Five years

(d) As at 31 July 1987

(2) No.

Taiwan: former ambassador

299 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(1) Whether a former ambassador to Taiwan was involved in any irregularities concerning the sale of a Japanese motor-car to a Taiwanese citizen prior to the completion of his mission, if so, (a) (i) what was the age of the vehicle and (ii) how many miles or kilometres had been registered on its distance recorder at the time of sale, (b) what was the profit made on the transaction and (c) what are the particulars of the alleged irregularities,

(2) whether any customs and excise duties were paid to the Taiwanese authorities on this transaction, if not, why not, if so, what were the amounts involved,

(3) whether the national intelligence agency in Taiwan investigated this matter, if so, (a) on what grounds and (b) what recommendations were made to his Department by this agency,

(4) whether the ambassador concerned is still in the South African diplomatic service, if so, (a) why, (b) (i) where and (ii) in what capacity and (c) what action has been taken against him as a result of this transaction, if not, why not,

(5) whether he will make a statement on the matter?

The MINISTER OF FOREIGN AFFAIRS

(1) No (2), (3), (4) and (5) Falls away

THURSDAY, 6 AUGUST 1987

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†Indicates translated version

For written reply

General Affairs

Employees

153 Mr R M BURROWS asked the Minister of Constitutional Development and Planning

(1) What was the total number of persons employed in a full-time capacity in his Department as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels in his Department, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in his Department with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these posts levels as at 1 July 1987?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) 6 644 persons

(2) (a) R105 894 per annum 1
R67 530 per annum 1
R62 205 per annum 4
R55 278 per annum 8
R48 843 per annum 22
R43 446 – 45 072 11
R38 568 × 1 626 – 41 820 33
R29 871 – 30 918 × 1 275 – 34 743/36 018 × 1 275 – 38 568 × 1 626 – 41 820 13

(b) (i) Men 88

(ii) Women 5

(c) White

(3) (a) R119 136 per annum (fixed)
R75 993 per annum (fixed)
R70 017 per annum (fixed)
R62 199 per annum (fixed)
R54 954 per annum (fixed)
R48 879 – 50 709
R33 624 – 34 803 × 1 431 – 39 096/40 527 × 1 431 – 43 389 × 1 830 – 47 049

(b)

Salary per annum R	Service Bonus per annum R	Housing Subsidy per annum R	Motor Financing Scheme per annum R	Total per annum R
119 136	9 233	4 536	37 704	170 609
75 993	5 889	4 536	27 456	113 874
70 017	5 426	4 536	27 456	107 435
62 199	4 820	4 536	21 768	93 323
54 954	4 258	4 536	14 736	78 484
49 794	3 859	4 536	—	58 189
45 219	3 504	4 536	—	53 259
40 336	3 126	4 536	—	47 998

Crossroads· upgrading

264 Mr K M ANDREW asked the Minister of Constitutional Development and Planning

(1) Whether, with reference to his reply to Question No 144 on 23 February 1987, the upgrading of the Crossroads area has been completed, if not, what remains to be completed, if so, how many persons can be accommodated in this upgraded portion of Crossroads,

(2) whether any persons have been allowed to settle in this upgraded portion, if so, how many,

(3) whether officials of his Department were in possession of a list of persons requiring housing in this portion from which a selection was made for settlement purposes, if not, what procedure was followed in this regard, if so, (a) who drew up this list, (b) how many names were on the list and (c) how many of these persons were living in this portion of Crossroads at the time it was devastated by unrest,

HoA

(4) what other procedures have been or will be followed in selecting persons who may settle in the upgraded portion of Crossroads,

(5) whether any persons have been unable to be accommodated in the Crossroads area following upgrading, if so, (a) how many and (b) what action is being taken in respect of these persons?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) No The Town Committee of Crossroads has decided to investigate the possibility of providing formal housing The above committee has furthermore decided that alterations be brought about on the layout plan to provide larger sites in the area referred to

(2) No

(3) No This function is vested in the Town Committee of the relevant area and is currently being considered by the committee in question.

(4) and (5) Fall away

99-year leasehold scheme

274 Mr K M ANDREW asked the Minister of Constitutional Development and Planning

(1) Whether the (a) 99-year-leasehold scheme is in operation, and (b) right to hold freehold title to land applies, in all Black townships in the Republic, if not, (i) why not and (ii) in respect of which townships is this (aa) scheme and (bb) right not applicable,

(2) in respect of what date is this information furnished?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

If the hon member's question refers to townships within urban areas of the Republic of South Africa, the answer is as follows

(1) (a) No

(i) because certain policy and executive actions are still in process and because the scheme does apparently not appeal to the inhabitants of certain townships

(ii) (aa) Sobantu
KwaMevana
Shayamoya
Mfuleni
Bongolethu
Hankey
Kareedouw
Klipplaat
Lady Grey
Richmond
Steytlerville
Ugie
Maclear
Victoria West
Verkeerdevlei
Vanstadensrus

(b) Yes

(ii) (bb) Falls away

(2) 16 July 1987

FRIDAY, 7 AUGUST 1987

†Indicates translated version

For written reply

General Affairs

Full-time employees

147 Mr R M BURROWS asked the State President

(1) What was the total number of persons employed in a full-time capacity in the State President's Office as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels in his Office, (b) how many of these persons were (i) male and (ii) female and (c) to which

HoA

Iscor ultimatum

ABOUT 7 000 striking members of the National Union of Metalworkers at Iscor near Vanderbijlpark have been given an ultimatum to return to work today or face dismissal.

The workers have been on strike for 16 days after demanding a wage increase of 75 cents an hour,

WORKERS LOCKED OUT

ABOUT 50 employees of E Snell and Company, a liquor firm in Isando, have been locked out of their company premises' because of a dispute they had with an employee who passed bad remarks about their union.

The workers belong to the National Union of Wine, Spirits and Allied Workers' (Nuwsaw) who believe that the plant director, a Mr Stretton, has dismissed them

The workers said trouble started last week when the employees held a meeting to discuss what they should do about the man who continually harassed them about being members of the union

Labour Reporter

As the meeting was in progress, they said, Mr Stretton arrived and told them to break up but before they could do so he sprayed them with water from a fire extinguisher hose pipe.

An executive member of the union, Mr November Nkosi tried to speak to the management of the company but was informed that the workers were on strike When he tried to explain that there was no strike action he found the gates to the firm locked

Mr Nkosi said attempts by union officials to speak to the managing director proved fruitless as they were told he was either in Durban or on the way to the plant in Johannesburg

He said the last word they had from the company was that union officials could meet with management tomorrow

Mr Nkosi said the union was now seeing its legal representatives to see what steps to take in the light of the company's view that the workers have been dismissed because of strike action that never was

Mr Stretton wlas unavailable for comment

Numsa and Iscor attempt to resolve Vanderbijlpark strike

By Mike Siluma

The National Union of Metalworkers (Numsa) and Iscor management are scheduled to meet today to try to resolve the 17-day legal wage strike by between 6 400 and 7 000 workers at Iscor's Vanderbijlpark works.

The talks follow Iscor's ultimatum to the workers to return to work today or be fired

Numsa has strongly criticised Iscor's "unseemly rush" to dismiss the strikers

"It is unacceptable for workers engaged in legal strike action to be pushed in this way to decide between continuing their action and loss of their employment, with no time to discuss the matter," said Numsa.

In a telex to Iscor yesterday, Numsa suggested that industrial council procedures be used to resolve the dispute.

An Iscor spokesman said management would not comment on the message in view of today's meeting

Numsa said about 1 300 members were dismissed by Samancor at its Meyerton plant, after a stoppage last Thursday and Friday

Numsa spokesman, Dr Bernie Fanaroff, said the last week's stoppage was triggered by management's dismissal of a number of workers and the suspension of shop stewards over last month's national wage strike by Numsa members Samancor spokesmen were unavailable for comment

● Postal workers in the Transvaal and the Cape yesterday continued a work stoppage which began on Monday over various issues

Union sources said about 10 000 postal workers have stopped work in protest at the decision by the Post Office to apply for a Supreme Court interdict, expected to be heard in Pretoria today, restraining the Post and Telecommunications Workers' Association (Potwa) from "influencing" workers to strike.

A Post Office spokesman yesterday put the number of strikers at 1 000 on the Reef and Vaal Triangle

The present stoppage is also understood to be in support of Eastern Cape workers who have been on strike since June 22 demanding the reinstatement of dismissed colleagues

● National Union of Mineworkers will proceed with preparations for what could be the biggest black miners' wage strike, scheduled for Sunday night, said general secretary Mr Cyril Ramaphosa. He said NUM had not heard from the Chamber of Mines

The chamber has called on the NUM to reconsider its decision

population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in his Office with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

The STATE PRESIDENT.

(1) 137 specified date 8 June 1987

(2) (a)

Postlevel	Number of persons employed
1	1
2	4
3	8
4	15
5	12
6	11
7	2
8	4

(b) (i) 45

(ii) 12

(c) Whites 57,
Coloureds Nil,
Indians Nil,
Blacks Nil

(3) (a)

Post level	Salary scale with effect from 1 July 1987
1	R119 136
2	R62 199
3	R54 954
4	R43 389 × 1 830 – 47 049
5	R33 624 – 34 803 × 1 431 – 37 665
6	R25 371 × 1 179 – 30 087
7	R19 068 × 789 – 22 224/ 22 224 × 789 – 23 013 × 1 179 – 26 550
8	R15 912 × 789 – 22 224

(3) (b) (i) Annual Service bonus that amounts to 93% of one month's salary

(ii) Housing Subsidy on interest and capital redemption up to a maximum of a housing loan of R50 000,00, subject to the compliance with certain conditions

(iii) Car Financing Scheme for officers occupying posts in the *management echelon* (ie those officers who are in receipt of an annual salary of R54 954 fixed and higher) The amount payable varies for each level as it is based on an officer's grading

Full-time employees

149 Mr R M BURROWS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) What was the total number of persons employed in a full-time capacity in his Department as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels in his Department, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in his Department with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES

(1) 857 specified date 10 June 1987

(2) (a)

Post level	Number of persons employed
1	1
2	1
3	4
4	19

(2) (a)

Post level	Number of persons employed
5	59
6	1
7	32
8	1

(b) (i) 112

(ii) 6

(c) Whites 118,
Coloureds Nil,
Indians Nil,
Blacks Nil

(3) (a)

Post level	Salary scale with effect from 1 July 1987
1	R119 136
2	R70 017
3	R62 199
4	R54 954
5	R43 389 × 1 830 – 47 069
6	R32 445 × 1 179 – 41 958
7	R34 803 × 1 431 – 39 096
8	R34 803 × 1 431 – 37 665

(b) (i) Annual Service bonus that amounts to 93% of one month's salary

(ii) Housing Subsidy on interest and capital redemption up to a maximum of a housing loan of R50 000,00, subject to the compliance with certain conditions

(iii) Car Financing Scheme for officers occupying posts in the *management echelon* (ie those officers who are in receipt of an annual salary of R54 954 fixed and higher) The amount payable varies for each level as it is based on an officer's grading

Full-time employees

150 Mr R M BURROWS asked the Deputy Minister of Information:

(1) What was the total number of persons employed in a full-time capacity in the Bureau for Information as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels in the Bureau, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in the Bureau with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

The DEPUTY MINISTER OF INFORMATION

(1) 499 specified date 4 June 1987

(2) (a)

Post level	Number of persons employed
1	1
2	3
3	8
4	21
5	39
6	0
7	50
8	5

(b) (i) 84

(ii) 43

(c) Whites 122,
Coloureds 1,
Indians 3,
Blacks 1

(3) (a)

Post level	Salary scale with effect from 1 July 1987
1	R70 017
2	R62 199
3	R54 954
4	R43 389 × 1 830 – 47 049
5	R33 624 × 1 179 – 34 803 × 1 431 – 37 665
6	R30 087 × 1 179 – 34 803
7	R25 371 × 1 179 – 30 087
8	R20 646 × 789 – 23 013 × 1 179 – 25 371

cartridges at the scene.

New Iscor deadline

ALAN FINE

ISCOR yesterday agreed to extend the deadline of its ultimatum to 6 500 striking Vanderbijlpark workers from last night to 10pm on Monday, to enable them to consider a new company proposal, said an Iscor spokesman.

At a meeting yesterday, requested by the National Union of Metalworkers of SA (Numsa), Iscor said it would agree that the wage dispute which triggered the 18-day-old strike be referred to mediation.

However, it made this conditional on the union accepting three conditions: that members return to work; that the union again explains the Iscor wage proposal to them, and that the union withdraws the official dispute it has declared, the spokesman said.

Numsa requested additional time to discuss the proposal with members, and the ultimatum was then extended.

Numsa could not be reached for comment.

Political comment in this issue by Ken Owen Newsbills by Michael Acott Headlines and sub-editing by Michael Allwright All of Times Media Ltd, 11 Diagonal Street, Johannesburg

ST Times 9887

SABC scraps Anglo book ad

260

By ANN PALMER

A RADIO ad for a controversial new book about the Anglo American Corporation and the Oppenheimer family was withdrawn this week.

The SABC's general manager in charge of advertising, Mr Jack Hobbs, said the reason for the suspension was 'a copy anomaly'.

"The ad in its present form is not a true reflection of what is inside the book," he said. The corporation would consider airing a revised version of the commercial.

One of the publishers of the book, Mr Howard Dalton, believes the SABC had come under great pressure after Monday's flighting of the ad during the Radio Today Update programme.

He said one line in the ad, implying that "South Africa Inc The Oppenheimer Empire" might reveal underhand dealings, had given offence.

Rumours

PR manager for AAC, Mr Neville Huxham, said it was company policy not to react to rumours.

Earlier this week, Anglo issued a statement about the book, written by David Pallister, Sarah Stewart and Ian Lepper, saying it was an unfair attack on a respected SA family and the organisation it founded.

"By its selective presentation the book deliberately sets out to demean the considerable efforts made by Mr Harry Oppenheimer, his father, Ernest, and his close business colleagues."

Responding to the statement, two of the authors, Mr Pallister and Mr Lepper, said their information was that AAC, having found the book's thoroughness and accuracy dangerous, was now trying to misrepresent the authors' motives.

● Book review: Page 28

Strikes suspended at Iscor, SAB

ALAN FINE

WORKERS at Iscor's Vanderbijlpark plant have agreed to suspend their three-week-old strike and return to work today after agreement that their wage dispute be referred to mediation.

The accord was reached yesterday between management and the National Union of Metalworkers of SA (Numsa).

A Numsa spokesman said mediation would begin as soon as possible. He said Iscor had agreed that, should mediation fail to resolve the dispute, the 6 500 workers would be entitled to resume strike action.

SAPA reports the strike at the SA Breweries' Bloemfontein brewery ended yesterday when 160 employees returned to work.

The dispute involved an incident between a white supervisor and a black employee. A disciplinary hearing has fallen away as the supervisor has resigned.

But the striking employees have declared a dispute over SAB's "No work, no pay" policy, which came into effect during the strike. A hearing on this matter has been arranged for August 19.

Labour Update

ISCOR WORKERS RETURN

By THEMBA MOLEFE

THE 7 000 Iscor workers who downed tools over wages 22 days ago return to work today. They will not take any industrial action against the corporation until the dispute has been settled.

The workers resolved at a meeting yesterday that they still demanded a 75 cents hourly increase instead of the 33 cents offered by management

Iscor and Numsa deadlocked over wages with the corporation insisting it had a reasonable offer

Iscor public relations manager, Mr Piet du Plessis, said Numsa and Iscor agreed yesterday that the union and its members would not take any industrial action before the outcome of a mediatory hearing This would be in the near future, he said

The thousands of workers, however, began returning to their posts at 10pm last night.

The rest will be back at work today, workers resolved yesterday

Numsa spokesmen could not be reached for comment on yesterday's developments

Mr Du Plessis said that Iscor still stood by its June 15 offer which would now be implemented as of July 1.

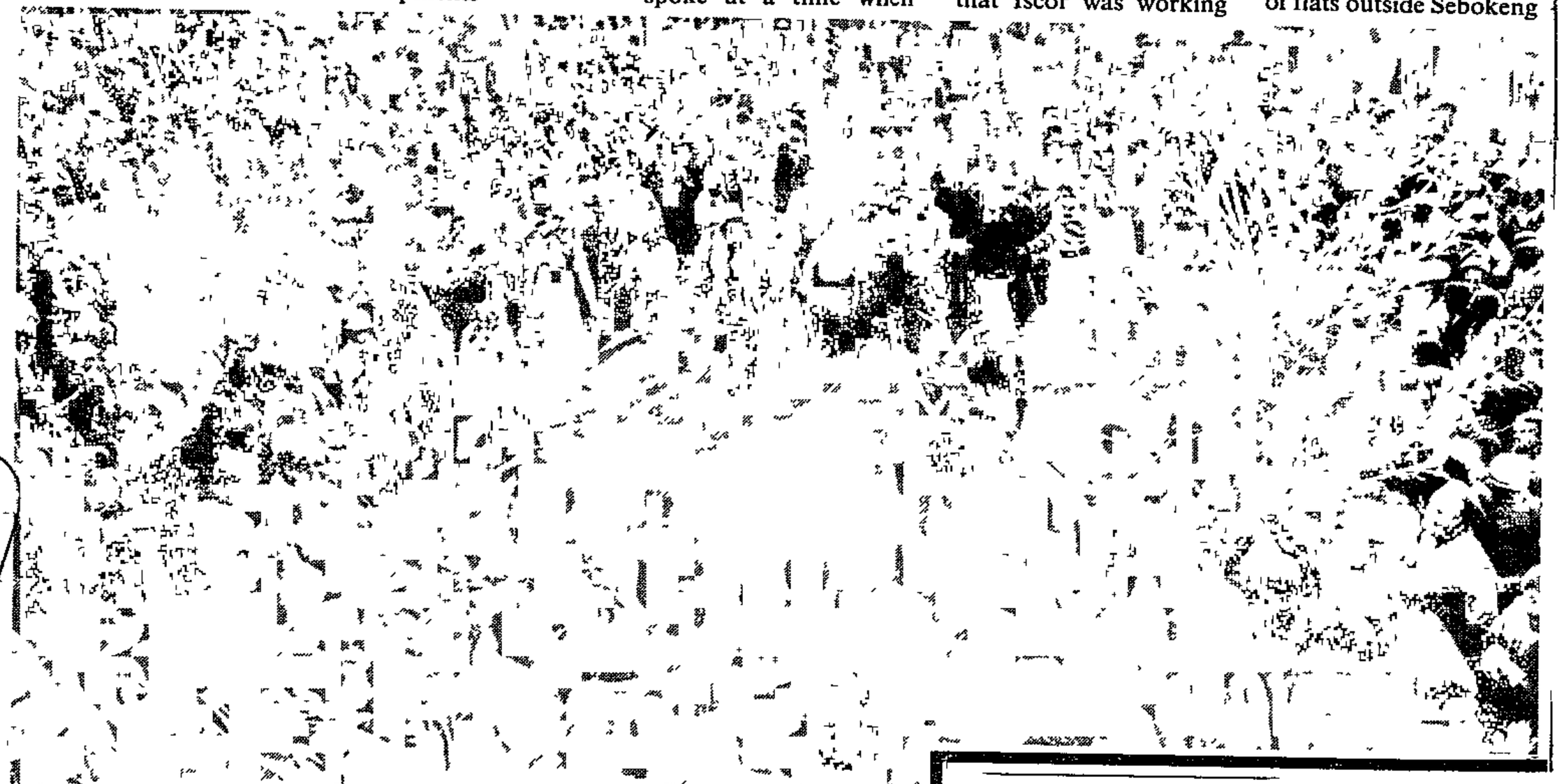
But he said that he spoke at a time when discussions were still continuing.

• Meanwhile, Iscor was concerned about the giant corporation's output during the strike

The spokesman said the action had slowed down production and that Iscor was working on a "shoe-string" manpower force

He said that production would last Iscor for another two weeks at the minimum

The Numsa members, who live in a posh block of flats outside Sebokeng township in the Vaal, pledged their support to the 75 cents hourly increase at a meeting characterised by cultural activitiy yesterday.



ISCOR workers at Vanderbijlpark yesterday before the decision to return to work. An Industrial Court hearing is scheduled to determine the dispute.

Iscor, Numsa reach agreement

Iscor and the National Union of Metalworkers of SA (Numsa) negotiators today agreed that almost 7 000 striking Vanderbijlpark plant workers return to work while negotiations continued, an Iscor spokesman said.

The strike follows Numsa's rejection of a wage increase package.

Iscor spokesman, Mr Piet du Plessis, said in terms of the agreement, employees would return to normal shifts from tomorrow.

Union officials were not available for comment at the time of going to press.

Escom coal supplies disrupted

By Therese Anders, Highveld Bureau

As the NUM strike enters its third day, coal supplies to more than half Escom's Transvaal power stations are being disrupted.

Escom's chief executive, Mr Ian McRae, said there would be no immediate effect on electricity supplies. He said adequate stockpiles existed at all power stations.

"This strike has not caught us unprepared and we will continue to operate our power station in the normal way," said Mr McRae.

The NUM's assistant general secretary, Mr Marcel Golding, said union members claimed power stations had stockpiles to last only two weeks.

The coal mines feeding seven of Escom's 11 operating Transvaal power stations have been hit by strike action.

One of the largest generating giants at Matla near Bethal was today into its second week of disrupted coal supply.

The 2 500 black miners at Gencor's underground Matla coal mine stopped work last Wednesday over what they claimed was pre-strike action by mine management.

The other Transvaal "new generation" Escom station affected is Tutuka near Standerton, where Anglo American's New Denmark Colliery has had a reported 100 percent stayaway.

Other power stations facing coal shortages are Komatie, Hendrina and Arnot near Middelburg, Kriel near Bethal and Wilke near Witbank.

In the Free State the Anglo American mine New Vaal, supplying Escom's new Lethabo station, was also hit by the strike.

Coal was bought by Sasol from many strike-bound mines for the Secunda petrol-from-coal plant, though a spokesman said the amount was little in comparison to Sasol's needs.

Sasol owns five coal mines. The four near Secunda make up what is believed to be the biggest underground coal mining operation in the world.

Sasol takes 36 million tons from its mines each year.

260 Star 12/8/87

ECC warns SABC on rescreening programme

The End Conscription Campaign (ECC) has warned the SABC it will take legal action against a repeat screening of the "Network" programme on the African National Congress, originally screened on July 21.

The ECC claims the programme, in which statements were made linking the "end conscription campaign" to the ANC, is defamatory.

In a lawyer's letter to the SABC, the ECC is demanding the SABC refrain from rescreening the programme in the form it was seen on July 21.

The alternative demand is that, if the SABC intends to air the programme unchanged, it should give the ECC sufficient warning for the organisation to apply to the Supreme Court for an order outlawing the repeat screening.

Approached for comment a SABC spokesman said: "The SABC does not comment to a third party where possible legal implications are involved.

Mr Gavin Evans, a spokesman for the ECC, said the organisation viewed the programme as part of a disinformation drive against it.

Coal supplies could be disrupted

Steelmakers eye miners' strike

HAMISH McINDOE

STEELMAKERS are nervously watching the miners' strike as a long dispute could cause a severe shortage of coking coal used in the furnaces.

Highveld Steel and Vanadium chairman Leslie Boyd said there was "some concern" over the strike, but the steel division was being supplied with coking coal from mines that had not been hit by the dispute.

Boyd said: "We're comfortable at the moment." He would not elaborate.

Middelburg Steel and Alloys' (MSA) marketing director Leo Melvill, clearly regarding the strike as sensitive as sanctions, issued a flat "no comment" on its coking coal provisions during the strike.

He said: "All I can say is that we keep stock on ground and our operations are based on business decisions."

MSA understandably does not want to identify its supply sources which could become a target of more National Union of Mineworkers (NUM) action.

Observers said steelmakers should have realised by end-June that a coal miners' strike could materialise and started stockpiling from then.

Iscor's steelmaking division is unlikely to be affected by a shortage. The corporation owns four coking coal mines which supply its steel plants and NUM representation on those mines is said to be minimal.

Iscor spokesman Piet du Plessis said: "The worst scenario is a sympathy strike, but that does not appear to be on the cards at this stage."

Iscor produced 3,9-million tons of coking coal at its Grootgeluk, Durnacol, Hlobane and Tshikondeni mines last year.

It is not clear whether Iscor would supply the competition in the event of a total cut in coking coal supplies caused by the strike.

☐ The Transvaal Coal Owners' Association has a contract with Japanese steelmakers to supply about 2-million tons of semi-soft coking coal. It is believed the contract is spread among several producers.

CSIR happy in role as partner of industry

DAVID FURLONGER

THE decision to make the Council for Scientific and Industrial Research (CSIR) market-orientated, and an active partner of industry, made 1986-87 a "watershed year", says president Chris Garbers.

He says in the annual report that the change of direction, in which the CSIR will support an industrial policy of practical technology transfer, was necessary to cope with new needs.

"The international technology marketplace is growing more and more competitive, so that to survive and flourish, local industry will require a higher level of support than ever before"

The report says CSIR spending last year totalled R226m. Of that, 68% went on research and development, and the remainder on "other scientific and technological activities".

Among CSIR successes during the year, says Garbers, were the development of low-cost fire retardants for mining timber, a breakthrough in energy storage, development of a new steel for the manufacture of rock-drills, and new building methods for low-cost housing on severely expansive clay soils.

ANDY: David Anderson ... by himself.

Cartoonists draw their own conculsions

Which is mightier, the pen or the sword? Neither. It's the SABC.

Some time ago, someone at the corporation had the idea to put together a documentary featuring top newspaper cartoonists talking about and demonstrating their work, along with the comments and reactions of some of their political targets.

The cartoonists they selected were top names — David Anderson, Dov Fedler, Abe Berry, Richard Smith and others well known for their ascerbic political wit, especially when directed against the Government and the Establishment.

The personalities chosen to join them were people such as Dr Piet Koornhof, Dr Van Zyl Slabbert and Professor Fred Mouton.

In theory it was a great idea. The makers were pleased with their programme and gave it the title "Mightier Than The Sword".

DON ALBERT

So confident were they of its excellence that a Press release was sent out announcing that it would be screened on TV1 on Thursday night.

The publicity said: "Freedom of expression of the artists themselves is examined and they comment on the effectiveness of cartoons. Their targets, like Dr Koornhof, also express their reactions."

But then somebody else, presumably higher up, got to hear of all of this and decided to take a look. He demanded to be given a viewing.

It was then that the hierarchy realised what was about to happen.

The corporation immediately decided to pre-empt the cartoonists and draw the line itself. The programme was eventually replaced by "Visions of War".

As for explaining the pre-emptory action, all that an SABC spokesman would tell me was that it was "being edited" and, for the rest "no comment".

It all sounds like a cover-up, especially as the programme was made more than two years ago and was scheduled for screening months ago.

Dov Fedler said: "I never thought the programme would go out anyway. All we get fed on SABC-TV is pap and with the exception of 'The Living Planet' and the weather report, there is nothing that stimulates the mind."

Said Dave Anderson, whose work appears under the pseudonym "Andy": "The title of the programme explains it all. The pen is obviously mightier than the sword as far as the SABC is concerned. The pen, it seems, was simply too strong for Auckland Park."

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Post 17/8/87

Sasol worker killed, 2 hurt in 'bid to force a strike'

JOHANNESBURG — A Sasol worker was killed and two others injured yesterday in an incident at the Secunda plant, Sasol said today

Sapa reports that the company said the incident occurred when some workers resisted attempts by the Chemical Workers Industrial Union to gain support for a planned strike

The company's media manager, Mr Jan Krynauw, said the strike involving 15 000 workers at plants and collieries at Secunda had failed

Discussions between the CWIU and Sasol deadlocked last week on the issue of paid holidays

□ □ □

THE Chamber of Mines said today it would not reopen wage increase negotiations with the National Union of Mineworkers (Num), though it was prepared to negotiate on certain working conditions

□ □ □

THE Num and Anglo American management were meeting today to discuss the violence surrounding the seven-day-old miners' strike, which, according to one estimate, has cost the gold mining industry R90 million

The meeting follows days of strike-related violence which has resulted in the injury of about 240 strikers and the arrest of about 200 workers.

A total of 24 Num members were injured in weekend clashes with mine security at Anglo's Vaal Reefs Gold Mine and at Gencor's Matla colliery

According to the independent Labour Monitoring Group (LMG), the strike is costing three of the worst affected mines about R17 million a day

The Chamber of Mines has declined to comment on the LMG estimate

The Congress of SA Trade Unions (Cosatu) also meets today to discuss solidarity action with striking mine workers Cosatu's biggest region, the Witwatersrand, said in a statement, that it condemned the use of the security forces and mine security to "attempt to break the legitimate strike"

□ □ □

THE Post's news staff report that negotiations between Mercedes-Benz of South Africa and the union representing striking workers' at its East London plant — the National Union of Metal Workers (Numsa) Automobile and Allied Workers' Union (Naawu) — are scheduled to resume

This follows an industrial court decision last week to overturn an earlier interdict granted to the company

The Post last week put questions to the company concerning the extent of losses, but has not received a reply

But in a telexed statement at the weekend, Mrs Delene MacFarlane, public relations manager for Mercedes, referred to the industrial court decision and confirmed that negotiations would resume

□ □ □

THE Department of Posts and Telecommunications has promised to issue a statement soon in response to statements made at rallies held by striking Post Office workers at the weekend One of the rallies was held in Port Elizabeth.

The rallies heard proposals about returning to work made by the Minister of Post and Telecommunications, Mr Stoffel Botha, to a (Post and Telecommunications Workers' Association (Potwa) delegation

But resolutions were passed saying the workers could not return to work until "at least the main grievance of parity is met"

BBC pressurised to stop sales to SA

Dispatch Bureau

LONDON — A Labour MP, Mr Bob Hughes, is seeking a meeting with BBC bosses to demand that sales of all TV programmes to South Africa be stopped.

At present, news and current affairs programmes are sold to South Africa, although a ruling by the actors' trade union, Equity, bans its members' work from the Republic.

But radical members in the broadcasting and TV unions, as well as the Anti-Apartheid Movement (AAM), want to stop all material from going to South Africa.

Mr Hughes, who is chairman of the AAM, said at the weekend: "In the current climate, when we cannot report freely from South Africa, it is absolutely disgraceful that we should be selling programmes to the country."

The sale of news and documentary programmes to South Africa has continued even though the BBC's South Africa correspondent, Mr Michael Buerk, was told to leave South Africa in May.

The BBC are coming under increasing pressure to stop sales to South Africa.

Sasol seniors didn't attack

JOHANNESBURG. — The Chemical Workers' Industrial Union had no intention of defaming the directors and senior managers of Sasol and never alleged their involvement in vigilante attacks on its members, the CWIU said in a statement yesterday.

Branch secretary Mr Chris Bonner said in a statement to Sapa, however, that there was evidence "to suggest that certain members of lower management were involved in organizing and/or condoned the attacks on our members".

"The CWIU has informed Sasol accordingly and has proposed that an independent commission of inquiry be set up to look into the attacks ..."

The statement suggested the inquiry be "headed by a senior member of the Johannesburg Bar". — Sapa

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Schoolchildren help to deliver the mail

The Argus Correspondent

JOHANNESBURG — As postal services continue to be disrupted in many areas by a three-week-long strike, schoolchildren and temporary postmen have been hired to deliver mail in some areas.

A Post Office spokesman said schoolchildren had been employed on a temporary basis to help out with delays in mail deliveries on the Witwatersrand Schoolboys are also helping with deliveries in Welkom and Riebeeckstad in the Free State.

The department has opened post restante offices in the Johannesburg suburbs of Wynberg and Lombardy East, as well as in Alexandra township where people could collect their mail

CP wants SABC to lose operating licence

Post Correspondent

PRETORIA — The official opposition Conservative Party is planning to demand the withdrawal of the SABC-TV operating licence because it is allegedly being used as a National Party propaganda machine

A Member of Parliament, Mr Fanie Jacobs, addressing delegates at the party's Transvaal congress in Pretoria yesterday, said the party had done an in-depth analysis of the SABC and had come up with some "shocking findings"

"I won't let the cat out of the bag by disclosing any of our ammunition now We are planning to get stuck into the SABC when its vote is discussed in Parliament next Monday or Tuesday," he said

● The congress also called for the reintroduction of influx control, job reservation and segregated sport and hotels

In other resolutions adopted, calls were made for the transfer of "socialistic welfare state" benefits from South Africa's blacks to underprivileged or working class whites

And one resolution specifically dealt with the need for whites to have more children to prevent the possibility of whites becoming "an extinct species"

(ii) *Local Authorities*	*Wards*
Dipelaneng (Hobhouse)	6
Tikwana (Hoopstad)	6
Ratanang (Jacobsdal)	6
Itumeleng (Jagersfontein)	7
Tlholong (Keştell)	4
Ditlhake (Kofffefontein)	6
Kwakwatsi (Koppies)	5
Maokeng (Kroonstad)	15
Manyatseng (Ladybrand)	7
Ntha (Lindley)	5
Moemaneng (Marquard)	6
Zamani (Memel)	4
Kutlwanong (Odendaalsrus)	7
Metsimaholo (Oranjeville)	4
Tumahole (Parys)	8
Fateng-Tse-Ntsho (Paul Roux)	6
Bohlokanang (Petrusburg)	5
Mamafubedu (Petrus Steyn)	4
Qhoweng (Reddersburg)	5
Petsana (Reitz)	5
Poding-Tse-Rolo (Philippolis)	6
Mautse (Rosendal)	6
Rweleleyathunya (Rouxville)	6
Matwabeng (Senekal)	6
Tshepanong (Smithfield)	6
Ikgomotseng (Soutpan)	5
Mophodi (Springfontein)	6
Maiwangtlwang (Steynsrus)	5
Masilo (Theunissen)	6
Madikgetla (Trompsburg)	6
Mafahlaneng (Tweeling)	4
Borwa (Tweespruit)	6
Thapelang (Vanstadenrus)	5
Tswelangpele (Ventersburg)	6
Tshepong (Verkeerdevlei)	5
Rammulotsi (Viljoenskroon)	5
Qalabotjha (Villiers)	4
Meloding (Virginia)	7
Thembalihle (Vrede)	7
Mokwallo (Vredefort)	5
Ezenzeleni (Warden)	4
Thabong (Welkom)	9
Qibing (Wepener)	6
Monyakeng (Wesselsbron)	6
Makeleketla (Winburg)	6
Matlakeng (Zastron)	6

(2) No *general elections* have been held for these local authorities since their conversion from community councils and local committees to town committees and local authority committees respectively by section 2 (3) of the Black Local Authorities Act, 1982 (Act 102 of 1982)

(3) Falls away

Cape Peninsula. housing units

280 Mr K M ANDREW asked the Minister of Constitutional Development and Planning

(1) (a) How many housing units for Black occupation were built in the Cape Peninsula in 1986 and (b) what is the number to be built in this area in 1987,

(2) (a) what was the estimated shortage of housing for Black families in the Cape Peninsula at the end of 1986 and (b) when is it expected that the shortage of housing for Blacks in this area will be eliminated?

The MINISTER OF CONSITUTIONAL DEVELOPMENT AND PLANNING

(1) (a) 622

(b) 86 houses were built by the private sector up to 31/7/87 As the provision in general of housing as such is no longer the responsibility of the State it is not possible to indicate accurately the number of houses to be built during the remaining months of 1987

(2) (a) 34 700

(b) A definite reply to this question cannot be furnished as it depends on the participation of the private sector and the availability of State funds for the purchase of land and installation of infrastructure

Old/New Crossroads

281 Mr K M ANDREW asked the Minister of Constitutional Development and Planning

(1) What is the latest estimate of the (a) *de facto* and (b) *de jure* Black population of (i) Old and New Crossroads, respectively, and (ii) each specified other township in the Cape Peninsula in respect of (aa) adult males and females, respectively, and (bb) children,

(2) how many persons in each category were (a) employed and (b) unemployed at the time the estimate was made,

(3) what is the date of this estimate?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) (a), (b), (i), (ii), (aa) and (bb) As a result of recent riots and faction fighting many people have moved from these areas to other towns No reliable population statistics are therefore available The Black local authorities in collaboration with the CPA are at present busy conducting a population survey and final figures are not available yet

(2) Figures are not available as Blacks are no longer required to register for employment

(3) 31 July 1987

Express train services

292 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

Whether his Department has commissioned a study regarding the introduction of express train services between the self-governing territories and the White industrial areas, if so, (a) when and (b) what were the findings?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

No

Television sets

295 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services:

Whether his Department conducts surveys on the estimated number of television sets in the Black urban areas of the Republic, if not, why not, if so, how many such sets (a) were there as at the latest specified date for which figures are available and (b) were unlicensed as at that date?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES

(a) and (b) The Department itself does not do surveys of this kind The SABC does, however, keep a record of television licencees As private households are individually licensed, and not television sets as such, it is not known how many television sets there are in Black urban areas

The Corporation constantly revises its records by means of returns that are provided by television dealers and by inspections done by an inspectorate of the Post Office As a result of conditions of unrest in Black areas, it is possible for the Post Office to carry out only limited inspections in those areas Consequently, it is impossible to determine with any degree of certainty how many licensed households there are in those areas

A house to house inspection that was carried out during 1986, as far as circumstances allowed indicated that there were about 10% pirate viewers in the whole of the Republic during that year This represented a loss of approximately R11-12 million rand

According to information that the Corporation has obtained from various overseas broadcasting authorities, the figures for pirate viewing in these countries are as follows

England	8%
Ireland	18%
Israel	25%
Italy	17%
Austria	13%

This problem is thus not confined to South Africa

The Board of the SABC recently appointed a special subcommittee to investigate the collecting of licence fees in general and pirate viewing in particular

Voters' roll

300 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

(1) Whether it is possible for a voter to be listed on more than one voters' roll, if so why,

(2) whether any voters were so listed on voters' rolls drawn up for the purposes of the general election held on 6 May 1987 if so, (a) how many and (b) what steps have been or are to be taken to prevent this happening in the future?

The MINISTER OF HOME AFFAIRS

(1) and (2) Yes In terms of section 6 of the Electoral Act 1979 (Act 45 of 1979), voters' lists are being compiled from the Population Register since 3 June 1985

In order to switch from the old to the new system, the voters lists in force immediately prior to 3 June 1985 were compared with the eligible voters in the Population Register The old lists contained approximately 80 700 voters whom could not be accounted for in the Population Register

To prevent these persons from being disfranchised, transitory arrangements were made in section 4 of the Electoral Act, 1979 as amended by section 11 of Act 103 of 1984 in terms of which a person shall not be debarred from being registered as a voter or to vote in the division in which his ordinary place of residence is situated, provided that he satisfies the electoral officer in the area in which that division is situated—

(i) that he has applied for an identity document in accordance with the Population Registration Act, 1950 (Act 30 of 1950), *or*

(ii) that he was registered as a voter at that place of residence according to a voters' list which was in force immediately before the commencement of this paragraph

In terms of section 4 (3A) of the Electoral Act the aforementioned measures shall lapse immediately after a general election for the Houses of Parliament has been held in pursuance of the first dissolution of Parliament under section 47 (1) of the Constitution

The hon member is referred to the House of Assembly Debates on 18 June 1984

HoA

(Hansard Column 9 298) where this matter was explained fully by my predecessor

Due to the transitory measures concerned, the approximately 80 700 voters have been transferred from the old system to the new voters' lists, despite the fact that some of them have been included in the lists via the population register

This was due mainly because the old entry could not be positively linked with any corresponding new entry as —

* names were spelt differently,
* marriages of women took place since their registration as voters under the old system;
* first names differed, or were incomplete,
* dates of birth differed

Various methods were employed to eliminate possible duplicate entries in the new voters' lists, for example —

* possible corresponding entries were linked and original documentation consulted to compare signatures and other data,
* letters were mailed to all voters whose names still appear in the old voters' lists, requesting them to apply for identity documents,
* officers of the Department visited the addresses appearing in the old voters' lists in an attempt to trace voters

Through all its efforts the Department succeeded in educing the number of voters carried forward from the old voters' lists, from approximately 80 700 to approximately 59 700 The Department is satisfied that the latter figure mainly comprises of—

(a) persons who have still not applied for identity documents;

(b) persons who are deceased, but whose particulars registration of deaths can not be positively linked with entries on the old voters' list,

(c) women who married since their registration as voters under the old system,

(d) persons who have left the country permanently, and

(e) persons whose dates of birth on the old voters' list do not correspond with the dates of birth as it was included in the Population Register

Duplicate entries may still appear in the voters' lists in respect of voters falling in category (c) and (e) above

Voters' roll

301 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

(1) Whether it is possible for a voter's name to appear more than once on one particular voters' roll, if so, why,

(2) whether any voter's name so appeared on a voters' roll drawn up for the purposes of the general election held on 6 May 1987, if so, (a) how many and (b) what steps have been or are to be taken to prevent this happening in the future?

The MINISTER OF HOME AFFAIRS

The hon member is referred to the reply to question 300 which is also applicable to this question

Males/females: citizenship

317 Mr S S VAN DER MERWE asked the Minister of Home Affairs

(1) How many (a) males and (b) females have been granted automatic South African citizenship in term of section 11A of the South African Citizenship Act, No 44 of 1949, since the enactment of this section,

(2) whether any persons who qualified for South African citizenship in terms of this legislation have made declarations stating that they do not wish to become citizens, if so, how many (a) males and (b) females have made these declarations since the enactment of this section,

(3) whether any action has been taken in respect of the permanent residence status of persons who have made

HoA

Sowetan 26/8/87

Escom to speed up extension of electricity

ESCOM is to intensify its effort to significantly boost the quality of life to millions of people — mainly black — by speeding up electrification of South Africa's developing urban and rural areas, it was announced yesterday.

By JOSHUA RABOROKO

Escom's chief executive, Mr Ian McRae, said at a Press conference in Johannesburg that more than 20 million people in South Africa still did not enjoy the benefits of electricity in their homes

He said "As a result, vast areas of our country are being denuded of trees by burgeoning rural populations desperate for fuel Where wood is not available, particularly in urban areas, coal and paraffin are the expensive alternative

For these people, the convenience of an electric light, a hot plate, a heater or an electric kettle is still a remote dream

Escom has the resources and the will to begin to confront this enormous challenge, but the two major obstacles centre on overall coordination of financing We would be happy to facilitate a quest for solutions to overcoming these obstacles

He said the initial thrust of the programme should be directed at urban areas adjacent to the fully electrified towns and cities The cost of electrifying about 60 townships with an estimated 3 million residents could be in excess of R700 million, if present standards and technologies were applied

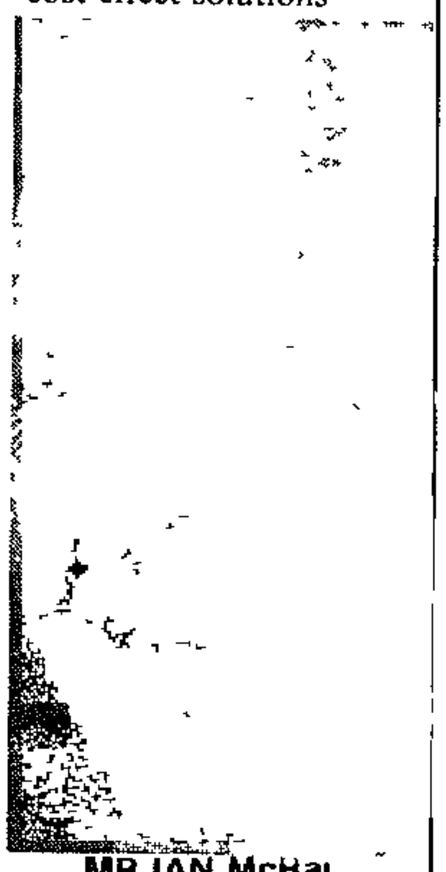
Mr McRae said "Escom was recently asked to advise on the electrification of Alexandra Township near Sandton Instead of simply laying down standard specifications, our engineers and architects took a completely fresh look at the problems and opportunities associated with the rapid upgrading of a disadvantaged urban area

The gist of their finding was that a total strategey is needed to address the enormously complex problems of the community as a whole Perhaps the most important point is that conventional technology, standards and systems cannot simply be imposed on such areas

Appropriate and innovative alternatives have to be found and we believe our experience in Alexandra, and research done in other townships and rural areas, provides models which can be applied anywhere in South Africa

He said urban and rural areas could be rapidly and cheaply electrified by the use of appropriate technology such as aerial conductors, pole mounted transformers and prepaid metering systems

He said Escom's experience in Alexandra had shown that electrification could not take place in a vacuum Upgrading of community standards must be tackled at the same time — the stress should be on simple, workable and cost effect solutions



MR IAN McRae

uld, er at its agricultural value — Sapa | Kahn's SAB had equalled or improved

Iscor refuses to comment on 'secret deal with Israel'

ISCOR yesterday refused to comment on a London newspaper report that it had signed a secret five-year contract to supply steel to Israel and was sending the metal through a Swiss company set up for the purpose

The Guardian newspaper quoted a left-wing Israeli politician as accusing the Geneva-based company, Talronics, of being a front for Iskoor, an Israeli steel processor in which Iscor is reputed to hold a 49% stake

Iscor is known to have sought increased exports to the Middle East in response to US and European embargoes on SA steel

However, a spokesman said yesterday of the Guardian's allegations "We don't discuss our overseas business"

He said the company would not comment on Iscor's alleged stake in Iskoor, on the level of steel exports to Israel, on the existence of a steel supply contract, or any dealings with Talronics

DAVID FURLONGER

SAPA reports that the Guardian said yesterday "Most of Israel's steel imports come from SA, and 49% of Iskoor is owned by Iscor The other 51% is held by Tel Aviv-based Koor Industries which is owned by the Israeli labour federation, Histadrut

"Although the Histadrut has pledged to sign no new contracts with SA, Iskoor last year signed a five-year steel supply contract with the South Africans

"It is believed the Geneva company may have been set up to disguise the continuing relationship"

Cheap electricity plan for developing areas

By Rob Nuttall

Escom is engaging in intricate plans to launch a cheap electricity supply to South Africa's developing urban and rural areas.

At a Press conference in Johannesburg yesterday, Escom chief executive Mr Ian McRae announced a plan which could bring simple electricity to thousands of black homes at a household cost of about R1 160 and at an estimated total of R348 million for 60 non-electrified townships.

The plan is to provide electricity on pole-borne cables and conductors and on pole-mounted transformers. Each house would be fitted with a single connection box allowing installation of a single light fitting and plug outlet.

Mr McRae said conventional electricity reticulation would cost more than R700 million.

The revolutionary plan does away with underground cabling, miniature substations, individual house metering and billing and an electricity load base of 60 to 80 amps a house.

The scheme would involve flat-rate billing or pre-paid metering systems. It eradicates the need for complete wiring of a house, at a cost of several thousand rand, replacing it with simplified wiring at a cost of between R150 and R300.

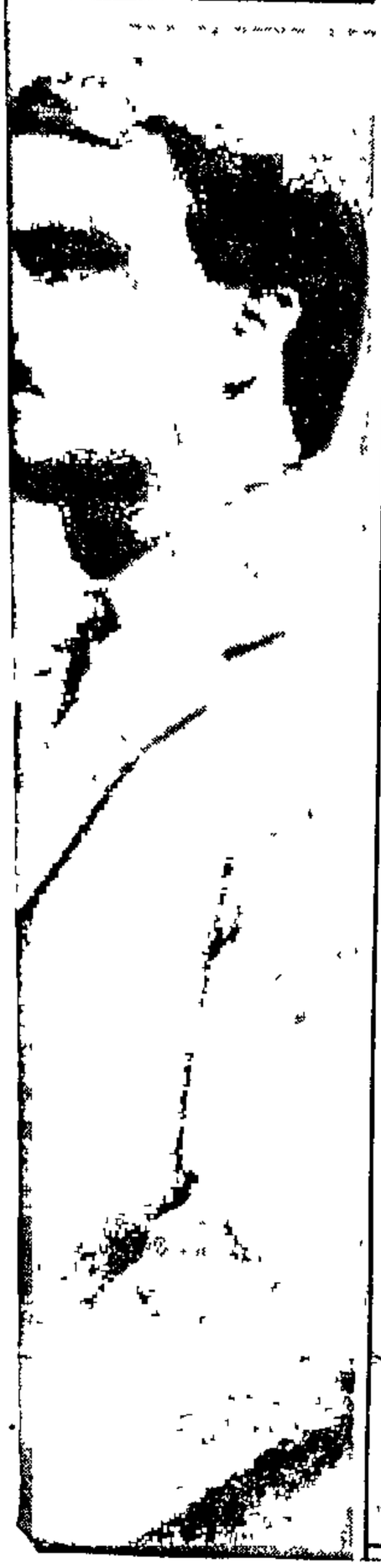
South African regulations and designs are generally appropriate to a highly sophisticated First World society.

"Their application to Third World areas unnecessarily increases costs and the time needed for implementation."

He said the prime fuels used in non-electrified areas were wood, coal, paraffin and candles.

Collecting wood was time-consuming and was denuding the countryside. Paraffin was nine times as expensive as electricity, candles four times and coal twice as expensive.

court



SABC head sacked — rumour

Political Staff

THERE is speculation that Mr Riaan Eksteen, head of the SABC, has been fired because the Rev Allan Hendrickse was given television time to explain his resignation from the cabinet

Mr Eksteen is in Cape Town today for the SABC's budget debate in Parliament

Mr Pieter Cronje, a senior member of Mr Eksteen's staff, declined to comment when approached about the possibility that Mr Eksteen had been dismissed

Mr Cronje said Mr Eksteen and his officials would be in Cape Town for the duration of the budget debates on the SABC This would seem to indicate that the speculation about Mr Eksteen's dismissal is incorrect, or that he has been given a period of grace

Degree of dissatisfaction

Mr Eksteen was appointed to head the SABC when the Minister of Foreign Affairs, Mr Pik Botha, was in charge of the service

Responsibility for the broadcasting services has been shifted to Mr Alwyn Schlebusch, which seemed to indicate a degree of dissatisfaction with what the SABC was broadcasting and the way in which it was being controlled

If speculation about Mr Eksteen's dismissal is correct it would appear to indicate that Mr Schlebusch or the State President, Mr P W Botha, has been incensed by the coverage the SABC allowed Mr Hendrickse to justify his resignation

It is understood there was exception to the SABC's presentation that the State President had "accepted" Mr Hendrickse's resignation rather than it being presented as a forced resignation

Mr Eksteen could not be traced late last night

● TV licence fees to go up again? — Page 3

SABC chief may be replaced

By TOS WENTZEL
Political Correspondent

INDICATIONS were increasing today that the Director-General of the SABC, Mr Riaan Eksteen, is being replaced — but there has not yet been official confirmation

Rumours about this were rife in political and media circles

Mr Alwyn Schlebusch, the Minister in the State President's Office responsible for broadcasting services, declined to comment on reports that Mr Eksteen had been dismissed

When the report was put to him today he said he had no comment as all matters to do with the employment of staff and service conditions fell exclusively under the corporation

LED TO DECISION

In SABC circles the impression was that some action had been taken against Mr Eksteen, but he was not available for comment

Initially source close to the President's office dismissed suggestions that the way in which the resignation of Mr Allan Hendrickse from the Cabinet was covered by SABC-TV on Monday night finally led to the decision to replace Mr Eksteen

Mr Riaan Eksteen

From other sources, however, it emerged that on Monday night the SABC received a complaint from President Botha's Office while the 8pm television news bulletin was still in progress

Mr Hendrickse was being interviewed and, in all, about 11 minutes were given to the report (Earlier this year the SABC gave about 23 minutes of television time to President Botha's repudiation of Mr Hendrickse following the Port Elizabeth swimming incident)

President Botha's objection to the bulletin was apparently about the emphasis placed on the resignation

The SABC report stated that he had accepted Mr Hendrickse's resignation while President Botha maintained that it should have reported that Mr Hendrickse had been left no choice and that he had been forced to resign

The SABC was also told to repeat the exchange of letters between the two in the same bulletin This was done about 8 30pm and on breakfast TV

The step against Mr Eksteen was apparently the culmination of Government complaints about the SABC's political coverage, especially during the May general election campaign

In some Nationalist circles the feeling was that too much time was given to opponents of the National Party and that they were being given too easy a run

The management committee of the SABC was meeting in Cape Town today

The chairman of its board, Mr Brand Fourie, and other top management figures are in Cape Town for the discussion of the SABC budget vote in Parliament

An announcement is expected later today

Hundreds could face sack at Iscor

SMM 26/8/87 260

Pretoria Bureau

The jobs of hundreds of Iscor employees could be in jeopardy in terms of a rationalisation plan which the corporation is considering.

A spokesman for Iscor confirmed today that the detail and extent of what such a plan might contain was still being considered.

"The top management is still considering the possibility of rationalisation and the situation is such that no detail information is available yet. We are looking at the matter and will make more information available at a later stage," said the spokesman.

He could not confirm earlier reports, based on a document which was said to have been distributed at Iscor's Pretoria works.

The document apparently referred to an extensive cost-cutting rationalisation programme to reduce expenses which could affect hundreds of jobs.

The reported proposals include stopping certain production activities, stopping recruitment, limiting overtime to the minimum and a cost savings drive.

If there are to be retrenchments, it is understood that pensioners on the payroll will be the first to go while other workers close to the retirement age will be given the option of early retirement. Others might be transferred to Iscor facilities elsewhere.

(260)

B/Day 27/8/87

PW's right-hand man tipped as new SABC boss

DR Jannie Roux (45), the man tipped to take over from Rijaan Ekstеen as head of the SABC, has been a close confidante of P W Botha since Botha picked him as head of the Office of the Prime Minister in August 1982.

That effectively made Roux SA's top civil servant, a position that strengthened as Botha expanded his own direct role in government and increased the authority of what is now the office of the State President.

Roux's proximity to the President has led to several political nicknames — including "JR", "the President's Man", "Keeper of the Keys" and "His Master's Voice"

Business Day Reporter

Roux is said to be one of Botha's key speech writers Parliamentary sources described him as a sober family man and a "super-technocrat".

Born and educated in Pretoria, Roux has had a meteoric career in government.

He joined the Prisons Department as a warder, but at 33 he became its youngest general. Along the way he picked up no fewer than six university degrees, including two MA degrees in criminology and psychology, and a PHD cum laude in psychology.

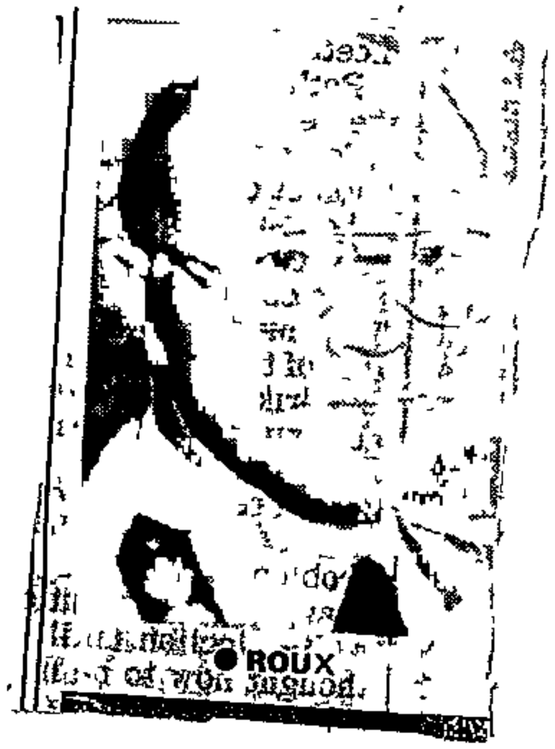
He is author of a book on psychopathy, based on his doctoral thesis

After serving as deputy commissioner of Prisons, Roux was appointed deputy director general of the department of Internal Affairs in October 1981

Roux's official title at present is secretary general of the Office of the State President.

Two years after his appointment as Botha's top aide, Roux was involved in a bizarre burst of publicity when he was named by the PFP newspaper Deurbraak as the fanatical "Master Basie", the prisons officer who interrogated author Breyten Breytenbach during his nine-year jail sentence under the Terrorism Act Breytenbach described the officer in chilling terms without naming him in his book "Confessions of a White Albino Terrorist"

Roux denied the claims, but confirmed he had conducted psychological tests on Breytenbach during his sentence and saw him frequently during his sentence



ROUX

Nat hierarchy in turmoil

Axe poised over senior SABC staff

Business Day Reporters

THE National Party hierarchy was into turmoil last night as the crisis over the resignation from the Cabinet of Allan Hendrickse threatened to precipitate a major clean-out of top staff at the SABC.

Political sources close to the NP caucus described a President P W Botha on the rampage and threatening to install former deputy head of the prisons department Jannie Roux as the new head of the SABC

The sacking of Riaan Eksteen as director-general — still officially unconfirmed but described by a top Nationalist source as "mere formality" — was expected to be followed by the departure of other senior staff. Eksteen checked out of his hotel in Cape Town yesterday morning and could not be traced.

The SABC itself was awash with rumours, but staff claimed they were forbidden to report the events on any of its news bulletins

A senior official close to the events said "There's blood on the floor everywhere — not only at the SABC, but even inside the caucus"

The sources said Botha personally fired Eksteen because he was dissatisfied with the SABC's reporting on Hendrickse's resignation on Monday night

In Parliament yesterday, Alwyn Schlebusch, Minister in charge of broadcasting, said in reply to a question about speculation on Eksteen's dismissal that his answer was "very short and very definite"

"The SABC board has the exclusive right to employ people and to dismiss them and to accept their resignation" It was up to the board to take any action, if necessary, if and when it saw fit

But Eksteen's departure is expected to be confirmed next Wednesday after a meeting with the SABC board.

Botha is said to have been incensed by the "excessive" exposure given to Hendrikse's view of his resignation from the Cabinet during the 8pm news broadcast

So much so, in fact, that the SATV political team handling the transmission were contacted during the broadcast by Tuynhuys and ordered to carry in full the text of the two letters between Botha and Hendrikse, indicating that the latter's continued presence in the Cabinet was no longer tenable.

The resignation of the Labour Party leader is said to have created severe problems for the NP, which had hoped to change the constitution to delay the next white election until 1992 Hendrickse is thought now to be in a position to block this plan and force another election in 1989

Botha's intervention, or that of officials in his office, in the handling of a news broadcast on the SABC has made waves within the NP caucus.

The turbulence has been intensified by its coming hard on the heels of Botha's controversial and insensitive exhibition of power in the House of Representative — a display which finally caused Hendrickse to quit the Cabinet

Considerable concern is now privately being expressed by several NP members over the harm Both's "ill considered" actions and outbursts are doing to both his party and the stature of his office

Botha's perceived efforts to "strong-arm" the SABC has also aroused considerable criticsm from opposition political parties

"If the rumours and reports are true that the President has intervened in the hiring and firing of top SABC personnel then the pretext that the SABC is independent of the government and the NP has at last been set aside," PFP media affairs spokesman David Dalling commented last night

Both the PFP and the CP Official Opposition stressed that even Botha, with the power he wielded as President, did not have the right to fire the SABC's Director General

"Whoever replaces Eksteen can only be worse, and further contribute to reducing the SABC to a political lackey," Dalling concluded

"BIG Brother" was silent at the SABC's Auckland Park headquarters yesterday.

SABC staff, shocked at rumours that their chief executive Riaan "Kudu" Eksteen had been sacked by President P W Botha, anxiously watched the internal television monitors on which Eksteen's image materialised in times of crisis to reassure staff.

But the screens remained blank. Eksteen, fondly called "Big Brother", failed to appear.

Eksteen used the closed circuit TV to add a personal touch to internal corporation communications. When, for example, a number of high-ranking SABC officials went on early retirement, staff heard it first from their chief executive, in both official languages.

● To Page 2

● From Page 1

60 000 tons of steel needed for pipeline, platform

Iscor beats competition to win Mosgas contract

ISCOR has beaten off fierce foreign competition and won a contract to supply 60 000 tons of steel for the R5bn oil-from-gas Mossel Bay (Mosgas) project

The contract involves the supply of special steel to be used in the offshore production platform and an 84km-long dual pipeline, which will use 22 500 tons.

Iscor spokesman Piet du Plessis yesterday declined to comment on contract value, but confirmed the corporation had won the contract

"When it became evident during 1985 that an offshore installation would be built, Iscor immediately started negotiating with the appointed offshore project management company Emso and Soekor, the State-financed oil exploration company

MICK COLLINS

"We had to convince Emso that Iscor could supply the speciality steels for the project, otherwise the steel would have had to be imported"

There were only a few accredited suppliers in the world of the special steels needed, he said, and Iscor's bid to join this select group was initially hamstrung because its blast furnace-basic oxygen furnace route was not suitable

"The steels were specified for manufacture by way of the electric arc furnace route, which is coupled to the special processes required for such steels"

During development spread over two years, structural plate designed for customers was manufactured and tested according to offshore specifications

"These tests, involving thousands of tons of plate, were followed by a full dress rehearsal in November and December last year, during which over 3 000 tons of steel was cast and rolled to determine process capacity and quality limitations"

About half the steel used in the project will be for the rig's tower structure, situated 70km from the coast in 130m of water.

Iscor's Vanderbijlpark works will produce the steel for the Mossel Bay venture — expected to be operational by the end of the 1990s

Most of the steel used will be a special version of BS 4360 Grade 50E, but about 1 800 tons of lower strength grades and a small tonnage of seamless tubes will also be used

Iscor confirms Israel deal, but denies 'secrecy'

DAVID FURLONGER

ISCOR confirmed yesterday it had signed a contract to supply steel to Israel but denied there was anything secret about the deal.

The steel producer had previously refused to comment on newspaper reports suggesting its products were being passed through a Swiss company, Talronics, set up specifically to "launder" supplies to Israel.

The reports said Talronics was created by an Israeli steel processor, Iskoor, in which Iscor is reputed to hold a 49% stake. They said Iscor had signed a secret five-year contract to supply Iskoor.

Iscor said yesterday such a contract existed but insisted it was above-board.

"Iscor rejects a report hinting at secret contracts between Iscor and Israel relating to steel supplies," it said in a statement.

It said other elements of the reports, emanating from London, were "inaccurate and containing false statements", but declined to specify which details it took issue with

MICK COLLINS writes Iscor is expected to make an announcement soon about the retrenchment of workers under an extensive rationalisation programme.

An Iscor spokesman said reports concerning the redundancies were premature and incorrect

However, he confirmed the corporation was looking at long term cost-cutting

"The detailed information published in a local newspaper in Pretoria was incorrect We should have the correct information available by late tomorrow or Friday when a general statement will be released"

He could not comment on how many jobs were involved and when the cuts would be made

"It's going to take a long time to find out how many jobs are affected — if any The numbers could be completely different from those reported"

It was corporation policy, he said, to transfer people to avoid redundancies where possible.

SABC head Eksteen is walking a tightrope

SABC director general Mr Riaan Eksteen "no outside control".

By Ian Gray

A year ago, Mr Riaan Eksteen laughed when I asked him how much control President Botha's Cabinet exercised over the SABC.

"What control?" he asked "Last week I was criticised by a newspaper publisher for 'being outside government control and acting on my own without even board approval' On the other hand, there are those who say the Cabinet pulls the strings In fact, there is no outside control"

Yesterday reports suggested the board of the SABC, under the chairmanship of Government appointee Mr Brand Fourie, is firmly under the control of the Cabinet

Indications were that Mr Eksteen (45) was in trouble because the SABC had allowed Rev Allan Hendrickse to explain on television news why he had left the Cabinet

As director-general, chairman of the management committee and chief executive of the SABC, Mr Riaan Eksteen was apparently being held responsible

The quiet-spoken former diplomat described his Auckland Park hot seat as a "pleasant contrast to the United Nations" (he was South Africa's ambassador there)

But the tightrope he has had to walk in the past four years must have proved every bit as tricky

There has been friction between Mr Eksteen and Mr Botha.

Last November, speculation was rife that he would be removed from his SABC post and given a job in Foreign Affairs

Instead, the SABC was moved from Foreign Affairs and put under the control of Mr Alwyn Schlebusch.

Before Mr Eksteen's appointment Mr Botha was apparently upset because his orders for the SABC to lead the way to political reform had resulted only in the further entrenchment of verkrampte executives.

Mr Eksteen walked straight into a major internal scandal — and brought about a measure of enlightened change as the SABC scrupulously courted all recognised political views and "Network/Netwerk" literally brought home to viewers people whose opinions clashed violently with those of the National Party

Mr P W Botha put the brakes on reform while the SABC was still preparing voters for the promised big changes — and Mr Riaan Eksteen found himself being squeezed from all angles of the political spectrum

deliberate dishonesty was virtually impossible to prove As a result of increasing misuse and problems encountered in proving misuse legal advice was taken It was recommended that the system be amended to place the onus on the user to prove correct use and to monitor use accordingly For these reasons the new system of refunds was introduced on 1 July 1987 whereby declarations of the actual use have to be made Law enforcement can now also take place through a single administration and false declarations concerning actual consumption will constitute easily proven fraud

Own Affairs

Agricultural colleges

61 Mr R J LORIMER asked the Minister of Agriculture and Water Supply

How many (a) Coloured and (b) Indian students (i) applied for admission and (ii) were admitted to each specified agricultural college in the Republic in 1986?

The MINISTER OF AGRICULTURE AND WATER SUPPLY

	(a)		(b)	
	(i)	(ii)	(i)	(ii)
Cedara	3	0	13	0
Potchefstroom	0	0	0	0
Elsenburg	1	0	0	0
Grootfontein	0	0	0	0
Glen	1	0	0	0

THURSDAY, 27 AUGUST 1987

†Indicates translated version

For written reply

General Affairs

Housing by State/private sector

58 Mrs H SUZMAN asked the Minister of Education and Development Aid

What was the total (a) number of houses built, and (b) amount spent on providing housing for Blacks, by the (i) State and (ii) private sector in the 1985-86 financial year in each of the (aa) urban and (bb) non-urban areas of each national state?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(a) (i) (aa) No houses were built by the State but the following number of self-building loans were granted

Gazankulu	192
Lebowa	105
KwaZulu	926
KaNgwane	300
South African Development Trust land	691
Total	2214

(bb) Nil

(ii) (aa)

Gazankulu	Unknown
Lebowa	89
KwaZulu	309
KaNgwane	65
South African Development Trust land	1 103
Total	1 566

(bb) Unknown

(b) (i) (aa) The amounts granted in respect of self-building loans are as follows

Gazankulu	R 1 622 000
Lebowa	R 841 500
KwaZulu	R 4 630 302
KaNgwane	R 1 192 487
South African Development Trust land	R 2 488 500
Total	R10 774 789

(bb) Nil

(ii) (aa)

Gazankulu	Unknown
Lebowa	R 3 425 286
KwaZulu	R 3 133 700
KaNgwane	R 285 000
South African Development Trust land	R25 150 000
Total	R31 993 986

(bb) Unknown

The figures in respect of Qwaqwa and KwaNdebele are not available as the functions relating to towns had been transferred to the governments of the said self-governing territories prior to the 1985/86 financial year

East London Prison

245 Mr F J LE ROUX asked the Minister of Justice †

(1) Whether any repairs were recently made to the East London Prison, if so, what was the cost involved,

(2) whether tenders were called for, if not, why not, if so, (a) what persons or bodies submitted tenders, (b) what was the amount of each tender and (c) to whom was the tender awarded,

(3) whether he will make a statement on the matter?

The MINISTER OF JUSTICE

(1), (2) and (3) The East London Prison is presently being modernised and enlarged by the South African Prisons Service at a cost of approximately R1 million The expenditure will be spread over more than one financial year and the work should be completed during 1989 if progress is according to plan

This building work was not given out on tender to private contractors because East London Prison, which accommodates long- and short-term convicted prisoners as well as awaiting-trial prisoners, could not, due to a lack of substitute accommodation, be evacuated for the duration of the building and renovation work In view of the security considerations involved it was decided that the Prisons Service itself should execute the work with prison labour and the necessary technical assistance from the Department of Public Works and Land Affairs, as is normally done in these circumstances

Tenders, contracts and quotations for the supply of building material or rendering of special services by the private sector (e g the cladding of steam boilers which was recently completed) are arranged through the Department of Public Works and Land Affairs and/or the State Tender Board

For the hon member's information it is confirmed that the South African Prisons Service places a high premium on the job and training opportunities in prisons which are made possible by way of the Prisons Service's own building activities However, when the private sector, during times of a general and/or regional slack in the building industry requests that building projects of the Prisons Service in a particular region should also be put out on tender, the requests are considered sympathetically where possible The greater part (±75% for 1987/88) of the annual budget for building work is, however, traditionally already taken up by contract services

Reply substituting reply to Question 153 on 6 and 7 August 1987 put by Mr R M Burrows (Col 486 and Col 498)

Full-time employees

153 Mr R M BURROWS asked the Minister of Constitutional Development and Planning

(1) What was the total number of persons employed in a full-time capacity in his Department as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels in his Department, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels in his Department with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

I'm still in charge, says Eksteen

By TOS WENTZEL, Political Correspondent

MR Riaan Eksteen, director-general of the SABC, has made it clear in an interview that he is still in charge of the corporation and that rumours of his dismissal were incorrect.

He said today that his position was spelt out in the Broadcasting Act, which stipulated that only the SABC board could dismiss him.

There have been suggestions that the Government may be pushing for Mr Eksteen's dismissal, because, among other things, it is dissatisfied with the SABC's political news coverage, particularly the presentation of the Rev Allan Hendrickse's resignation from the Cabinet

Sources in Johannesburg who are familiar with SABC board affairs said today that since Mr Eksteen's arrival at the SABC four years ago the board had on no occasion found it necessary to query any of his actions or his management of the corporation

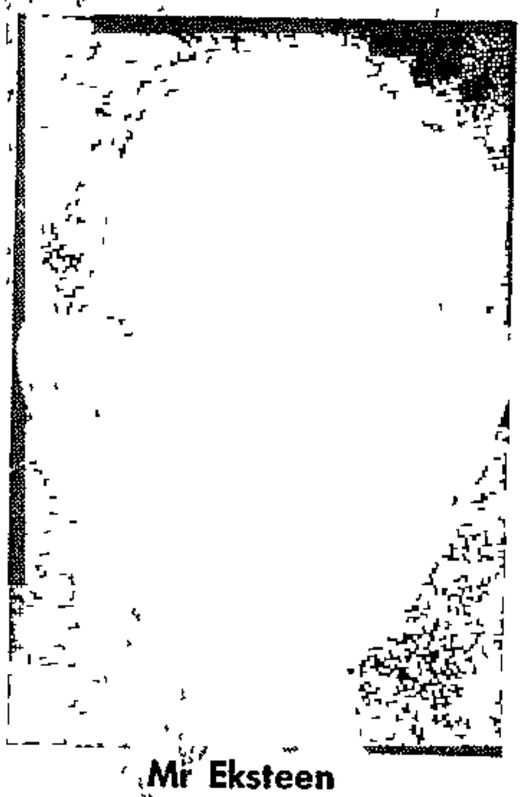
Mr Eksteen's statements today cleared up uncertainty about his position after the minister in charge of broadcasting matters, Mr Alwyn Schlebusch, declined to comment

He would say only that all SABC staff matters were the concern of the corporation

The chairman of the SABC board, Mr Brand Fourie, would also not react to the speculation. All he would say was that relations between Mr Eksteen and the corporation were a matter for the board, which was meeting next week

In reply to a question Mr Eksteen said today that coverage of the Hendrickse affair had nothing to do with the rumours

From other sources, however, it emerged that on Monday night the SABC received a complaint from the President's office while the 8pm television news bulletin was still running



Mr Eksteen

Emphasis

Mr Hendrickse was being interviewed and in all about 11 minutes were given to the report

Earlier this year the SABC gave 23 minutes to President Botha's repudiation of Mr Hendrickse after the Port Elizabeth incident in which Mr Hendrickse swam at a "whites-only" beach

President Botha's objection to the bulletin was apparently about the emphasis placed on the resignation

The SABC report stated that Mr Hendrickse resigned while the President's office maintained that the report should have stated that Mr Hendrickse had been left no choice and that he was forced to resign

The President's office also demanded that the correspondence between the President and Mr Hendrickse and a statement by Mr Botha be repeated — which was done twice in that news bulletin

Now SABC head to stay

Cape Times 27/8/87 260 SCOTT

Political Staff

THERE was a new development in the Eksteen/SABC drama last night with confirmation from senior sources in the broadcasting service that Director-General Mr Riaan "Kudu" Eksteen would be staying on.

Earlier there was strong speculation that he was to be sacked because of SATV's news coverage of Labour Party leader Mr Allan Hendrickse's explanation of why he had resigned from the cabinet.

It was generally accepted yesterday that Mr Eksteen was "on the way out".

However, late last night sources close to Mr Eksteen said he was in no danger of losing his job and that previous speculation that he was, was incorrect.

This clashed with earlier information which said that some senior members of the SABC were planning to resign in protest, and in sympathy with Mr Eksteen, if he was dismissed

Nationalist newspapers were claiming last night that they had it on good authority that Mr Eksteen was not about to be fired.

But questions were being asked about who informed the Nationalist press that Mr Eksteen's position was secure when there had been no meeting of the Board.

During the day there had been little question in political and broadcasting circles that Mr Eksteen was about to be dismissed and that a reason, other than TV coverage of the Hendrickse resignation from the cabinet, would be found His dismissal was described as a "mere formality".

Political sources close to the NP caucus described President P W Botha as on the rampage and threatening to instal Dr Jannie Roux, former prisons deputy chief, as new SABC head.

Dr Roux has been a close confidant of Mr Botha since he became Head of the Office of Prime Minister in 1982.

To page 2

Cape Times 27/8/87

From page 1

260 SCOTT

He had started as a prison warder but at age 33 became South Africa's youngest general. Along the way he picked up no fewer than six university degrees, including two master's and a PhD cum laude in psychology.

The SABC was awash with rumours but staff claimed they were forbidden to report events on its news bulletins

A senior official said "There's blood on the floor everywhere — not only at the SABC, but even inside the caucus."

Sources said Mr Botha personally fired Mr Eksteen because he was dissatisfied with the SABC's reporting on Mr Hendrickse's resignation.

Mr Botha is said to have been incensed by the "excessive" exposure given to Mr Hendrickse's view of his resignation.

His intervention in the SABC news broadcast has made waves within the National Party caucus.

SABC backs Eksteen in row

Political Staff

THE SABC Board appears to have backed its director-general, Mr Riaan Eksteen, against the State President, Mr P W Botha.

Board chairman Mr Brand Fourie said last night that Mr Eksteen would continue his "normal duties".

He said neither a resignation nor the termination of Mr Eksteen's services were on the agenda for Wednesday's board meeting.

Yesterday Mr Eksteen told his staff over the internal TV-screen: "As you can see, I'm still here ..."

He said reports indicated "overwhelming" support for him by his staff.

"We have had difficult times, which we have survived. More difficult times are coming, which we will also survive."

The SABC was "being watched with eagle eyes", he said.

Yesterday's statements end three days of intense speculation after reports that Mr Botha wanted Mr Eksteen's head because of TV coverage of Labour Party leader Mr Allan Hendrickse's resignation from the cabinet.

Mr Alwyn Schlebusch, minister responsible for broadcasting services, is thought to have been the catalyst for the board statement, having said in the House of Delegates on Wednesday that the board had the sole right to hire or dismiss anyone.

● The SABC yesterday suddenly replaced the acclaimed Athol Fugard play "A Lesson from Aloes" with a variety programme. SABC spokesmen declined to comment.

Fugard said he was "disgusted" at the SABC decision.

Naas is 'a living statue'

Own Correspondent

JOHANNESBURG. — Naas Botha is a living statue — and there is no need for the other statue which a group of Pretoria businessmen intend raising in his honour.

That's the word from Pretoria's mayor, Dr Chris Swart.

"Although I'm an avid Naas fan, I think it may be a bit premature erecting a statue in his honour," Dr Swart said. "Isn't it a bit inappropriate erecting a statue while the man is still playing? Wouldn't that be displaying a slightly excessive degree of veneration?"

ELECTRICITY

Power to the people

Eskom is about to embark on a R348m "co-operative" programme to speed up electrification in SA's developing, mainly black, urban and rural areas

Eskom CE Ian McRae notes that "more than 20m people in SA, or around two-thirds of the country's population, have no access to electricity in their homes"

He emphasises that "conventional technology, standards and systems cannot be imposed in these areas" Acceptance of that, and the removal of unnecessary regulations and red tape, is an essential prerequisite for a successful electrification programme

"The cost of electrifying about 60 townships with an estimated 3m residents could be over R700m if present standards and technologies are applied To electrify just one stand to first world standards costs somewhere between R2 000 and R3 000 We believe that by changing the *modus operandi* and installing, say, one plug point and one light outlet per house, we can cut that down to R150-R300 per stand in 1987 money terms"

McRae says Eskom is basing this view on the experience it gained from the electrification of Alexandra township outside Johannesburg

"What one has to do is adopt more imaginative alternatives to what has come to be regarded as the norm in terms of wiring standards Otherwise we are never going to be able to bring electricity to the masses — particularly given the fact that SA's population is likely to grow to 45m by the year 2 000, 35m of whom will be black"

Slavish adherence

According to McRae, the slavish adherence to concepts such as underground cables mini sub-stations and individual house metering are what has caused electrification costs in white residential townships to rocket "First World thinking has imposed restraints on us in terms of both cost, planning, construction and maintenance Overhead cables alone could save millions of rands," he adds

However, Eskom is unable to implement the kind of renewal envisaged without the co-operation of local authorities and some financial assistance "What I envisage," he says, "is that Eskom will act as a catalyst in this programme"

Interestingly, given the simple methods used, McRae says the total electricity requirement of 60 odd townships is unlikely to be more than about 1 000 MW, or one third of the output of one of the new generation power stations built on the eastern Transvaal Highveld

Both Kendal and Majuba, for example, will have an output at full capacity of around ~~4 000~~ MW ■

Business Day

Oc (45c + 5c tax)
For other prices, see Back Page

Natal, Western Province, Eastern Province 80c (71c + 9c tax)

'THE VITAL VIEWPOINT'

B/Day 28/8/87

Eksteen back on 'Big Brother' box at the SABC

260

SABC director-general Riaan Eksteen broke a three-day silence yesterday to tell his staff from the corporation's in-house TV screen "As you can see, I'm still here "

It was his first appearance since Allan Hendrickse was given television time to explain his resignation from the Cabinet. Since then Eksteen's tenure at Auckland Park has been threatened by a reportedly incensed President P W Botha

Ironically, Eksteen himself would probably have had nothing to do with Hendrickse's appearance. According to former TV news editor Rusty van Druten, the decision to have the Labour Party leader on the box would have been taken by a duty editor

Van Druten conducted several interviews with Eksteen for the internal TV channel, commonly known as "Big Brother", in his 10 years at the SABC, and describes him as "an enlightened and positive person".

"I believe he is an example of many others at the SABC who have evolved far

PATRICK BULGER

beyond the philosphy and practices entrenched in government policies It is no wonder he is in the firing line."

Eksteen's appointment as director-general topped a long line of achievements as a career diplomat with the Foreign Affairs Department.

Between 1968 and 1973 he served at the South African Embassy in Washington, rising to the post of first secretary. Between 1979 and 1981 he was SA's Ambassador to the UN and dealt extensively with the Namibian issue.

As one of Foreign Minister Pik Botha's right-hand men, Eksteen was well placed to take over as chief executive of the SABC, a post he was given in 1984 after heading Botha's planning division

According to CP spokeman on internal affairs Koos van der Merwe, Eksteen is Botha's "Trojan horse".

"Both Eksteen and Brand Fourie (chairman of the SABC board and another product of Foreign Affairs) have been very effectively building Pik's image

More controversial, perhaps, has been Eksteen's enthusiasm in swinging the resources of the corporation firmly behind the State's "counter-revolutionary strategy"

The formal decision on Eksteen's future will be taken by the SABC board on Wednesday.

● See Comment, Page 6

260 Sowetan 28/8/87

SABC chief 'not sacked'

Mr RIAAN Eksteen, director general of the SABC is not being dismissed. He said yesterday that reports on rumours that this was going to happen were incorrect

He said in an interview that his position was spelled out in the Broadcasting Act.

He had no doubt about that position, namely that only the Board of the SABC could dismiss him

There have been suggestions that the Government may be pushing for Mr Eksteen's dismissal, among other things, because it is dissatisfied with the political news coverage, particularly the presentation of the Rev Allan Hendrickse's resignation from the Cabinet,

Sources in Johannesburg who are familiar with SABC board affairs said yesterday that, since his arrival at the SABC four years ago, on no occasion had the board found it necessary to query any of his actions or his management of the corporation.

Mr Eksteen's statements yesterday cleared up uncertainty about his position after the Minister in charge of braodcasting matters, Mr Alwyn Schlebusch, had declined to comment

He would only state that all SABC staff matters were the concern of the corporation.

The chairman of the SABC Board, in turn would also not react to the speculation All he would say was that relations between Mr Eksteen and the corporation was a matter for the Board which was meeting next week.

Asked whether coverage of the Hendrickse affair had anything to do with the recent rumours, Mr Eksteen said yesteday that this had nothing do with this

From other sources, however, it emerged yesterday that on Monday night the SABC received a complaint from the President's Office while the 8pm television news bulletin was still running.

Mr Hendrickse was being interviewed and, in all, some 11 minutes were given to the report.

(Earlier this year the SABC gave some 23 minutes to President Botha's reputation of Mr Hendrickse following the Port Elizabeth swimming incident).

President Botha's objection to the bulletin was apparently about the emphasis placed on the resignation

The SABC report stated that Mr Hendrickse had resigned while his office maintained that it should have been reported that Mr Hendrickse had been left no choice and that he was forced to resign.

The President's Office also demanded that the correspondence between the President and Mr Hendrickse and a statement by Mr Botha be repeated — something which was done twice in that news bulletin.

Some Nationalist politicians are unhappy about the SABC's political news coverage, they feel that too much time is being given to the Government's opponents

Hendrickse at centre of row

REV Allan Hendrickse . . . news item.

Riaan Eksteen: The behind-the-screens story of PW's anger

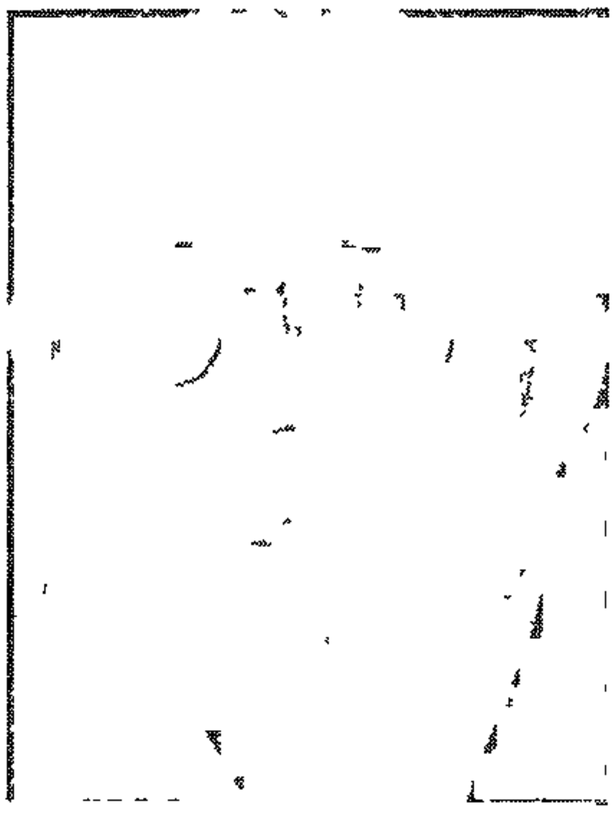
260
Argus
29/8/87

From KITT KATZIN
Weekend Argus Correspondent

JOHANNESBURG — An angry President Botha personally instructed SABC boss Mr Riaan Eksteen to rerun an immediate and "corrected" version of the controversial TV newscast this week that dealt with coloured leader the Rev Allan Hendrickse's shock resignation from the Cabinet.

And the President also personally ordered Mr Eksteen to be fired and be given a month to clear out his desk over the SABC's coverage of the Hendrickse interview and other issues.

The orders backfired when it was realised that only the SABC board was empowered under the Broadcasting Act to employ or dismiss executives and staff Mr Eksteen thus remains firmly entrenched as chief executive.



Mr Riaan Eksteen

In-house scrap

The effect of the State President's impetuous action is that he has had to back down in an in-house scrap started by him and which by all accounts he appears to have lost

At one point in the astonishing clash between Mr Botha and the SABC Mr Eksteen was apparently offered a new post as an ambassador — but turned it down.

The row was started by a TV newscast in which Mr Hendrickse was allowed to express and justify his views for quitting the Cabinet.

His decision to pull out followed Mr Botha's big power display in the House of Representatives the previous week in which he attacked coloured MPs for being ungrateful to Afrikaners and the Nationalist Government for what had been done for them.

So infuriated was Mr Botha after watching the newscast that he demanded that documents which purport to show that Mr Hendrickse had no option but to resign be disclosed fully in a re-broadcast in the same bulletin

The instruction came in a telephone call to Mr Eksteen — midway through Monday's 8 00pm newscast — while he was attending an SABC gathering at the Cape Sun Hotel in Cape Town for parliamentary and other guests

The host at the gathering, normally held on the eve of the debate in Parliament on the SABC, was the chairman of the board, Mr Brand Fourie, and guests included Mr Alwyn Schlebusch, the Minister responsible for broadcasting servic

Continued on page 5

In the House of Delegates on Thursday Mr Schlebusch made it clear that only the SABC board could dismiss staff and thanked Mr Fourie, Mr Eksteen and the board for their efforts over the past year.

And the board itself also appears to be backing Mr Eksteen by making it clear in a statement that he will continue his normal duties

"Last straw"

However, a clear warning has been sounded to the present management hierarchy to tread wearily on sensitive issues.

Informed sources say the Hendrickse affair was merely the last straw in the Government's disenchantment of the SABC's political direction and election coverage which, in spite of the result, was seen to be insufficiently propagandist and too accommodating of far rightwing groups

Eksteen weathers the storm

Continued from page 1

Other board and management committee members were also present.

Mr Eksteen, who is said to have had nothing to do with the Hendrickse interview and was apparently unaware of it, excused himself after being called to speak — twice — to Mr Botha on the telephone.

Guests noticed that Mr Eksteen, accompanied by senior staff members, appeared to be visibly shaken when he returned and it soon became apparent that something serious was amiss.

When it later became known that documents had twice been read out as a rider to the Hendrickse item, speculation was rife that Mr Botha had been enraged over the coverage and airtime given to the initial interview

However, what was not known was that the State President, in an unprecedented display of "strong-arm" tactics, had intervened in the live transmission of a TV bulletin

Although Mr Eksteen declined to comment, The Sunday Star (sister newspaper to The Argus) has established Mr Botha's involvement on good authority and MPs across the political spectrum have expressed shock and dismay at his latest act of "arrogance and ill-tempered intolerance".

It has been claimed that instructions to dismiss Mr Eksteen were given to Mr Schlebusch, who is Minister in the Office of the State President and a close confidant of Mr Botha

The SABC chairman, Mr Fourie, was apparently told to inform the 15-member board of the decision and Mr Eksteen is also understood to have been notified that he would be given a month to clear out.

"Strong support"

Mr Eksteen, say SABC insiders, was never told that he had been fired, and was not issued with anything in writing — and received strong support and encouragement from his staff not to quit voluntarily.

Meanwhile, growing public support for him and two important statements which followed on the State President's actions indicate that Mr Eksteen has survived, and with credibility.

The 48 hours that shook the SABC: PW backs down in power duel

HOW RIAAN BEAT THE AXE

Riaan Eksteen survived what he described as the "most dramatic 48 hours of my life"

S Times 260
30/8/87

By LESTER VENTER and DOUGLAS GORDON

AN AMAZING political drama was played out behind the closed doors of high offices in Cape Town this week. The State President and the head of the SABC were locked in a power struggle that will reverberate in politics for months.

The battle lines were drawn around a controversial question: does the Government have the right to dictate what should appear on South Africa's TV screens?

For two days Mr Riaan Eksteen's job hung in the balance. President Botha wanted him fired.

The eyeball-to-eyeball confrontation became virtually the sole topic of discussion in Parliamentary circles as intermediaries scurried around to defuse the crisis.

Ultimately President Botha backed down — apparently with reluctance.

Mr Eksteen survived in his job — but afterwards described the bitter exchanges as the most dramatic 48 hours in my life, and probably in the history of the SABC."

Yesterday political circles were still abuzz. Many observers believe Mr Botha's precipitate demand for Mr Eksteen's head has raised again an issue that is much discussed even among NP politicians: a blunt, imperious exercise of power that brooks no opposition.

Tension in the corridors of power became palpable as politicians heard the first hints of the drama being played out behind the doors of the Presidential office in Tuynhuis.

Uneasy

The adversaries: President Botha and Mr Eksteen, Director General of the SABC.

The issue: Direct interference in the content of the

Confusion piled on chaos as boy gets a fortune

FLASHBACK Samantha Cohen and Sylvia Elkon, elated by win

AN ELEVEN-year old boy yesterday got a cut of the disputed Operation Hunger Gold Rush million . . . but his new fortune may still be in jeopardy.

Fierce controversy flared again yesterday after an announcement that the R1-million prize in last month's chaotic competition was to be divided between the original winners, the Johannesburg "Family Ties" syndicate, and Riaan Grunewald of Brits, Transvaal, who did not take part in the final.

Riaan's mother, Louise, and his stepfather, Pieter Du Toit, said yesterday they were angry at the way the money was to be divided.

While they admit they agreed the R1-million would be split five-to-one in favour of the original winners — giv-

THE GOLD RUSH FIASCO

Report by GWEN GILL

terday, Operation Hunger's executive director, Mrs Ina Periman, said the prize money would still be held in trust until September 22 "to enable finalist, he could not be traced in time to take part in the controversial quiz finale, televised live on SATV.

He was represented by

TV beauty Liz weds bachelor boy Deon in secret

Sunday Times Reporter

SILKEN VOICED television presenter Liz Dick this week secretly married bachelor boy Deon van Zyl.

The news surprised friends and colleages, although the couple have been living together for some years.

"It was a sudden decision," said a colleague.

"They married in Johannesburg on Thursday and left for a honeymoon in Natal the next morning."

Suitcases

"They just got into a car and drove off with a suitcase or two — not knowing exactly where they were heading."

Liz was formerly married to Pieter Fourie, head of the Cape Performing Arts Board.

A striking brunette in her late 30s, Liz first appeared on South African television as a continuity announcer.

More recently she has appeared as a presenter on the bilingual programme 50/50 alongside André Walters.

Good looking Deon van Zyl, in his early 30s, first appeared on television playing a millionaire's son in the series Brood vir my Broer.

He is now production manager for Franz Marx's studios and is working on a second 26-episode of the popular Agter Elke Man series.

THE PRICE of the Sunday Times goes up to R1,30 next week. Subscriptions will remain at R1 for the time being.

● Order your copy now — Page 15

hours in my life and prob ably in the history of the SABC"

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Tension in the corridors of power became palpable as politicians heard the first hints of the drama being played out behind the doors of the Presidential office in Tuynhuis.

Uneasy

The adversaries President Botha and Mr Eksteen, Director-General of the SABC

The issue Direct interference in the content of the Network news programme — while it was on the air

The consequence an attempt by Mr Botha to sack Mr Eksteen

The conciliators the Minister in charge of the SABC in the State President's office, Mr Alwyn Schlebusch, and the chairman of the SABC board, Mr Brand Fourie

The result an uneasy truce

The Presidential style was already under intense discussion when the new drama began to unfold

The week before, Mr Botha had given the coloured House of Representatives a humiliating tongue-lashing

The Labour Party leader, Dr Allan Hendrikse, had been dismissed (or resigned, depending on which political vantage point is used) from the Cabinet

Parliamentarians were speculating about what it all meant Could the coloured House now force Mr Botha into an election he does not want in 1989?

Fateful

Then came the fateful Network transmission last Monday night

TV news political correspondent, Freek Robinson, reported in a lead item prepared earlier that day that Mr Botha "had accepted the resignation" of Mr Hendrickse from the Cabinet after Mr Hendrickse had received a letter from the President that contained the phrase, "in the circumstances your membership has become unacceptable".

The item included an interview with Mr Hendrickse in which he explained his resignation.

Mr Botha, say reports, was enraged He objected to the resignation being presented as Mr Hendrickse's initiative — instead of the virtual sacking that it was

His temper was not stilled by the generous air time given to Mr Hendrickse to explain his action

A telephone call was immediately put through to Mr Eksteen

The identity of the caller could not be established this week, but both Parliamentary opposition spokesmen on media affairs, the CP's Mr Clive Derby-Lewis and the PFP's Mr Dave Dalling, claim they have convincing information that it was Mr Botha himself

A question about their claim was directed to Mr Botha's office yesterday, but

□ To Page 2

couple [illegible] gether for some years

"It was a sudden decision," said a colleague.

"They married in Johannesburg on Thursday and left for a honeymoon in Natal the next morning

Suitcases

"They just got into a car and drove off with a suitcase or two — not knowing exactly where they were heading."

THE PRICE of the Sunday Times goes up to R1,30 next week. Subscriptions will remain at R1 for the time being.

● Order your copy now — Page 15.

P.T.O.

Eksteen – no action

NO action was at present being taken against the SABC's director-general, Riaan Eksteen, inquiries at the office of the responsible Minister, Alwyn Schlebusch, and the chairman of the SABC board, Dr Brand Fourie, revealed this week

Fourie was asked to comment on reports that Eksteen faced dismissal because of the SABC's handling of Allan Hendrickse's resignation announcement on Monday night

Schlebusch, the Minister in the State President's office responsible for broadcast services, referred inquiries to Fourie

Fourie, who was in Cape Town for this week's budget vote debates on the SABC, said that only the board could decide on relations between the SABC's chief executive and the corporation

"It is a straight forward matter," he said "If there is anything that affects relations between the director-general and the corporation, it becomes a board matter"

The board would have its normal weekly meeting next week

Fourie said, in response to further questioning, that "I do not speak outside the board" – Sapa

Riaan Eksteen

260 S/Times 30/8/87

Escom ready to foot huge bill

ESCOM has taken on the enormous task of providing electricity for 3-million blacks in 60 townships — and will go it alone if Government fails to provide the money.

A second phase in the electrification programme will be to light up rural areas

But before the project can begin, "all unnecessary regulations and red tape will have to be thrown out the window", says Escom chief executive Ian McRae.

Higher cost

Under normal requirements, the electrification would cost about R700-million, but by using other methods, it is expected the total bill could be about R348-million However, this would be at 1987 money terms and with a time span likely to stretch to 10 to 15 years, the final figure will be much higher

The project is an extension of the work planned for Alexandra township north of Johannesburg, on which R32-million has been committed The Government has allocated R90-million for urban renewal on this project

Mr McRae says Escom has the resources and will to meet the challenge, but two major obstacles are overall co-ordination and finance

"We would be happy to facilitate a quest for solutions to overcoming these obstacles"

Mr McRae appeals to organisations

By Don Robertson

in the public and private sectors to join Escom in promoting the project and says their help is essential if upgrading of the areas is to take place at the same time

Escom has not yet sat down with likely contributors to the project, but Mr McRae indicates that Escom could put up the money and "we could use our muscle to get other assistance"

This could be from the Government and provincial bodies, foreign suppliers of equipment, domestic-appliance manufacturers, foreign financiers and the communities themselves

But Mr McRae says that if necessary, Escom will foot the total bill

Electrification of the various townships must go hand in hand with urban renewal and this could treble the total cost

Present practice in the electrification of townships favours underground cables, miniature sub-stations and individual house metering However, there are constraints in the form of costs, planning and resources in both construction and maintenance

"Overdesign and overregulation will inflate costs in terms of both time and money and we do not have enough time or money to afford it"

Urban and rural areas could be rapidly and relatively cheaply electrified by using appropriate technology, such as aerial conductors, pole-mounted transformers and pre-paid metering systems Methods of wiring homes must also be examined

If such an approach is to succeed, it will be necessary to obtain the co-operation of central and local government and private-sector institutions, engineers, consultants, contractors and residents of these communities, all of whom have a vital role to play

In certain rural areas, Escom will consider providing solar energy or using wind-driven generators.

Population rise

Mr McRae says that by the year 2000 South Africa's population will be 45-million, of whom 35-million will be black There will be a growing flow of people to urban areas and unless the standard of living is improved, poverty and dissension will grow

A spin-off from the provision of more electricity will be an increase in home industries, in appliance sales and in the installation and maintenance markets

Escom has sufficient output to provide for any increase in demand for electricity It is estimated that 1 000MW would be needed — a third of the output of a large station.

At least 20-million people to not have electricity in their homes and as a result vast areas are being denuded of trees It is estimated that between 12-million and 14-million tons of wood is burned each year Where wood is not available, coal and paraffin are expensive options

Paraffin costs nine times more than electricity, candles are four times more expensive and coal twice as costly

Cape Times 5/8/87 260

Eksteen: SABC makes mistakes

JOHANNESBURG — SABC chief Mr Riaan Eksteen has hinted at tighter control over the flow of news at the corporation in a statement that indicates he will definitely stay on in his post

Mr Eksteen is reported to have survived an attempt by the President P W Botha last week to fire him after television coverage of the resignation of Labour Party leader Mr Reverend Allan Hendrickse from the cabinet

In a statement at the weekend Mr Eksteen said he was "aware that the SABC sometimes makes mistakes"

He said he was looking into measures that would improve management

"This is something to which I am continuously giving attention I shall be devoting even more attention to this in future," he said

The statement suggests Mr Eksteen has been given to believe the board — which in terms of the Broadcasting Act is the only body empowered to dismiss the SABC's director general — will not fire him when it meets this week

Mr Eksteen repeated his view that it was the SABC's duty "to fight the revolutionary climate in SA and to reflect points of view about this fully, and in a balanced way, so as to bring about peace in SA"

He "deplored" reports that SABC's coverage of Mr Hendrickse's resignation would lead to his dismissal

"I want to state categorically that these are not true I deplore the fact that reports of this kind have been sent out into the world," he said

Mr Eksteen said it was his intention to submit a number of proposals to the SABC board — which meets later this week — with the aim of promoting efficient management even further

"The SABC has always subscribed to the view that negotiations cannot be entered into with leaders and parties favouring the use of force to achieve any political end, and the corporation will continue to subscribe to this view

"This is why the SABC has never made its services and programmes available to these people as a platform, and will not do so," he concluded

But weekend press reports continued last week's rumours that Mr Eksteen had barely survived an attempt by Mr Botha to fire him

Mr Eksteen was relaxing at his Pretoria home at the weekend and would not talk to the press, but was quoted in a Sunday report has having referred to the 48 hours following the Netwerk programme which allegedly incurred the presidential wrath as "the most dramatic in my life and probably in the history of the SABC" — Own Correspondent and Staff Reporters

BD day

260 31/8/87

ISCOR SHUFFLE

DAVID FURLONGER

ISCOR has shuffled its top management to put more emphasis on marketing.

Nols Olivier has been appointed senior GM responsible for marketing and external affairs. His former job, as head of steel operations, goes to his former GM, John Riddell.

Iscor says Olivier's appointment is recognition of new pressures faced by the steel producer.

"An over-supply of steel worldwide, the resultant strong competition in the steel market, coupled with political actions which complicate matters, necessitate that increased attention be focused on marketing."

Olivier is also expected to relieve some of the burden on MD Willem van Wyk.

"The reorganisation will enable Mr Olivier to assist the MD to a larger extent in outside activities," says Iscor. These activities will include directorships of large companies, liaison with government and membership of organised commerce and industry councils.

SASOL

Onto the slow track

Has Sasol at last gone ex-growth? After double-digit advances in earnings and dividends every year since the listing some eight years ago, the synfuel and chemicals giant this week reported earnings for the year to end-June down by 8,6% and the dividend increased by an unusually sedate 5,6%

In the past dividends have been raised by 15%-20% a year, well above the average pace of about 12,5% suggested in the group's listing prospectus. Given that historic performance, shareholders may not react too bearishly — provided that the slowdown does not turn into protracted stagnation.

Management softened the 1987 profit fall by adopting highly conservative accounting policies and salting away large reserves in more prosperous years "We expected all along that this could happen," says MD Paul Kruger "Volatility is nothing new in the oil industry. Relatively stable prices are a fairly recent phenomenon. Anybody who invests in oil-related stocks has got to take a long-term view"

The group still has a few cards up its sleeve and is not, by any means, entirely at the mercy of the markets But growth prospects over the next two years will depend heavily on price and currency trends.

Sasol was visibly running out of gas when the interim results were announced, showing net operating income down by 46% at R503,7m At that stage, there were already clear signs of faltering cash flow The second half brought no relief. Although international oil prices recovered from the rock-bottom levels seen during 1986, when prices dipped to around $8 a barrel, the rand strengthened substantially early this year, remaining close to US50c for much of the period after plunging as low as US33c in late 1986

For the full financial year the average rand exchange rate was about the same as in 1985/1986, but average rand prices of the group's main products were down by about 34%. Such a price drop over the year was bound to hammer turnover — down by 14,6% — and the bottom line.

While sales fell, operating costs escalated by some 12%, costs were boosted by SA's high inflation rate and an unusually high level of maintenance costs at the coal mines, where cyclical maintenance work had to be done on capital equipment at the coal mines

Sasol's Kruger ... could call on reserves

The bottom line effect, says Kruger, could have been "devastating" but for large-scale repayment of borrowings and the diversity of the group GM Russel Kennedy says group borrowings are negligible, having dropped from the peak of some R2,1 billion less than four years ago Net interest paid was only R29m against the year-ago R164m However, large benefits of shrinking interest payments will not be felt in the current year.

Earnings were also cushioned by a reduction in 50%-held Sasol 3's dividend cover. Sasol 3's profits were hit particularly severely, with taxed profits falling from R262m to R100m Sasol 3, essentially a fuel-from-coal producer, is more vulnerable to lower oil prices than the diversified Sasol group. In better times, Sasol 3's dividend cover was kept as high as nine times, enabling payment in the 1987 year of a R50m final and a total payout of R150m, of which R75m accrued to Sasol.

In the 1986 year some R125m was tucked away in the equalisation reserve (a profit reserve). Kruger notes that these funds could be called on for dividend payments when necessary, although it is not yet clear whether this will be necessary in the current year.

Several factors could yet move in the group's favour. While avoiding commenting on prospects of a petrol price increase, Kruger notes that motorists are at present paying 4c a litre too little, and this "cannot continue indefinitely." Also, other changes to the pricing of fuel could be considered.

Profit contributions are expected this year from the loss-making fertiliser operation and the explosives business which recently entered the market Chemical markets have remained buoyant The group will also concentrate on costs and productivity In these areas the group has done extremely well in the past, but the Secunda plants are now running at 105%-107% of designed capacity, so any increases are likely to be incremental

On oil prices, Kruger sees a bullish trend over the next decade. "I believe Opec will again become a lot stronger than they are today," he says "That doesn't imply a repetition of 1979, when they blackmailed the world. But over the medium term there could be a steady rise of, say, $1 a year." Given SA's inflation rate, he adds, this implies a "slightly higher" growth in rand prices.

On this rather tepid price outlook the rand will be crucial The share price climbed in the past 12 months to a high of R15,75 from the low of 690c last October When results were released on Monday the share dropped 90c to R13,85, but on Tuesday regained 40c to offer a dividend yield of 3,3% on the R14,25 price. Dividend growth will almost certainly be static or weak in the short term but Sasol will remain sensitive to rand/dollar exchange rates. Investors who are long-term bears on the rand will probably combine to support the share price. Relative to the rest of the market, though, the performance could be flaccid for a while

Andrew McNulty

Eksteen affair 'closed'

JOHANNESBURG. — Dr Brand Fourie, chairman of the SABC Board, said last night that the board considered the Eksteen affair "closed". He said neither the question of Mr Riaan Eksteen resigning nor the termination of his services had been on the board's agenda at yesterday's meeting.

SABC ordered to reinstate 36 staff

IRR605 3/1/87 269 165 258

The Argus Correspondent

JOHANNESBURG. — The SABC has been ordered by the Industrial Court to reinstate 36 members of the Media Workers' Association of South Africa who were retrenched in December and January.

Mwasa's regional chairman, Mr Sam Mabe, said the reinstatement order, signed on August 21, was delivered to the union's lawyers only yesterday and the retrenched workers were given 14 days to report for duty.

Mr Mabe said: "This means that our members have today and tomorrow to report for duty, failing which they may not be considered for reinstatement. We have very strong feelings about the manner in which this matter was handled but we will cross the river when we reach it."

Most of the workers lost their jobs when the Commissioner Street branch of the SABC was closed last year and all operations of the corporation transferred to Auckland Park.

This is the second time Mwasa has won a court case against the SABC. The first was over the retrenchment of Mwasa members in December 1985, soon after Mwasa started organising SABC employees.

SABC ordered to re-instate retrenched Mwasa members

The SABC has been ordered by the Industrial Court to re-instate 36 members of the Media Workers' Association of South Africa (Mwasa) who were retrenched in December and January.

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Most of the workers lost their jobs when the Commissioner Street departments of the SABC moved to Auckland Park.

MWASA appeal

260

3/9/87 Star

THE Media Workers Association of South Africa has won an Industrial Court case against the SABC after the retrenchment of its members by the corporation late last year.

Attorneys acting for MWASA have appealed to workers who were employed at Commissioner Street and Auckland Park to return to work before Friday. This is part of the ruling by the court, a spokesman for the lawyers said.

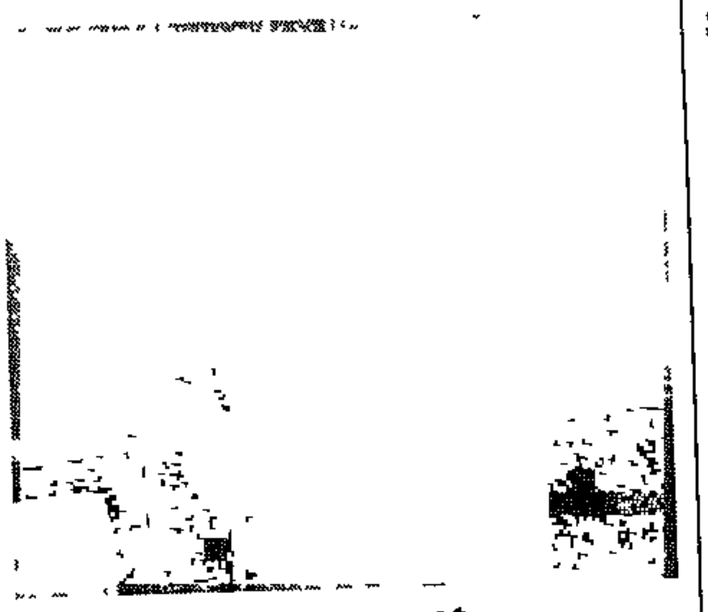
MWASA last night also appealed to the affected workers to be at work "either on Thursday or Friday or our victory will be soured" "Let all affected be at work," an official said

SABC CLASH

His master's voice

When P W Botha, furious at the favourable treatment Allan Hendrickse received on SATV, demanded that the interview be scrapped for the next screening of the news **(see *Leaders*),** it was not the first time he had directly intervened in broadcast matters. A few months ago Mineral and Energy Affairs Minister Danie Steyn felt Botha's sting after a TV performance

Steyn had been on TV news and *Netwerk* to announce the Mosgas project Soon afterwards, while he and Deputy Ministers Theo Alant and George Bartlett were entertaining



Eksteen . . . not the first time

guests at the Cape Town yacht club, he received a call from Tuynhuys Botha wanted more political mileage and was dissatisfied with Steyn's handling of questions

Together with SABC political reporters Freek Robinson (who also handled the Hendrickse interview) and André le Roux and Director General Louw Alberts, the minister was taken in a SABC kombi to the TV studios. Steyn left the studio after midnight

The same thing happened during the Hendrickse affair Tuynhuys spokesman Jack Viviers called the SABC studio to complain while SABC boss Riaan Eksteen received a head-scrubbing call at a reception in Cape Town for SABC's top personnel It is rumoured that Botha himself called Eksteen

Senior Cabinet member F W de Klerk was an onlooker during the drama that followed He was in the SABC studio in the Marks Building next to parliament, waiting to be interviewed by *Netwerk* on the Nat policy of own schools for whites. He is said to have been upset with Tuynhuys's intervention.

The next day it was up to a new member of the SABC board, Cape Town businessman Henkie Schwartz, to try to save Eksteen's neck According to sources it was Schwartz, a member of the Cape National Party executive, not SABC chairman Brand Fourie, who played a major part in the rescue operation.

Nor is this the first time a top official of the SABC has had to endure the ire of government pressure Former chairman Wynand Mouton, rector of the University of the Free State, was often at loggerheads with Pik Botha, while he was still running the propaganda machine

The president's determination to have a pro-Nat board was underlined when he replaced Stellenbosch professor Sampie Terreblanche as vice-chairman with Professor Christo Viljoen Terreblanche, who had resigned from the NP, had become too politicised, said Alwyn Schlebusch, who took over SABC affairs from Pik Botha

Viljoen is a keen supporter of P W Botha and his policies At the same time Tuynhuys's former economic adviser Joe Taylor and Schwartz, a prominent voice in Nat circles, were put on the board

Both Eksteen and Fourie are former officials of the Department of Foreign Affairs

The only person who may possibly stand up to P W's tantrums is Schlebusch

Out of retirement at Botha's request, the former Free State leader of the NP will be remembered as the power behind Botha's defeat of Connie Mulder in the prime minister's stakes, and also being an ex vice-president, he won't be bullied around

SABC staffers are quick to defend Eksteen. They appreciate his style and readiness to accept blame on their behalf.

An example is the furore about the cancelled screening of Athol Fugard's *A Lesson from Aloes*, four days after the Hendrickse incident According to sources in Auckland Park the decision was taken by TV1 chief Hein Kern, not Eksteen.

However, Eksteen, after returning from his unhappy trip to Cape Town, issued a statement that it was solely his decision.

Those close to Eksteen say he will fight back and not be intimidated That is exactly what Pik Botha's confidant said after his drubbing from P W for daring to say a black could become president.

Pik's career since that humiliating day in parliament may serve as a lesson to Eksteen. There are times when confrontation or resignation is the honourable road. ■

INANCIAL MAIL SEPTEMBER 4 1987

Jittery SABC snips Weekly Mail's adverts

By CHARLOTTE BAUER

THE SABC, which censored a radio spot advertising the *Weekly Mail*, has now axed the advert altogether.

The *Weekly Mail's* advertising agency was informed by the SABC on Wednesday that the regulation 28 days notice was being given and after September the advert would not get further airplay.

No reasons were given for the ban, but its timing has given rise to speculation that the move was politically-inspired.

It has been a chequered week at the SABC, with Director-General Riaan Eksteen's job being laid firmly on the line by the state president's fury over coverage of the resignation of Labour Party leader Allan Hendrickse from the cabinet. It would appear that Eksteen's insecurity was largely responsible for the subsequent chopping of Athol Fugard's *A Lesson From Aloes*.

A political motivation would seem to be backed up by the fact that the SABC's Radio Five has carried another *Weekly Mail* advertisement for over a year without remark.

The banned advert, which has been running since August on Radio South Africa, was awarded the Creative Directors' Forum's "Ad of the Month" days after it was first flighted. Ironically, the announcement was made on Radio Today.

From the start the advert, which uses a mixture of *mbaqanga* and *boeremusiek*, was subject to changes demanded by the SABC's acceptance committee, who said that it would have to be "toned-down" before going on the air. The original version is currently being carried by the independent stations 702 and Capital.

Weekly Mail co-editors Irwin Manoim and Anton Harber commented they found it "extraordinary that a government agency, that loses so much money should let petty political prejudice override other considerations".

prime objective would be bridge-building between groups in both parliamentary and extra-parliamentary politics

Cape Town

SABC editor to vet political news?

THE SABC has created a top political news post in an apparent effort to avoid further friction and clashes with the Government on its political coverage

Mr Johan Pretorius, editor-in-chief of news and public affairs, TV, has been appointed editor-in-chief, politics

It seems Mr Pretorius's main task will be to vet political coverage and to try to avoid clashes with the Government

Mr Christo Kritzinger will replace Mr Pretorius in an acting capacity

Mr Kieran Maree will act in the place of Mr Kritzinger as editor, news and public affairs (TV) Mr Ferdi Hand has been appointed acting editor (TV 2 and 3 news)

SABC director-general Mr Riaan Eksteen also announced that Mr Hendrik de Bruyn, production chief, magazine programmes and religion (TV 1), had been appointed head of sports programmes in the new directorate of sports and sponsorships

Mr Pretorius's new appointment follows the recent confrontation between President Botha and the SABC on its coverage of the resignation from the Cabinet of the Rev Allan Hendrickse

In the process Mr Botha demanded the dismissal of Mr Eksteen But the corporation's board stood by him

Although the chairman of the board, Mr Brand Fourie, announced afterwards that the matter was now "closed" it remained clear that some formula would have to be found to mollify the Government

While the SABC has been criticised by opposition parties for its one-sidedness there is also dissatisfaction in Government circles about its political coverage

Some Nationalist politicians feel too much attention is given to the Government's opponents — Political Correspondent and Sapa

Illegal immigrants

350 Mr P G SOAL asked the Minister of Home Affairs

(1) Whether any persons who were arrested on suspicion of being illegal immigrants were deported or repatriated in 1986, if so, (a) how many and (b) to which country was each deported or repatriated,

(2) whether any of these persons were in possession of illegal (a) reference or (b) identity books, if so, (i) how many, (ii) of which countries were they purported to be citizens, (iii) (aa) by whom and (bb) how was it determined that the documents were illegal and (iv) in terms of what statutory provisions were they deported or repatriated?

The MINISTER OF HOME AFFAIRS

(1) Yes

(a) 32 362

(b)

Botswana	7 289
Ciskei	1
Lesotho	2 596
Malawi	35
Mozambique	19 081
Swaziland	671
Tanzania	3
Transkei	143
Venda	2
Zambia	1
Zimbabwe	2 538
Zaire	2

(2) (a) and (b) Yes

(i) and (ii) Statistics in this regard are not being kept by the Department

(iii) (aa) Immigration Officers

(bb) By means of examination in terms of the relevant legislation

(iv) In terms of section 16 of the Admission of Persons to the Republic Regulation Act, 1972 (Act 59 of 1972), and the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945), the latter being repealed with effect from 1 July 1986

Immigrants

352 Mr A GERBER asked the Minister of Home Affairs †

How many (a) Blacks, (b) Whites, (c) Coloureds and (d) Indians were allowed to immigrate to the Republic during the latest period of 12 months for which information is available?

The MINISTER OF HOME AFFAIRS

(a) 49

(b) 5 473

(c) 37

(d) 184

The above-mentioned figures are in respect of the applications approved by the Immigrants Selection Board for the period August 1986 to July 1987

Annual reports

374 Mr K M ANDREW asked the Minister of Economic Affairs and Technology

(1) (a) (i) How many annual reports were produced in 1986 by the Department of Mineral and Energy Affairs and/or statutory bodies falling under this Department and (ii) in respect of what bodies were these reports produced (b) what was the cost of producing each such report, (c) how many copies of each report were printed and (d) who undertook the printing of each report,

(2) whether the printing of these reports was put out to tender, if not, why not if so, (a) what was the (i) lowest and (ii) highest tender submitted, and (b) what was the amount of the successful tender, in each case,

(3) whether any copies of these reports were sold, if so, (a) how many, (b) to whom, and (c) at what price, in respect of each report,

(4) in respect of each of the latest specified five years for which information is available, (a) what was the total cost to this Department of these annual reports, (b) how many copies were printed, (c) how many of these reports contained (i) full colour and (ii) black and white pictures, (d) on what quality paper were the annual reports printed and (e) (i) how many of these reports contained a photograph or drawing of the (aa) political head and (bb) top official of his Department and/or the statutory bodies in question and (ii) how many of these pictures were in (aa) colour and (bb) black and white in each case?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) (a) (i) Seven

(ii) 1 Department of Mineral and Energy Affairs
2 Energy Branch, Department of Mineral and Energy Affairs (Reprint from Departmental annual report)
3 Geological Survey, Department of Mineral and Energy Affairs (Reprint from Departmental annual report)
4 SA Diamond Board (No report as from 1986)
5 ESKOM
6 MINTEK
7 Atomic Energy Corporation of SA Ltd
8 Council for Nuclear Safety

(b) 1 R30 518,70
2 Unknown at this stage
3 Unknown at this stage
4 Nil
5 R148 080,00
6 R 44 605,75
7 R 800,00
8 R 3 500,00

(c) 1 1 070
2 800
3 800
4 Nil
5 19 000
6 2 500
7 50
8 700

(d) 1 Cape and Transvaal Printers (Pty) Ltd (for Government Printer)
2 Cape and Transvaal Printers (Pty) Ltd (for Government Printer)
3 Cape and Transvaal Printers (Pty) Ltd (for Government Printer)
4 Nil
5 The Standard Press
6 MINTEK
7 Atomic Energy Corporation of SA Ltd
8 Atomic Energy Corporation of SA Ltd

(2) 1 Unknown Government Printer is responsible
2 Unknown Government Printer is responsible
3 Unknown Government Printer is responsible
4 Nil
5 Yes
6 Yes
7 No (Classified)
8 No (Classified)

(a) (i) 1 Unknown
2 Unknown
3 Unknown
4 Nil
5 R69 638,00
6 R41 428,80
7 Not applicable
8 Not applicable

(ii) 1 Unknown
2 Unknown
3 Unknown
4 Nil
5 R71 950,00
6 R50 989,12
7 Not applicable
8 Not applicable

(b) 1 Not applicable
2 Not applicable
3 Not applicable
4 Nil
5 R69 638,00
6 R41 428,80
7 Not applicable
8 Not applicable

(3) 1 Unknown Government Printer is responsible
2 Nil
3 Nil
4 Nil
5 Nil
6 Nil
7 Nil
8 Nil

(a) 1 Unknown
2 Nil
3 Nil
4 Nil
5 Nil
6 Nil
7 Nil
8 Nil

(b) 1 Unknown
2 Nil
3 Nil
4 Nil
5 Nil
6 Nil
7 Nil
8 Nil

(c) Unknown
2 Nil
3 Nil
4 Nil
5 Nil
6 Nil
7 Nil
8 Nil

(4)

		1981	*1982*	*1983*	*1984*	*1985*	*1986*
(a)	1	R6 236,70	R19 115,25	R19 302,03	R25 853,90	R 24 800,19	R 30 518,70
	2	R4 556,67	R 2 359,62	R 2 197,05	R 4 520,57	R 2 554,31	Unknown
	3	R 948,00	R 1 290,00	R 1 778,00	R 2 435,00	R 2 717,00	Unknown
	4	R3 146,00	R 2 362,00	R 2 745,00	R 2 782,00	R 3 287,00	Nil
	5	Nil	Nil	R46 423,00	R70 369,00	R182 535,00	R149 080,00
	6	Nil	Nil	R 6 972,00	R20 284,00	R 29 802,00	R 44 605,75
	7	Nil	R 2 000,00	R 2 000,00	R 2 000,00	R 2 000,00	R 800,00
	8	Nil	Nil	Nil	Nil	R 10 300,00	R 3 500,00
(b)	1	832	930	930	990	1 200	1 070
	2	1 250	1 250	1 250	1 000	1 300	6 050
	3	750	750	750	800	800	800
	4	250	300	300	260	250	Nil
	5	Unknown	13 000	15 000	17 000	24 000	19 000
	6	3 200	3 200	3 200	3 200	3 200	2 500
	7	200	200	200	200	200	50
	8	Unknown	Unknown	Unknown	Unknown	2 130	700
(c) (i)	1	One	One	One	One	One	One
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	One	One	One	One	One	One
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Unknown	One	Nil	One	One	One
	6	One	One	One	One	One	One
	7	Nil	Nil	Nil	Nil	Nil	Nil
	8	Unknown	Unknown	Unknown	Unknown	One	One
(ii)	1	One	One	One	One	One	One
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	Nil	Nil	Nil	Nil	Nil	Nil
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Nil	Nil	One	Nil	Nil	Nil
	6	Nil	Nil	Nil	Nil	Nil	Nil
	7	One	One	One	One	One	One
	8	Unknown	Unknown	Unknown	Unknown	Nil	Nil

HoA

(d)	1	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove
	2	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove
	3	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove	G P Wove
	4	High quality	High quality	High quality	High quality	High quality	No report
	5	Unknown	118 GSM	Unknown	118 GSM	135 GSM	135 GSM
	6	115 GM Mat art paper	115 GM Mat art paper	115 GM Mat art paper	115 GM Mat art paper	115 GM Mat artpaper	115 GM Mat art paper
	7	DAKUZA Mat 80G	DAKUZA Mat 80G	DAKUZA Mat 80G	DAKUZA Mat 80G	DAKUZA Mat 80G	DAKUZA Mat 80G
	8	Unknown	Unknown	Unkown	Unknown	DAKUZA glazed 100G	DAKUZA glazed 100G
(e) (i) (aa)	1	Nil	Nil	Nil	Nil	Nil	Nil
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	Nil	Nil	Nil	Nil	Nil	Nil
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Nil	Nil	Nil	Nil	Nil	Nil
	6	Nil	Nil	Nil	One	Nil	Nil
	7	Nil	Nil	Nil	Nil	Nil	Nil
	8	Nil	Nil	Nil	Nil	Nil	Nil
(bb)	1	Nil	Nil	Nil	Nil	Nil	Nil
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	Nil	Nil	Nil	Nil	Nil	Nil
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Unknown	One	One	One	One	One
	6	One	One	One	One	One	One
	7	One	One	One	One	One	One
	8	Nil	Nil	Nil	Nil	One	One
(ii) (aa)	1	Nil	Nil	Nil	Nil	Nil	Nil
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	Nil	Nil	Nil	Nil	Nil	Nil
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Nil	One	Nil	One	One	One
	6	One	One	One	One	One	One
	7	Nil	Nil	Nil	Nil	Nil	Nil
	8	Nil	Nil	Nil	Nil	One	One
(bb)	1	Nil	Nil	Nil	Nil	Nil	Nil
	2	Nil	Nil	Nil	Nil	Nil	Nil
	3	Nil	Nil	Nil	Nil	Nil	Nil
	4	Nil	Nil	Nil	Nil	Nil	Nil
	5	Nil	Nil	One	Nil	Nil	Nil
	6	Nil	Nil	Nil	Nil	Nil	Nil
	7	One	One	One	One	One	One
	8	Nil	Nil	Nil	Nil	Nil	Nil

Industrial/gem diamonds exported

395 Mr W J D VAN WYK asked the Minister of Economic Affairs and Technology †

(a) How many carats of (i) industrial and (ii) gem diamonds were exported by the Republic in each financial year from 1982-83 up to and including 1986-87 and (b) what was the value of the (i) industrial

HoA

Hansard 10/9/87

Church-state clash over Tutu looming

Political Staff

A CHURCH-STATE confrontation is looming, following what appears to be an attempt by the SABC to place itself in a position to censor Archbishop Desmond Tutu, head of the Church of the Province of South Africa.

Currently, while the Afrikaans church services on Radio Suid-Afrika are pre-recorded, those on the English service of Radio South Africa are not, and the services have been broadcast live for many years.

That, however, is to change.

An edict has gone out from Auckland Park that from October 1, English church services will be pre-recorded, except on major feast days, and the first recording sessions are already under way.

Decision

And almost the first church affected is St George's Cathedral, in Cape Town, from where morning service was due to have been relayed on October 11, when Archbishop Tutu was due to preach.

The celebrant is the Rev Dallas le Page.

Archbishop Tutu is currently in Namibia, and it is understood that no decision on whether the service will be pre-recorded will be taken till after the Dean of the Cathedral, the Very Rev Ted King, has consulted him.

Dean King has, however, already been informed he has to pre-record, but the SABC is expecting that Archbishop Tutu will demand that the service be live.

(i) to (iv) Falls away

It should be mentioned, however, that during the financial years 1982-83 up to and including 1986-87 project aid in the form of loans, including non-recoverable financial assistance, was granted to the independent national states for educational purposes In the accompanying schedule an exposition is given thereof

PROJECT AID IN THE FORM OF LOANS, INCLUDING NON-RECOVERABLE FINANCIAL ASSISTANCE, FOR EDUCATIONAL PURPOSES

Country	1982-83	1983-84	1984-85	1985-86	1986-87
Transkei	R2 705 644 Erection of primary and secondary schools	R2 590 000 Erection of primary and secondary schools	—	R7 122 165 Erection of classrooms at primary and secondary schools	R3 677 384 Erection of classrooms at primary and secondary schools
Bophuthatswana	R5 824 459 Financial contribution towards the erection of a University at Mmabatho	R2 774 752 Financial contribution towards the erection of a University at Mmabatho	R857 594 Erection of primary, middle and secondary schools at Winterveld	R6 339 448 Erection of primary, middle and secondary schools at Winterveld	R5 366 648 Erection of primary, middle and secondary schools at Winterveld
Venda	—	—	—	R311 472 Erection of additional classrooms at primary and secondary schools	R3 996 966 Erection of additional classrooms at primary and secondary schools
Ciskei	—	—	—	R3 585 104 Upgrading and provision of primary and secondary schools	R1 475 765 Upgrading and provision of primary and secondary schools

Goods transported by rail/road

407 Mr A J W P S TERBLANCHE asked the Minister of Transport Affairs †

How many tonne kilometres of goods were transported by the South African Transport Services by (a) rail and (b) road in the 1986-87 financial year?

The MINISTER OF TRANSPORT AFFAIRS

(a) 91 690 592 176

(b) Particulars are not available on the basis as set out in the Question The total mass conveyed was 4 211 990 ton A distance of 78 609 590 kilometres was covered for this purpose

Diplomatic immunities/rights/privileges

414 Mr C W EGLIN asked the Minister of Foreign Affairs

Whether the State President has granted diplomatic immunities, rights and privileges to any persons in terms of section 2B of the Diplomatic Privileges Act, No 71 of 1951, if so, (a) to how many since 12 April 1985 as at the latest specified date for which information is available, (b) what are the (i) names of, (ii) nationalities of and (iii) positions occupied by each of these persons and (c) what was the nature of the status granted to each of these persons?

The MINISTER OF FOREIGN AFFAIRS

No (a), (b) and (c) Fall away

TUESDAY, 15 SEPTEMBER 1987

†Indicates translated version

For oral reply

General Affairs

State President

SABC: telephone call

*1 Mr D J DALLING asked the State President

Whether he or any other person acting on his behalf telephoned the SABC or any senior official of the SABC during the broadcasting of the 8 pm news bulletin on TV1 on 24 August 1987, if so, (a) (i) who made the telephone call and (ii) to whom did he speak and (b) what was the (i) purpose of the call and (ii) response obtained?

The STATE PRESIDENT

Yes I personally phoned the Director-General of the SABC and requested him to carry out my original request, namely to broadcast the full version of the statement issued on that day by my Office on this matter, as well as the contents of my letter of that date to the Chairman of the Ministers' Council of the House of Representatives and his reply to me If I deem it necessary under similar circumstances in future I will do so again

Mr D J DALLING Mr Speaker, arising from the reply given by the hon the State President, and bearing in mind that any request of this nature from the hon the State President during a news broadcast would largely be regarded as an instruction, could he tell the House by what legal authority or otherwise the State President has the right to interfere with the independent broadcasting of the SABC? [Interjections]

The STATE PRESIDENT I did so in the interests of truth, Sir [Interjections]

Mr SPEAKER Order!

Mr D J DALLING Mr Speaker, further arising from the reply given by the hon the State President, can he tell the House whether that facility of being able to make this sort of immediate request which will be carried out is available to the leaders of all political parties in this House?

The STATE PRESIDENT If they want to do so, Mr Speaker, I shall not stop them [Interjections]

†Mr F J LE ROUX Mr Speaker, further arising out of the hon the State President's reply, does the hon the State President want to imply that the first news version was not the truth?

†The STATE PRESIDENT Mr Speaker, the first news version was incomplete and not to my liking to let the country learn the true facts

Mr D J DALLING Mr Speaker, further arising out of the hon the State President's reply, I should like to ask him in what manner, in his view the report was "onvolledig"?

†The STATE PRESIDENT Mr Speaker, it did not present a true reflection of the correspondence, and also not of the statement issued by my office

Mr P G SOAL. Mr Speaker,

†Mr SPEAKER Order! I am not prepared to allow any more supplementary questions on this question to the hon the State President

Mr D J N MALCOMESS Mr Speaker, on a point of order May I ask in terms of what Standing Order you have given that ruling?

Mr SPEAKER Order! It is within Mr Speaker's discretion to do so, and I am doing just that [Interjections]

†The STATE PRESIDENT With all due respect for you Mr Speaker, I am enjoying the questions and the replies

SABC: director-general

*2 Mr D J DALLING asked the State President

Whether, during the month of August 1987, he or any other person acting on his behalf initiated any (a) actions, (b) instructions, (c) suggestions and/or (d) discussions in regard to the continued employment of the present incumbent of the post of the director-general of the SABC, if so, (i) what (aa) actions, (bb) instructions, (cc) suggestions and/or (dd) discussions, (ii) why and (iii) with what result?

†The STATE PRESIDENT

No The rest falls away

Mr D J DALLING Mr Speaker, arising out of the hon the State President s reply, is the hon the State President telling us then that at no stage during that week the job of the Director-General was in question insofar as the Government was concerned?

The STATE PRESIDENT Not by me, and not on my instructions

*3 Mr F J LE ROUX—State President [Withdrawn]

Ministers

Questions standing over from Tuesday, 8 September 1987

Waterdal expropriation

*2 Mr J H VAN DER MERWE asked the Minister of Constitutional Development and Planning ₸

Whether the State intends expropriating the White area of Waterdal, situated near Vereeniging, if so (a) when and (b) why, if not, what action does the State intend taking in respect of this area?

₸The DEPUTY MINISTER OF DEVELOPMENT PLANNING

(a) No

(b) The future of the Waterdal area is still being investigated by the Provincial Administration of the Transvaal

₸Mr J H VAN DER MERWE Mr Speaker arising from the hon the Deputy Minister's reply, is he aware that in this particular area of Waterdal, Black families are living in ten of those houses and that no steps have been taken to evict them, while it is a White area?

†The DEPUTY MINISTER Mr Speaker, I have told the hon member that the matter is being investigated at present

₸Mr J H VAN DER MERWE Mr Speaker, further arising from the hon the Deputy Minister's reply, can he tell us what steps are being considered to remove those ten houses in which Black families are living, and what other steps he is contemplating in this connection, apart from saying that he is giving attention to the matter

†The DEPUTY MINISTER Mr Speaker, after we have completed the investigation I shall tell the hon member what steps we are contemplating

₸Mr T LANGLEY Mr Speaker, further arising from the hon the Deputy Minister's reply, if the investigation should indicate that there is in fact illegal occupation of White houses by persons of another racial groups, will he be prepared to act?

₸The DEPUTY MINISTER Mr Speaker, I dealt with that matter at length in the discussion of our Vote

₸Mr J H VAN DER MERWE Piet, you are making Parliament ridiculous! [Interjections]

₸Mr SPEAKER Order! It has been ruled previously in this House by the presiding officer that it is not permissible to refer to any hon member across the floor of the House by nicknames, first names or in any other such manner I should thus appreciate it if the hon member for Overvaal would abide by that ruling

₸Mr J H VAN DER MERWE, Mr Speaker, may I address you on the matter?

₸Mr SPEAKER Order! I have already spoken to the hon member for Overvaal

₸Mr J H VAN DER MERWE Mr Speaker, on a point of order

₸Mr SPEAKER Order! Does the hon member wish to put a new point of order or does he want to deal with the same matter?

†Mr J H VAN DER MERWE Mr Speaker, I want to raise a point of order on the fact that hon members are shouting my first name at me

†Mr SPEAKER Order! That deals with the same matter and that is now closed

Permanent residence application forms

*22 Mr R M BURROWS asked the Minister of Home Affairs

(1) Whether application forms for permanent residence in the Republic contain a section pertaining to the religion of the applicant, if so, why,

(2) whether it is compulsory for an applicant to complete the section on religion, if so, (a) why and (b) what action is taken in respect of applicants refusing to complete this section,

(3) whether applicants failing to complete the section on religion are (a) sent and (b) required to complete a further form pertaining to their religious convictions, if so, (i) why, (ii) for what purpose is the information so obtained used, (iii) what action is taken in respect of applicants refusing to provide the information requested and (iv) what is the reference number of this form,

(4) whether he will make a statement on the matter?

₸The MINISTER OF HOME AFFAIRS

(1) Yes The application form for permanent residence is prescribed in terms of section 4 (1) of the Aliens Act, 1937 (Act 1 of 1937) The question pertaining to religion has been part of the application form since 1957 The question initially only dealt with an applicant's church denomination, but since 1965 an applicant must state his religion as well as denomination The information is necessary to assist in the process of determining whether an applicant is a desirable immigrant in terms of section 4 (3) of the Aliens Act, 1937

(2) Yes

(a) The information is part of the broad background information to be furnished by the applicant on his application form to enable the Immigrants' Selection Board to have all the relevant particulars of the applicant

(b) The application is regarded as incomplete and is not submitted to the Immigrants' Selection Board for consideration

(3) (a) and (b) Yes This is done in all cases where applicants either failed to complete the section concerned or have indicated that they have no religion

(i) and (ii) The information is required for the purpose as already stated

(iii) Such applications are not submitted to the Immigrants' Selection Board

(iv) BI-952

(4) No

New Questions

Canadian Indians: Food/other aid

*1 Mr P G SOAL asked the Minister of Foreign Affairs

(1) Whether he or any member of his Department offered any (a) food and (b) other aid to the Canadian Indians who visited the Republic in or about August 1987, if so, (i) when, (ii) who made the offer, (iii) what aid was offered (iv) why was the offer made and (v) what action has been taken in respect of this offer,

(2) whether his Department has attempted to ascertain the need for food in local communities and of local charitable organisations, if so, (a) in what manner and (b) what were the findings,

(3) whether he will make a statement on the matter?

The MINISTER OF FOREIGN AFFAIRS

(1) (a) No, but I am aware that certain

PW admits he meddled in TV news

260 DM 14/9/87

from ORMANDE POLLOK Political Correspondent

CAPE TOWN — President P. W. Botha admitted yesterday that he had intervened in a SABC TV news programme on the Reverend Allan Hendrickse's resignation from the cabinet — and said he would do it again if necessary.

However, he denied the SABC Director-General Mr Kudu Eksteen's job was on the line

Oppostion parties yesterday criticised Mr Botha who they said had proved that the SABC was being manipulated by the government for its own political ends

Mr Botha told Parliament at question time yesterday that he had in fact intervened — "in the interest of truth"

He told Mr Dave Dalling, Progressive Federal Party spokesman on the media, that he had telephoned Mr Eksteen and "requested him to carry out my original request, namely to broadcast the full version of the statement issued on that day by my office on this matter, as well as the contents of my letter of that date to the Chairman of the Ministers' Council of the House of Representatives and his reply to me"

Mr Botha said "If I deem it necessary under similar circumstances in future, I will do so again"

Mr Dalling said "Bearing in mind that any request of this nature from the State President during a news broadcast would largely be regarded as an instruction, could he tell us what legal right he has to interfere with the independent broadcasting of the SABC?"

Mr Botha replied "I did so in the interests of truth"

Mr Dalling then asked if the "facility of being able to make this sort of immediate request, which will be carried out, is available to the leaders of all political parties"

Mr Botha answered "If they want to do so, I shall not stop them"

Mr Frank le Roux, Conservative Party whip, inquired if Mr Botha thought the first version broadcast was not the truth.

Mr Botha said the report was "incomplete"and "did not give a true reflection of the exchange of letters, nor of the statement issued by my office".

In a later question, Mr Dalling asked if Mr Botha or anyone else acting on his behalf had initiated any "actions, instructions, suggestions or discussions" about Mr Eksteen's employment.

"No," said Mr Botha

Mr Dalling asked "Is the Honourable State President telling us then that at no stage during that week the job of the Director General was in question so far as the government was concerned?"

"Not by me and not on my instructions," Mr Botha said.

Reaction page 8

Botha admits role in TV row

By ANTHONY JOHNSON
Political Correspondent

AN UNREPENTANT President P W Botha has admitted to interfering personally in the recent SABC-TV news broadcast on the resignation of Mr Allan Hendrickse from the cabinet — and has threatened to take similar action in future, if necessary.

Mr Botha told Parliament yesterday that he had personally phoned the Director General of the SABC, Mr Riaan Eksteen, during the 8pm news bulletin on TV1 on August 24 and "requested" him to broadcast certain material

Asked to tell the House "by what legal authority or otherwise" he had the right to "interfere with the independent broadcasting" of the SABC, the State President responded amid a hail of interjections "I did so in the interests of truth"

Mr Botha's manipulation of a major SABC news broadcast was condemned last night by opposition parties to the left and right of government as a cynical and illegal abuse of his presidential authority in favour of the National Party

However, during a series of stormy exchanges during question time which Mr Botha said he "enjoyed", the President denied that he had initiated any action aimed at a... ...g of Mr Eksteen from his job.

'Understand the facts'

A defiant Mr Botha set the scene for the SABC row in Parliament yesterday when, in reply to a question from Mr Dave Dalling (PFP Sandton), he freely acknowledged that he had personally "requested" Mr Eksteen to " carry out my original request, namely, to broadcast the full version of the statement issued on that day by my office on this matter, as well as the contents of a letter of that date of (Mr Hendrickse) and his reply to to me"

Mr Botha then added "If I deem it necessary under similar circumstances in future, I will do it again"

Asked by the chief whip of the Conservative Party, Mr Frank le Roux, if Mr Botha considered the original news broadcast to be untruthful, Mr Botha responded that it was "incomplete and, in my view, did not allow the country to understand the true facts"

Asked whether the facility of being able to make "this sort of immediate request, which will be carried out" was available to leaders of all political parties of the House, Mr Botha stated "If they want to do so, Mr Speaker, I shall not stop them"

When the Speaker, Mr Louis le Grange, intervened — amid protests from the PFP — to say he was not prepared to allow any further supplementary questions on the issue, Mr Botha said "With all respect to you, Mr Speaker, I am enjoying the questions and the answers"

Mr Dalling, the PFP's chief media spokesman, said in an interview afterwards that Mr Botha seemed to be

To page 3

From page 1

"quite proud" of the fact that he had "physically and directly interfered" in the contents of a major news broadcast

"Yet he pretends what happened was merely a request by him to the SABC to change its broadcast We all know that presidential requests in these circumstances are nothing short of a command

"Had that command been ignored, there is no doubt that heads of virtually the entire parliamentary staff of the SABC would have rolled

"We all know that the SABC takes no notice whatsoever of other opposition parties, but jumps to attention when the State President throws a tantrum

"There is no doubt that the President misused the office of the presidency in manipulating news in this instance

"What is astounding is that the President seems to be proud of it," Mr Dalling said

The CP's media spokesman, Mr Fanie Jacobs, said in a statement last night that Mr Botha's answers "show once again, without doubt, how the SABC is being manipulated and prescribed to by the National Party government, and especially the State President, to favour the National Party in its programmes and even its news broadcasts"

Escom stock fraud probe

260

80 24/9/87

JOHANNESBURG — A fraud involving forged Escom stock certificates worth tens of millions of rands has been uncovered by the Reserve Bank.

A spokesman for Escom confirmed yesterday that the commission had been asked by the Reserve Bank to track the movements of specific bonds

The president of the JSE, Mr Tony Norton, said the exchange had been advised of "significant amounts of tainted stock"

While the amounts involved are not known, Mr Norton said they were likely to run into tens of millions of rand

According to an article in Finance Week, the certificates thus far used in the fraud relate to Escom loans numbered 154, 155, 157, 159, 160 and 163

None of the forgeries is believed to be in the hands of the general public but Escom appealed to holders of bonds bearing these numbers to contact them — Sapa

Escom still probing complex share fraud

Daily Dispatch Correspondent

JOHANNESBURG — The Escom stock certificate fraud is so complex that it will take "considerable time" before the matter is handed to the police, the general manager of Foreign Exchange, Mr John Postmus said

The deals, allegedly done last year with falsified stock certificates, were "intended to circumvent South Africa's foreign exchange controls in order to get money out the country

The senior general manager of Escom, Mr Lood Rothman, said yesterday

"This investigation has shown that forged stock which was apparently used, passed only between buyers and sellers who were known to each other and who had deliberately set out to circumvent South African exchange control regulations

"A careful investigation by Escom has shown that there is little likelihood that the forged certificates have been passed on to unsuspecting members of the public"

He said Escom was perturbed about the sensationalist nature of reports regarding forged Escom stock and the implication that such forgeries may be easy to do and easy to disseminate

"The alleged contravention involved highly complex procedures among people known to one another, in transactions to which neither Escom nor its staff was involved

"Any stock traded on the open market is as vulnerable to forgery as banknotes themselves"

It is believed that a local agent purchased stock from overseas with financial rands

The money would be transferred to the United Kingdom by means of a routine banking transaction

Mr Postmus said it was to early to divulge the exact amount involved "It could be several million rands."

He declined to name the companies being investigated because an intermediary holder may unknowingly be in possession of one of the certificates

Escom's local capital market manager, Mr Gerard Ramage, said Escom stock had been used because it was extremely marketable and because many legitimate transactions of the this nature took place

I am from **Northern Namibia.** I am studying at the University of Cape Town.

Flashy ex-SA businessman linked to vast Escom swindle

INFO MAN IN FRAUD QUIZ

Cont→

QUESTIONED: Mr Philip Clarke, the immigrant bookmaker who became a South African business high-flyer

By NEIL MOOPER and ODO KYPSTRA

A FLAMBOYANT, cigar-chomping businessman who was closely associated with the Information scandal has been linked with the massive Escom stock fraud.

He is Mr Philip Clarke, a former chief executive of the Triomf fertilizer group, who now lives the life of an English country gentleman on an estate outside his home town of Birmingham.

Scotland Yard detectives have questioned him about the forged stock certificates.

Reserve Bank sources in Pretoria said this week that they believed Mr. Clarke could assist them in their investigation of the stock fraud involving tens of millions of rand.

He was questioned by police in Britain at the request of the bank.

Mr Clarke, a large jovial man in his 50s, was also a key figure in the Info scandal as first chief executive of The Citizen newspaper, then secretly financed by the Government.

Partygoer

He was a snappy dresser who cut a familiar figure on the business cocktail-party circuit, nearly always with a cigar in his hand.

Speaking from his Birmingham estate, where he now breeds horses, the high-living Mr Clarke this week declined to comment on his role in the Escom scam. A source in Johannesburg said: "It will all eventually come out in the wash"

Twice-married Philip Clarke had a varied career in South Africa after immigrating about 15 years ago from Britain, where he worked as a bookmaker.

He joined former tycoon Louis Luyt's Triomf group and in 1976 became the first chief executive of The Citizen, which Dr Luyt established as a front for the former Department of Information, then headed by Dr Connie Mulder.

Mr Clarke later quit Triomf and joined Kirsh Industries (now Tradegro), where he was chief executive of Russells, the furniture chain.

Two Mercs

In January last year he left Kirsh to rejoin the Triomf group — still run at the time by Dr Luyt — which paid Russells R55 000 to take over Mr Clarke's two company cars, a Mercedes Benz 280SE and a Mercedes 200.

According to the new chairman of Triomf, Mr Frans Davin, Mr Clarke resigned from Triomf on November 1 last year to join the board of Lanchem International, a new company formed by his former boss, Dr Luyt.

Mr Clarke agreed to return the two cars by Januay 15, but failed to do so.

In mid-April when the deputy sheriff arrived at Lanchem's offices in Rosebank to seize the cars, Dr Luyt advised him that Mr Clarke had emigrated to Britain. The sheriff could find no trace of the cars.

In fact, the only asset he could find to attach was R2 500 in a banking account at Volkskas.

Mr Clarke no longer owns property in South Africa.

Earlier this year he sold his luxury home in Shepherd Avenue, Bryanston, after announcing to family and friends at a special luncheon at a top restaurant in Rosebank that he was returning to Britain.

The Escom fraud was revealed on Thursday when it was announced that detectives of the Commercial Branch were investigating currency irregularities involving forged stock.

The Reserve Bank interest in Mr Clarke arose from the bank's investigations into currency deals by Johannesburg industrialist and unrehabilitated insolvent Mr Oliver Hill.

On July 31 the Reserve Bank issued a directive to all commercial banks in South Africa, instructing them not to enter into any transactions over resident, non-resident or financial rand accounts involving Mr Hill, his family or associated companies, whose names were listed.

On August 3 this list was expanded to include additional companies as well as the

□ To Page 2

Info man in quiz over Escom fraud

□ From Page 1

name of "Philip Anthony Clarke — previous ID number 966052938"

The Deputy General Manager of the Exchange Control Department of the Reserve Bank, Mr E J Pike, asked all banks to telex the names of branches conducting accounts for Mr Clarke and the others named, and to supply the respective account numbers and balances of these accounts

Mr Hill has denied that he is any any way involved in the Escom fraud

Mr Clarke was a director of at least one of Mr Hill's associate companies, Geogas

Earlier this year Mr Clarke hit the headlines when he acquired 55 percent of the claims against the Hill family's company, National Explosives (Natex) from Barclays Bank of Swaziland

Last year, while still chief executive of Triomf, Mr Clarke was also in the spotlight in the business world when he negotiated a R3-million deal on behalf of Phoenix Management, another Hill company

Mr Clarke also has an interest in International Explosives and Chemicals (IEC), which is mainly controlled by the Hill family

Banking sources revealed this week that the Escom scam was perpetrated through the large-scale purchase of Escom stock in the name of non-residents

Reserve bank sources say the Escom stock which was forged, served as a tool in the "round-tripping" of commercial and financial rands, on

which massive profits were made

The forged stock remained mainly in the possession of the perpetrators and no innocent outside parties, such as Escom and its stockholders, suffered

Labour Update

Sacwu man is shot dead

A South African Chemical Workers' Union member, Mr Sixabaxiya Nqita, was shot dead by unknown men in Sasolburg on Tuesday night.

Mr Nqita was among the more than 1 300 Sasol workers dismissed after participating in a strike last month, a Sacwu spokesman said.

According to Sacwu, other Sacwu members were attacked by a group armed with pangas and knobkieries last weekend Their homes were also attacked

"During the same weekend, there was an attempt to burn down a local church used by the dismissed Sasol workers to convene meetings," the Sacwu spokesman said.

A priest in charge of the church, Mr M L Mokgutu, later found half-filled petrol containers in the churchyard, the union said.

The Sacwu members have reported the matter to the police.

TECHNOLOGY TRANSFER

Spreading the word

In a drive to foster economic growth, the CSIR is establishing a clearing house to coordinate the gathering of technological information and know-how and its transfer to industry

"Our goal is to assist South African industry to improve its efficiency, to become internationally competitive and to vigorously promote import replacement," says Brian Clark, CSIR executive in charge of research, development and implementation

The formation of this clearing house — the National Technological Information System (NTIS) — was approved by the government following a recommendation in March by the Advisory Council for Technology It is currently being implemented by the CSIR, which is using its existing Centre for Information Services (CIS) as the core of the new organisation By using existing infrastructure, costs will be kept low

The CSIR is aware of differing definitions of technology — "low tech" in CSIR terminology might be hi-tech for a small entrepreneur, but "low tech" is an important part of the country's overall industrial capacity — so it is attempting to meet the need to provide a broad-based generalist support to industry In addition there is the technology time-lag between, for example, metropolitan and rural areas, which is even more strongly accentuated in the more remote areas, so the council is attempting to meet this challenge by supplying "survival" information

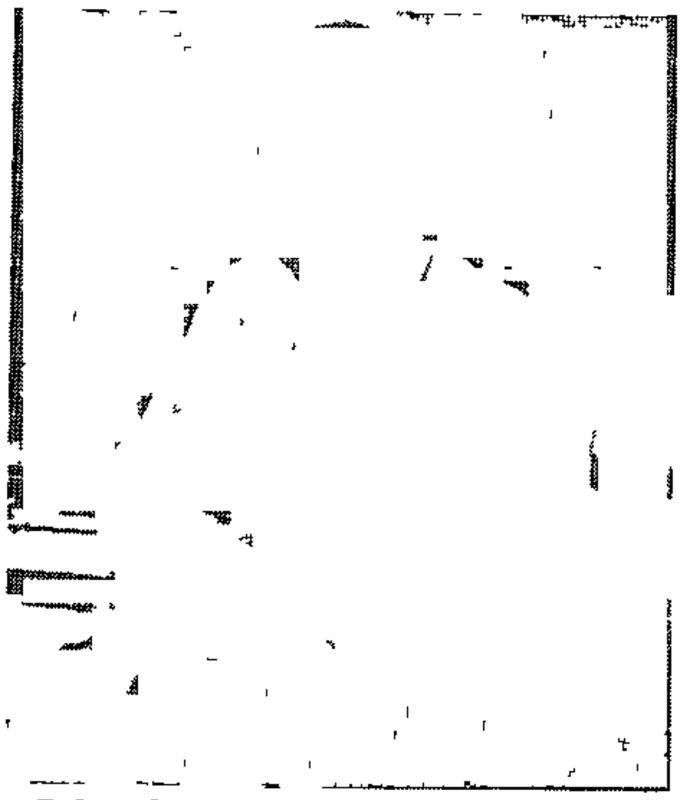
The NTIS will gather data from local universities and research organisations, as well as from overseas databases, scientists and technology journals This information will be disseminated by referral services and technical digests relating to local expertise, manufacturing capabilities, and market conditions An Industrial Extension Service is also planned

Ambitious plans

Plans for NTIS are ambitious In addition to individual company support, the service will provide regional support to attract industries or develop new products — negotiating with regional authorities is considered as important in this regard NTIS is looking at stimulating exports by establishing links between manufacturers, suppliers and export bureaus

The CSIR sees the service as differing fundamentally from other departments because its role lies in what it calls "informatics" — the mechanisms and technologies for information transfer and the accessibility of information

A patent alerting and document service for the small entrepreneur, repackaging of technological information, and "quick and dirty" techno-economic surveys on the possibility of import replacement projects are envisaged



Brian Clark . . . goal is to become internationally competitive

Another area of promise is in equipment revamping — so-called "Phoenix projects". Practical Yellow Pages-like guides to CSIR expertise, services and facilities are envisaged

The council has established that published scientific and technical literature specifically indexed and packaged for a particular industry is of value in industrial/technical development, but emphasis will also be placed on other sources of information The NTIS will be geared to providing innovation and ideas support in an upward market trend and survival/profitability support in a downward market trend It is planned that its staff will be available on a stand-by basis seven days a week

Differing costs

Each service has its own cost For instance the Technological Enquiry Service is free, but customised services costs R50 per database The data will be processed into customised packages and made available by post, computer link, telephone or at personal interviews Later on, the Post Office's Beltel videotext service may be used for transmission of selected information. ■

Cannot afford to fail

It was a blessing in disguise when the United Nations (UN) declared a total arms embargo in 1977. From that day Armscor developed into one of SA's major industries. Chairman Piet Marais discusses the 10-year sanctions period and the future of the armaments industry with the *FM*.

***FM*: How did the industry develop during these 10 years?**

Marais: SA never had an arms industry. Most requirements during the World Wars and Korea were met by the Allies The country never needed an industry, we were never threatened to that extent. But when the UN started making noises in 1968 the build-up started gradually In 1977, the year of UN Resolution 418, we employed the private sector and expanded Armscor.

How big is the involvement of the private sector?

This year Armscor will handle R3 billion, of which more than 70% will flow to the private sector. We have 936 contractors and sub-contractors. Some main contractors produce our weapons systems, for example vehicles like the Ratel

Ship-building is done in toto by the private sector with the exception of missiles, guns and a bunch of smaller weapons The private sector is also responsible for all electronic equipment Armscor does not make any computers though we specify the design for the military type and give a strong input. Development and manufacturing are done totally by the private sector

How did big business get involved?

When we started the new Armscor in 1977 after the amalgamation of the old Armaments Board and the Armaments Development & Production Corporation, it was felt that the private sector should be included Today the board includes people from the industrial, financial and scientific worlds We were determined not to erect any plants where facilities already existed. We also went out of our way to find entrepreneurs willing to invest in the production of armaments

We started privatisation from the word go. Our task was to establish an arms industry without upsetting the economy but rather by enhancing it.

What are the limitations on production?

Manpower and what you can afford, not so much brain power In the latter, we compare with the best in the world

Could the West depend on SA for arms in a time of conflict?

That is really a political question and I can only answer part of it. We have developed armaments especially for African theatres of warfare This is unlike Nato conditions of different terrain, more rivers and snow. We have to develop armaments with a high mobility to fight in our part of the world — which is the whole African continent.

We have one important advantage At the moment there are about 30 hot spots of armed conflict in the world. Other than the two religious wars in Ireland and between Iraq and Iran, all have the Soviet bloc on one side and the present regime on the other, relying on Western countries.

All aid and supplies from these two blocs are tied to strong political aims and strings. SA, on the other hand, attaches no strings

To how many countries do you sell? Do we sell to countries with whom we might have ideological differences?

We have had dealings with more than 30 countries. Sri Lanka, for example, had a severe problem with landmines in their war against the Tamils They shopped around and found our anti-landmine vehicles were the best, so they bought them

Export of armaments is of course controlled. We sell only to countries who are not our enemies. To define enemies is difficult — we might regard certain countries as enemies

because of the noises they make at the UN

We would not sell to countries aligned with the communist bloc or who would participate in any form of military activity against us This includes the frontline states, who also rule themselves out because they seldom buy arms and if they do, get them at very reduced prices and extremely long credit facilities, which we never grant Our armaments are high quality, and not cheap

We never sell small quantities of arms — handguns, rifles, grenades That is typical of the way terrorist organisations buy arms We also don't sell to countries who align themselves to terrorist organisations

On one export contract, 103 contractors and sub-contractors are working, three of them in the Armscor stable, involving more than 10 000 people on the production lines

You can safely say that the biggest volumes of manufactured goods that have ever left SA are now in the form of arms

This is a very competitive market You cannot sell any system based on yesterday's technology The only way is to come up with new technology all the technology we use has been developed in this country

How do you see Armscor's future role?

I cannot foresee that the arms embargo will be lifted in our time UN Resolution 418 is a fact of life The armaments industry will have to remain a permanent part of our economy Our biggest endeavour is to give permanence to this industry and look for markets elsewhere.

I am optimistic there is no option, no other way out. This industry cannot afford to fail.

possible release of Walter Sisulu and Steve Friedman, policy research man-

R200m annual saving in forex

B/day 9/11/87

Self-reliance the aim of Sasol plant

260

SOUTH AFRICA'S R1bn a year plastics industry is set to become totally self-reliant in producing the "steel of the future" with the advent of Sasol's R340m polypropylene plant at Secunda.

Apart from one or two less important grades of the commodity material, the Sasol plant, once operational, will supply all of SA's domestic needs, ending the country's present reliance on uncertain world markets, say industry sources

This is expected to save R200m a year in foreign exchange

Local industrialists are also forecasting that the venture will cause a massive move away from traditional materials used in engineering

"As a commodity material, polypropylene is viewed by the rest of the world as having tremendous growth potential. Specially formulated grades are now being used extensively in the engineering sector," says Plastics Federation of SA (PFSA) executive Bill Naude.

"It is also a vital investment and an acknowledgement that the industry (plastics) is one of our major growth areas in the SA industrial scene today."

Sasol's decision to go ahead with the project, which was announced this week, was prompted by a growing local de-

MICK COLLINS

mand currently estimated at between 55 000 and 60 000 tons a year. The plant will have a final annual capacity of 120 000 tons a year.

In addition, a company spokesman says, strong export possibilities were also identified.

"The world demand for polypropylene is about 9-million tons a year. SA is geographically well-placed for certain exports.

"The foreign exchange savings and earnings that will be emanating from this project are expected to be more than R200m a year at current prices and full production."

The proposed plants — a propylene plant and a polypropylene plant — will create about 240 job opportunities within the Sasol group.

"Numerous additional employment opportunities could also develop in the downstream plastics converting industry, once polypropylene becomes freely available at competitive prices."

Sasolchem MD Andre Bedeker declines to say if the technolgy for the

To Page 2

From Page 1

ear, eye and skin infections — are not notifiable.

"There is virtually no information on the incidence of related diseases. No comprehensive study has yet been carried out — there is no infrastructure for recording such infections."

Grabow says viruses may be contracted not only by swallowing polluted seawater but by swimming, diving and surfing.

A recent epidemiological study revealed a direct correlation between the incidence of infections in windsurfers and the number of falls in polluted waters.

The survey, which was initiated under the auspices of the SA National Committee for Oceanographic Research (Sancor), monitored bivalve molluscs such as mussels and oysters which accumulated micro-organisms while filtering seawater for food.

"The quality of mussels and oysters collected at various sites during the investigation revealed that pollution had reached levels where collecting these popular seafoods for consumption in the raw state could hardly be recommended — and even partially cooked or steamed shellfish may not be safe to eat.

"In some places no shellfish could be found, possibly because pollution was so bad they had been killed by toxic compounds in wastewater outfalls."

The results indicate a potential health risk as well as non-compliance with Department of Health recommendations which state that the meat of filter feeders intended for human consumption should not exceed certain limits — an E Coli bacteria count of 500 per 100 gram.

While some samples collected near six wastewater outfalls had an average virus count of 160 to 460 per 100 gram, certain individual samples had well over 1 000 per 100 gram.

"Viruses were also detected in bivalve molluscs at a public bathing beach and on a stretch of coastline officially certified as safe and where the molluscs are harvested for the commercial market," Grabow says.

SABC nets R2,5-m in fines

Melanie Gosling

The SABC has stepped up its campaign against "pirate" viewers and has recovered R2,5 million in fines and penalties this year from viewers who failed to pay for television licences.

This is a 20 percent increase in fines collected last year, according to the manager of SABC's TV licence section, Mr Wavell Fox.

"And we're planning to increase the number of inspectors so the 'pirates' will eventually be caught. They can't hide forever."

He said he was unable to elaborate on the proposed new ways in which TV licences would be levied to beat "pirate" viewers, which Mr Alwyn Schlebush, Minister in charge of Broadcasting Services, announced in Cape Town this week.

"That is all still in the pipeline."

Mr Fox said the SABC lost an estimated R10 million every year from unpaid licences.

From January to September this year, licence inspectors apprehended 38 017 "pirate" viewers. Of these 3 774 appeared in court and R1 830 752 was recovered. A further R944 437 was collected in penalities.

Courts can impose fines of up to R500 or six months in prison.

A spokesman for Mr Schlebusch's office in Pretoria said today they were still discussing new ways to impose licences and could not supply any further details yet.

PLASTICS

Sasol versus Safripol

Sasol's competitors are viewing askance its decision to build a downstream propylene plant and a polypropylene (PP) plant at a cost of R340m at Secunda

Safripol, which is already producing 52 000 t of PP a year at its Sasolburg plant, feels it is more than capable of supplying local market needs. Its obvious concern is that Sasol's new initiative might undermine its position

According to Chris Orpen, chairman of Safripol and a director of Sentrachem, local demand for PP is currently 50 000 t/year-60 000 t/year Moreover, Safripol is being de-bottlenecked to uprate capacity to 70 000 t/year.

"We could even expand capacity at Safripol to 120 000 t/year (the planned capacity of the new Sasol plant) at a cost of only R136m," Orpen says Which does raise question marks over Sasol's move into the market

Safripol is jointly owned by Sentrachem and Hoechst SA

For its part, Sasol claims that, of the plastics presently commercially available on a large scale, the market for PP is the fastest growing "In addition, export possibilities have also been identified And a large percentage of PP used in SA is currently being imported," says a spokesman

But will Sasol's plants be viable in view of the likely oversupply of PP building up in the local market? Further, some are of the view that the R340m that has been budgeted is likely to turn out closer to R500m.

At the same time it has been pointed out that the feedstock for these plastics will have to be taken out of the "fuel pool" — a move which could be prejudicial to taxpayers who originally contributed to the construction of the Sasol plants

It should not be forgotten that AECI's Coalplex plant at Sasolburg, which produces PVC, contributed to the plastic oversupply and consequently operated at a loss for years.

Sasol maintains the "direct foreign exchange savings and earnings which will emanate from this project will, at current prices and at full production, amount to more than R200m a year"

World demand for PP is about 9 Mt/year and Sasol says SA is geographically well placed for certain exports. PP has many applications Products like synthetic carpets, woven bags, chairs, battery cases, packaging material and automotive components are just a few examples of what can be manufactured from it.

Last week's Johannesburg seminar on trade with the People's Republic of China (*Business* November 6), for example, highlighted the fact that China is in the market for imports of both PP and soda ash

"In recent months an enormous world shortage of PP has developed and price trends reflect this situation. Both the PP and soda ash markets are dominated and virtually controlled by some major US and European producers. Increased international use of plastics and PVCs have added to the market shortage and there is a definite, growing world demand for these products," says director of Johannesburg-based Mutex trading house Ralph Roblaa.

Local PP is currently protected by a 20% tariff duty on imports and Sasol says that is quite sufficient in current circumstances Only in the event of mass dumping would it consider calling for further protection ■

Children expect ads to entertain

CHILDREN are a very critical audience when it comes to watching advertisements, according to research conducted by Colleen Oates, senior research executive of the Markinor Research Group

In a paper presented at the SA Marketing Research Association (Samra) convention in Vanderbijlpark this week, Mrs Oates said children expect advertisements to entertain them

"They have no use for advertisements that are informative but lack this entertainment aspect

"For advertisements to succeed with children they must be humorous, very lively and colourful, short, and have good music"

Advertisements that give information but don't entertain are generally not liked

Making boring advertisements or (apparently) false claims are the two worst offences advertisers can make

Children also criticise advertisements that seem to be irrelevant to the product, say nothing about the product itself, or portray life unrealistically

Oates warned advertisers not to talk down to children by making their ads too childish

"Even eight-year-olds are quite sophisticated little consumers, who are quick to criticise ads for being 'babyish'"

Thirty boys from Std 1, Std 3 and Std 5 at the Ridge School, Westcliff, Johannesburg, took part in the research programme.

In evaluating the children's reactions as TV advertisements were shown, Oates found their reactions "mostly negative — mainly because there are too many advertisements, they are repeated too often and they interupt the programmes"

Most of the children agreed that advertising is important — to the public, to the manufacturers of products and to the SABC — and they had a fair understanding of how advertising works

The children were in favour of advertisements that warn the public about dangers to their health or lives

They also tend to be moralistic and criticised the advertising of cigarettes, drugs and alcohol

Some older children felt certain advertisements scared younger children and upset them and this was bad

Oates found that children can be extremely sceptical about advertising

"They pull no punches in their criticism of the false claims they believe advertisers make"

This was particularly evident in the reaction to advertisements for detergents and fabric softeners

Most assumed that new clothes were used to show the benefits

SABC (760) FM

All the right moves

The Allan Hendrickse debacle on TV last March may have claimed its first victim SABC political correspondent Freek Robinson, the man responsible for the extensive exposure that was given to Hendrickse to explain his resignation from P W Botha's Cabinet, has been transferred to the corporation's London bureau

Robinson, an amiable presenter who often showed his colleagues that Cabinet members are not holy cows, will replace Clarence Keyter It is understood Keyter will be taking Robinson's place in the SABC's parliamentary team

Meanwhile, another talented member of the parliamentary team has resigned from the SABC Louis de Villiers, the man who was rebuffed in front of TV viewers when he approached Constitutional Affairs Minister Chris Heunis for comment after Heunis's dismal election showing, will be joining the University of Stellenbosch's public relations team

Ever since the Hendrickse affair, the SABC has tried hard to make amends for causing P W Botha to lose his temper Senior Editor Johan Pretorius has been instructed to attend to all Tuynhuys's TV needs

Now, secretary of the SABC board Pieter Cronje, one of Director General Riaan Eksteen's favourites, will move to Cape Town to liaise with parliamentary parties. House of Delegates' (HoD) leader Amichand Rajbansi has on many occasions called the SABC to air his displeasure about certain programmes dealing with HoD affairs

Rajbansi has been handled with kid gloves by the SABC, not so Hendrickse. The Port Elizabeth swimming episode, which led to the Labour Party leader's public humiliation by Botha, proves the point Hendrickse was to have been interviewed later that morning by Robinson. But the SABC quickly changed its mind and Robinson was instructed not to go ahead with the interview

Dealing with the Conservative Party, however, is a new ball game for the SABC. Since the CP established itself as the Official Opposition, its chief spokesman on broadcasting services, Fanie Jacobz, has been vigorously attacking Auckland Park for unashamedly propagating Nat policies. Cronje's main job will be to defuse these allegations.

Meanwhile, rumours are rife inside the SABC about Eksteen's position. The latest name to emerge as a successor and executive chairman is that of the vice-chairman of the board, Professor Christo Viljoen

Viljoen was appointed by Botha in place of ousted vice-chairman Sampie Terreblanche, who had been accused of being politically too active (in Independent circles, of course)

SABC's Eksteen ... rumours of a new posting

For his part, Terreblanche pointed to the fact that Viljoen, a colleague at the University of Stellenbosch, had acted as chairman at one of Botha's Nat meetings in Stellenbosch. This Viljoen vehemently denied

So it seems as if Tuynhuys has its grip firmly on Auckland Park. This was again evident at the Transvaal Nat congress this week when press photographers were given two minutes to photograph Botha, while the SABC's TV cameras rolled on merrily ■

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20/11/87

Sasol and union to mediate over jobs

THE SA Chemical Workers' Union and Sasol have agreed to mediate re-employment terms for dismissed workers.

Sacwu publicity secretary H O Ndaba said in Johannesburg the agreement to mediate, which began yesterday and stretches until December 1, had followed two meetings between the union and Sasol management during the past nine days.

Dismissed workers decided after the last meeting, on November 20, to individually apply for re-employment after Sasol management said it would re-employ only 50% of dismissed workers as other vacancies had already been filled. — Sapa.

Matimba saves water

In this, the second of our three-part series on Eskom's new hi-tech power stations, we look at the direct dry-cooling technology now being implemented at Matimba in the north western Transvaal

The first unit of the world's largest dry-cooled power station was recently commissioned at Eskom's Matimba plant near Ellisras

While Eskom has experimented with dry cooling before, this is the first time that it has applied the method of using giant fans instead of cooling towers In fact, in this respect, Matimba doesn't even look like a power station as most of us know them

The first unit at Matimba is now generating 665 MW By the time the station is finally completed in 1991, with all six of the planned units in operation, total capacity will be 4 000 MW — enough to supply six cities the size of Durban. To give a further basis for comparison, the largest thermal power station in Western Europe has a capacity of 2 700 MW

At the moment, the world's largest power station using this technology is in the United States and generates a total of 365 MW This means Matimba will ultimately be 11 times as big, so Eskom is pioneering new ground in the sheer scale of direct dry cooling The system uses only a third of the water used by a traditional wet-cooled station The saving is equal to 1,5m *l*/hour or 700 average-size swimming pools a day In a wet-cooled station, 80% of the water is lost via evaporation

Despite the additional cost involved — around R200m — the choice of dry-cooling technology for Matimba was heavily influenced by the severe shortage of water in the north western Transvaal Moreover, Eskom considers the development of the technology to be in SA's long-term interests because of the general lack of water resources in most of the country — particularly where coal deposits are sited

Water management at Matimba is such that no effluent water escapes into any natural water courses Dirty water is used in the dry ashing process to control dust

In the direct dry-cooling system, steam from the low pressure turbine is channelled directly into the radiator-type heat exchanger The heat is conducted from the steam to the metal of the exchanger The forced draught passing through the exchanger removes the heat, thus condensing the steam into water to be pumped back to the boiler

Matimba is burning low-grade coal, which is essentially a by-product of Iscor's coking coal mine at Grootegeluk nearby The coal has a heat content of only 22 MJ/kg and an ash content of up to 33% While this is nowhere near as high as at Lethabo power station (featured last week, where the ash content is as high as 42%), it compares with power plants in Europe which burn coal with a heat content of up to 30 MJ/kg and an ash content of 12%

The power station is being built at a cost of roughly R5 billion and nearly 5 000 people will be on site during the construction peak When all six units of the plant are up and running, nearly 2 000 Eskom personnel will be employed at the plant

The first set feeds electricity into the high-voltage yard at Matimba from where a 400 KV line runs to Spitskop just north of Pretoria Here the electricity is fed into Eskom's national grid

The boilers at Matimba are being supplied by SIEVA and the turbine generators by a consortium of MAN of West Germany and Alsthom of France The actual cooling system is by GEA air-cooled systems

Direct dry-cooling technology has never before been attempted on such a massive scale and the world's leading utilities will be closely monitoring the station's overall performance ■

Financial Mail

THE ESKOM FRAUD

The ultimate culprit

The currency swindle through the medium of Eskom stock, which made some dubious headlines this week, needs to be seen in perspective Millions of rands may have been spirited out of the country by a combination of adroit financial manipulation and honest-to-God fraud, to the detriment of the official foreign currency reserves. Yet these reserves have themselves increased by 50% over the past year If the value of gold holdings is added, gross reserves have more than doubled and stand at R7 billion.

Since exchange controls were reimposed on the capital of non-residents in mid-1985, R11,5 billion has left the country anyway. Several million more on top of that is really neither here nor there. When exchange controls are considered to be most needed, they do not work

It was only a matter of time since the reimposition of exchange controls on non-residents before financial hoodlums decided that the temptation of buying SA securities at $0,29 (the financial rand exchange rate) and selling out at R0,48 (the commercial rand rate) outweighed legal scruples

The Reserve Bank administers exchange controls as an agent of the Finance Ministry. It has an impossible task, but it was a willing party to the reimposition of the controls

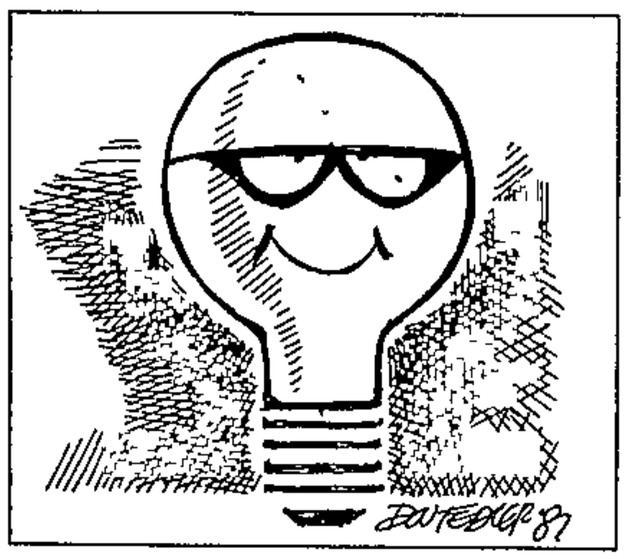
The Bank now is concerned that if the *FM* publishes the precise mechanism by which these illegal currency transfers took place, others may tumble to a near perfect crime. That is rather naive, but an understandable attitude among officials battling to prevent water running out of a sieve.

What is curious is that no arrests have been made or an official explanation offered Yet the authorities claim to know what occurred They are emphatic that the implications are limited only to the perpetrators. And from our understanding of what happened it is plain that the authorities *should* know who was involved.

The only statement the police would make to the *FM* this week was that an investigation had been undertaken and a report sent to the relevant authorities. We have heard elsewhere that a passport has been impounded and that at least one South African resident is under police surveillance

Hearsay is that the matter arose from a stockbroker recalling having seen pass over his desk an Eskom stock certificate with the same number as one he'd seen the previous week, but with a different rand denomination He alerted the authorities and an investigation began

This led to the uncovering of a process whereby, in the broadest terms, an investor abroad bought Eskom stock using the cheap financial rand. The stock certificates were altered so that they appeared to be owned by a resident, thus ensuring when sold the proceeds would be in commercial rands These were then paid into the account of a conspirator who remitted them abroad illegally as current payments



The authorities think the certificates were then destroyed and that the banks and stockbrokers involved were not aware of the scam.

Of course, one reason for the lack of arrests may be that the key players got early wind of an investigation and fled. Or it could be that the whole thing is far bigger, with more serious implications for investors than the authorities care to admit After all, it is simply not known whether any forged Eskom certificates were sold into the open market.

Escom itself is the unwilling victim of circumstances in this unfortunate matter Its stock was used because it is relatively popular abroad. It would be a pity if its funding were to be prejudiced by official fumbling

Investigations into currency transactions, given the complexities of exchange controls, go on all the time For instance, two months ago a circular from the Reserve Bank to foreign exchange dealers instructed them not to enter certain transactions involving Oliver Hill, his family or associates, one of whom was later named as Philip Clarke, a former MD of *The Citizen.* Clarke was recently questioned by British police at the request of the Reserve Bank. Hill's wife is a shareholder in *Finance Week*

There is not very much that can be done to prevent a recurrence of the alleged illegal currency transfers, except for the increased vigilance of the authorities and those who act for them And we fear that in practical terms that is not going to amount to much.

What would be discouraging now is a resumption of the currency witch-hunts of the late Seventies These undermined confidence and led to the prosecution and humiliation more of ordinary folk needing a few extra rand abroad than the unmasking of the big swingers.

Indeed, as the *FM* argued last week, what the authorities should be doing now — and this latest scandal reinforces that argument — is reduce exchange controls and unify the exchange rates. These criminalise the movement of funds which elsewhere are legal The enormous discount at which the financial rand stands to the commercial rand advertises SA's lack of self-confidence in its own governance

If this were to happen, there is more than a running chance that the reserves would be higher, the current account surplus larger — and that there would be a reversal of the outward capital flows

There is less need now to fear the debt crisis. It is most likely behind us

There is an agreed debt repayment schedule and, in any event, all the loans have been identified and can, in the event of repayment problems, be individually frozen

The problem in 1985 was that supervision had been slack, and, while the quantum was known, details of individual foreign loans were not. That has all changed now. ■

Sasol dismisses workers

SASOL had dismissed an unspecified number of workers at its Sasolburg complex who had ignored a deadline to return to work by Friday, a company spokesman said yesterday.

A limited stayaway was begun after the SA Chemical Workers' Union (Sacwu) announced last week a wage deadlock had been reached and that a strike ballot was being conducted among the 4 000-strong workforce.

Sasol is offering workers a 21% increase

Business Day Reporter

Sacwu — a National Council of Trade Unions affiliate — competes with the Cosatu-affiliated Chemical Workers' Industrial Union for membership at the plant.

"Notwithstanding repeated requests made to Sacwu as well as their members, certain members did not report for duty after the deadline the company had set on Friday," a company spokesman said in a statement.

Sasol said it regarded this as a serious breach of contract.

Dismissed workers were given the opportunity to discuss their absence with the company yesterday. Sacwu could not be contacted for comment, so it is unclear how many workers had taken advantage of the offer.

Sasol said it would consider individual applications for reappointment. The spokesman said it regarded the stayaway "in a very serious light".

***TUESDAY, 6 OCTOBER 1987**

**Times allotted for questions for oral reply on general and own affairs extended to 90 and 30 minutes respectively, pursuant to resolution adopted by House on Monday, 5 October 1987*

†Indicates translated version

For oral reply

General Affairs

State President

Director-general of SABC

*1 Mr S C JACOBS asked the State President:†

(1) Whether a senior official in his Office was considered for appointment to the office of director-general of the SABC on or after 24 August 1987, if so, (a) what are the relevant particulars and (b) (i) with whom, (ii) where and (iii) when did he discuss this matter,

(2) whether he will make a statement on the matter?

The MINISTER OF NATIONAL EDUCATION (for the State President):

(1) and (2) I refer the hon member to section 9 of the Broadcasting Act, 1976 (Act 73 of 1976)

†Mr T LANGLEY Mr Speaker, arising from the reply on behalf of the hon the State President, I do not think that it is a correct reply in respect of this question Therefore I am asking the hon the Minister to answer the question properly [Interjections]

Ministers

Questions standing over from Tuesday, 15 September 1987

Attorney-General's decision on detainee

*17 Mr J J WALSH asked the Minister of Justice

(1) With reference to the reply of the Minister of Law and Order to Question No 21 on 25 August 1987, (a) what specified acts alleged by the detainee referred to in the above reply to have been committed against him, were taken into consideration by the Attorney-General in making his decision in the case in question, (b) on what (i) basis and/or (ii) authority did the Attorney-General make his decision to drop the charges against five of the six accused on condition that one of them paid an admission of guilt fine and (c) what is the name of the detainee concerned,

(2) whether (a) this detainee and (b) a certain body, the name of which has been furnished to the Minister's Department for the purpose of his reply, was informed of the Attorney-General's findings in respect of this case, if not, why not, if so, (i) on what date in each case and (b) what is the name of this body?

†The MINISTER OF JUSTICE

(1) (a) I have been informed that the matter is the subject of a civil suite Furthermore the contents of statements in police dockets are confidential and should normally not be made public except in a court of law Under these circumstances I am not prepared to furnish the information asked for It is not our custom to withhold information and I believe that the hon member will understand that we would want to adhere to this rule

(b) (i) Attorneys-General are not obliged to give reasons for such decisions This is a sound convention because had they been required to do so they would in most cases have had to publish information that could be detrimental to individuals whilst that information had not been tested and weighed in a court of law

(ii) The Attorney-General acted under the powers conferred upon him by the Criminal Procedure Act, 1977

(c) The name referred to in the reply to Question No 21 on 25 August 1987

(2) (a) and (b) No Attorneys-General do not inform such parties of their findings

Six persons: acts against detainee

*18 Mr J J WALSH asked the Minister of Law and Order

(1) Whether, with reference to his reply to Question No 21 on 25 August 1987, the six persons accused in connection with the alleged commission of certain acts against the detainee referred to in the above-mentioned reply, were or are members of the South African Police, if not, by whom were they employed when they were in contact with this detainee, if so, (a) what was the (i) rank of each of the five persons who were absolved and (ii) (aa) rank and (bb) length of service of the accused who paid the admission of guilt fine and (b) to which branch of the South African Police did each of the accused belong,

(2) whether, as a result of the Attorney-General's findings, the South African Police have held an investigation into the actions of these persons with regard to their handling of detainees, if not, why not, if so, (a) when and (b) what were the findings,

(3) whether any of the six accused (a) were (i) suspended or (ii) discharged from the South African Police Force or (b) had any other disciplinary action taken against them, if not, why not, if so, what action was taken in each case?

The MINISTER OF LAW AND ORDER

(1) No, they are members of the South African Defence Force who, on account of Regulation 1 of the Emergency Regulations promulgated by virtue of the Public Safety Act, 1953 (Act 3 of 1953), form part of the Security Forces and were as such, assisting the South African Police in the interrogation of emergency regulation detainees

(a) and (b) Fall away

(2) No, but the South African Defence Force held a Board of Inquiry

(a) and (b) Fall away

(3) Falls away

Question standing over from Tuesday, 22 September 1987

Convention of magazine, "Soldier of Fortune"

*16 Mr J VAN ECK asked the Minister of Defence

(1) Whether a certain member of the South African Defence Force, whose name has been furnished to the Defence Force for the purpose of the Minister's reply, attended a recent convention of a magazine in Las Vegas, if so, (a) in what capacity and (b) what is the name of (i) this member and (ii) the magazine in question,

(2) whether this member approached the Defence Force prior to his Departure to (a) inform the Force of his proposed visit and (b) request permission to attend the convention, if so, what was the response in each case;

(3) whether any material belonging to and produced by the Defence Force was used at this convention, if so, what material,

(4) whether certain statements reportedly made by this member at the convention, particulars of which have been furnished to the South African Defence Force for the purpose of the Minister's reply, represent the official attitude of the Defence Force, if so, what was the purport of these statements, if not, what steps does he intend taking to rectify the matter?

Ministry or the Defence Force has been in contact with the South African Police regarding their investigation into the latter publication, if so, (a) when, (b) who and (c) for what purpose,

(4) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF DEFENCE

The matter is still being further investigated and it is envisaged to furnish the hon member with a written reply as soon as possible

Mr P G SOAL Mr Speaker, arising out of the reply of the hon the Deputy Minister, is he aware that in an interview in the *Sunday Times* of 28 June 1987 a spokesman for the SA Defence Force admitted that the SADF had been responsible for the printing of this document?

The DEPUTY MINISTER Mr Speaker, we cannot go according to reports in the *Sunday Times* I have explained to the hon member what we will do with regard to his question—we will reply in good time

Publication, "Face to Face with the ANC"

*11 Mr P G SOAL asked the Minister of Law and Order

(1) Whether, with reference to his reply to Question No 10 on 1 September 1987, the South African Police have been in contact with any member of the South African Defence Force or the Ministry of Defence in connection with their investigation into the publication "Face to Face with the ANC", if so, (a) when, (b) whom did they contact and (c) what was the result, if not,

(2) whether the Police intend contacting the Defence Force in connection with this investigation, if so, when, if not, why not?

The MINISTER OF LAW AND ORDER

(1) Yes

(a) After 1 September 1987

(b) An officer of the South African Defence Force

(c) I refer the hon member to the reply of my colleague, the hon the Deputy Minister of Defence, to Question No 10, which I agree with and regard as sufficient

(2) Falls away

Mr P G SOAL Mr Speaker, arising out of the reply of the hon the Minister, is he aware that the booklet entitled *Face to Face with the ANC* is an exact copy of the book which the SADF claimed in this interview in the *Sunday Times* they were responsible for, namely *The inside story of the ANC*?

The MINISTER Mr Speaker, I am not aware of that fact but as my hon colleague explained to the hon member, he will be provided with an answer in regard to his question

Director-general of SABC

*12 Mr S C JACOBS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services †

(1) Whether he or any person acting on his instructions took any action and/or gave any instructions on or after 24 August 1987 with regard to the continued employment of (a) the present incumbent of the office of director-general of the SABC and (b) any other official or officials employed by the SABC, if so, (i) what action and/or orders, (ii) why and (iii) with what result,

(2) whether he or his Department has investigated assertions with regard to the dismissal of the present incumbent of the above-mentioned post, if not, why not, if so, (a) (i) when and (ii) in what way were these assertions brought to his attention and (b) (i) why was the investigation instituted and (ii) what were the findings,

(3) whether he has directly or indirectly been in contact with the Board of the SABC with regard to this matter, if so, (a) when, (b) with whom, (c) why and (d) with what result?

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HoA

†The MINISTER OF NATIONAL EDUCATION (for the Minister in the State President's office entrusted with Administration and Broadcasting Services)

(1) No

(2) No Because, according to a report in the *Argus* of 27 August 1987, the Director-General concerned, Mr Riaan Eksteen, declared that he had not been dismissed, because the Board of the SABC has the exclusive right to appoint or dismiss the Director-General, and because the State President had the right to demand from the Director-General that a reasonable and balanced report be given on a sensitive and contentious matter

(a) and (b) Falls away.

(3) (a), (b), (c) and (d) I merely saw the Chairman of the SABC Board and the Director-General of the SABC in Cape Town before 2 September 1987, the date when the Board took a decision on this matter They were in Cape Town to assist me in my budget vote in Parliament

On 2 September 1987, the Board of the SABC held a meeting and the Chairman subsequently issued the following statement

"The Board noted the statement in Parliament by the Minister in the State President's Office entrusted with Administration and Broadcasting Services, Mr A L Schlebusch, on the independence of the Board and other aspects concerning the SABC

The Board also noted the statement of its Chairman on 27 August 1987 namely that neither the question of resignation, nor termination of Mr Eksteen's post was on the Board's agenda, and regards this matter as settled".

†Prof S C JACOBS Mr Speaker, arising from the hon the Minister's reply, I want to know whether the hon the Minister of National Education, who replied to the question on behalf of the hon the Minister in the Office of the State President, knows if attempts were made to dismiss Mr Riaan Eksteen and, if so whether he can comment on that Does he know whether the hon the Minister in the Office of the State President knows if such attempts were made to dismiss Mr Riaan Eksteen? I am not asking whether an actual dismissal took place but whether attempts were made to do it

†The MINISTER Mr Speaker, the reply to this was drawn up and approved by the hon the Minister in the Office of the State President, who is not here at the moment I am not entrusted with this at all and have no knowledge of any of the allegations that were made

Brakpan Tattersalls Committee

*13 Mr F J LE ROUX asked the Minister of Constitutional Development and Planning †

(1) Whether he was involved in the appointment of a certain committee in Brakpan the name of which has been furnished to the Minister's Department for the purposes of his reply if so, (a) to what extent and (b) what is the name of this committee,

(2) whether he consulted any persons and/or bodies in connection with the appointment of this committee, if so, what persons and/or bodies,

(3) whether any of these persons and/or bodies made recommendations with regard to the appointment of members of this committee, if so, (a) what persons and/or bodies and (b) whom did each of them recommend,

(4) (a) which persons did he appoint to this committee and (b) on what grounds did he appoint each of them?

The DEPUTY MINISTER OF CONSTITUTIONAL PLANNING

(1) No

(a) and (b) The name of the Committee concerned is the Brakpan Tattersalls Committee, which is appointed by the Administrator of Transvaal

(2) The Provincial Secretary of Transvaal consulted Mr F J le Roux, MP

(1) Whether the South African Airways have investigated an incident that took place on 31 August 1987 in connection with flight SA 351 from Johannesburg to Cape Town, if not, why not, if so, (a) what were the circumstances surrounding the incident and (b) (i) what were the findings of the investigation and (ii) what steps have been taken as a result thereof,

(2) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF TRANSPORT AFFAIRS

(1) Yes

(a) During take-off one of the tyres burst and slight damage was caused to the landing fairings A visual inspection was conducted during a fly over at D F Malan Airport and it was confirmed that there was no malfunction of the aircraft s system Permission was granted to land and the normal safety measures applied

(b) (i) It appears that a foreign object on the landing strip would have been responsible for the tyre burst The manufacturer has nevertheless been requested to make a further analysis

(ii) None

(2) No

Director-general of SABC

*8 Mr S C JACOBS asked the Minister of Foreign Affairs †

(1) Whether he recently received a request from a member of the Cabinet or any other person with regard to the possible appointment of the present incumbent of the office of director-general of the SABC to an ambassadorial or similar post abroad, if so, (a) when, (b) from whom and (c) what was the purport of the request,

(2) whether he has taken a decision on this request; if not, who has taken a decision on it, if so, what was the decision,

(3) whether he has conveyed his decision on the request to the member of the Cabinet or other person concerned, if so, (a) in what way, (b) where and (c) when,

(4) whether, in taking this decision, he consulted and/or was in contact with persons (a) within and/or (b) outside his Department, if so, (a) with what persons (i) within and (ii) outside his Department, (b) (i) where and (ii) when did this take place and (c) what was the (i) purport and (ii) result of these consultations and/or discussions?

The MINISTER OF FOREIGN AFFAIRS

(1) No, but to end further speculation in connection with this matter I may add that as a result of newsreports which appeared regarding this matter, I myself intimated to the Director-General of the SABC that should he have been interested, for whatever reason, to be appointed once again to a post in the Department of Foreign Affairs, I would be prepared to consider such a possibility

(2), (3) and (4) Fall away

†Mr F J LE ROUX Mr Speaker, arising from the reply of the hon the Minister, could he give us an explanation as to why in these circumstances he asked Mr Eksteen whether he was interested in a post in the Department of Foreign Affairs?

†The MINISTER Mr Speaker, I think every hon member of this House knows that at the time there were speculations in the newspapers and elsewhere about this person's position As he had served for many years in the Department of Foreign Affairs, I told him in the spirit of a colleague that if he wanted to he could return to the Department of Foreign Affairs, not knowing what was going on in his thoughts [Interjections]

†Mr J H VAN DER MERWE Mr Speaker, further arising from the reply of the hon the Minister, I want to ask him whether he was at all aware at that stage that Mr Eksteen's position was in jeopardy

†The MINISTER Mr Speaker, as I have said, I was aware of newspaper reports about statements made by Mr Eksteen himself and others as well I did not know what his state of mind was and I simply considered it to be collegial to tell him that if he wishes to return to the department for any reason at all, I would be prepared to consider it

†Mr J H VAN DER MERWE Mr Speaker, further arising from the reply of the hon the Minister, I want to ask him whether there were any other reasons which the Minister could have had to suspect that Mr Eksteen's position was in jeopardy besides newspaper reports, to which hon members of the NP do not usually attach much credibility Is he aware that the hon the State President wanted to dismiss him?

†The MINISTER Mr Speaker, I strongly deny that the hon the State President wanted to dismiss him The hon the State President did not approach me about this person at any stage at all I was under the impression from newspaper reports that Mr Eksteen was alone at that stage and therefore I told him that if he wanted to return to the department, I would be prepared to consider it

†Mr F J LE ROUX Mr Speaker, further arising from the reply of the hon the Minister, did he discuss his intended collegial step to take Mr Eksteen back into the Department of Foreign Affairs with the hon the State President?

†The MINISTER Mr Speaker, at no stage did I discuss this with the hon the State President It was a decision which I took and was an offer made in a spirit of collegial benevolence to a man who had rendered good service in the Department of Foreign Affairs

†Mr SPEAKER· Order! I am sorry but I have permitted the maximum number of questions

Director-general of SABC

*9 Mr S C JACOBS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services †

(1) Whether he has been notified that the present incumbent of the office of director-general of the SABC allegedly informed his management committee on or after 24 August 1987 that he had been dismissed from office, if so,

(2) whether he has investigated this matter or has had it investigated, if not, why not if so, (a) who was questioned and/or consulted in connection with the investigation, (b) (i) why and (ii) when were these persons questioned and/or consulted and (c) (i) what were the findings and (ii) what action has been taken as a result thereof?

†The MINISTER OF NATIONAL EDUCATION (for the Minister in the State President's Office entrusted with Administration and Broadcasting Services)

(1) No

(2) Falls away

Citizen Force/Commandos security clearance

*10 Mr P H P GASTROW asked the Minister of Defence

Whether the Chief of the South African Defence Force or any other member of the Defence Force has instructed any members of the Citizen Force and the Commandos to apply for security clearance while not performing service in terms of section 22 or 44 of the Defence Act, No 44 of 1957, if so, (a) why, (b) in terms of what statutory provision and (c) what action will be taken against members refusing to comply with these instructions?

The DEPUTY MINISTER OF DEFENCE

Yes

(a) Certain members of the Active Citizen Force Reserve who are again liable for further military service from 1988 and who are being considered for key appointments or attendance of courses for which a current security clearance is a prerequisite, have been furnished with the necessary application forms for a security clearance

The MINISTER OF FINANCE

No (a), (b), (c) and (d) fall away

Aircraft registered in USA

462 Mr C B SCHOEMAN asked the Minister of Transport Affairs †

(a) What is the monthly average number of aircraft registered in the United States of America that make use of facilities at airports falling under his Department, (b) for what purposes are the flights concerned undertaken and (c) in respect of what period is this information furnished?

The MINISTER OF TRANSPORT AFFAIRS

(a), (b) and (c) It is not in the interest of the Republic of South Africa to divulge information of this nature

SABC meetings of Board

514 Mr S C JACOBS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services †

(1) Whether he is notified of meetings of the Board of the SABC, if not, why not, if so,

(2) whether he was notified of a meeting of this Board about the continued employment of the present incumbent of the post of director-general of the SABC, if so, (a) by whom, (b) (i) when and (ii) where did the meeting take place or will it take place and (c) (i) who called the meeting and (ii) why was it called,

(3) whether he will make a statement on the matter?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES

(1) No Because I don't require to be notified

(2) During the discussion of my budget vote, the Chairman of the SABC informed me in passing that an ordinary meeting of the Board was to take place on 2 September 1987 in Johannesburg This was a routine meeting and was not specially convened for a specific matter

(a), (b) and (c) fall away

(3) No

Economic summit conference

531 Mr C J DERBY-LEWIS asked the State President

(1) Whether he intends holding an economic summit conference, if so, (a) when and (b) where,

(2) whether he intends inviting representatives of small and medium businesses to this conference, if not, who will be representing the interests of such businesses, if so,

(3) whether these representatives have been requested to obtain a specific mandate from the businesses concerned, if so, what are the relevant particulars,

(4) whether it is the intention to invite representatives of the agricultural sector to this conference, if not, why not?

The STATE PRESIDENT

(1) Yes I refer the honourable member to my address in the House of Assembly on 13 August 1987 and my press release of 10 September 1987

(2) Yes

(3) No

(4) Yes

Contact with ANC

586 Mr C J DERBY-LEWIS asked the State President

(1) Whether any members of the Cabinet have been authorized or instructed to make any direct or indirect contact with officials or members of the ANC

and/or their intermediaries, if so, (a) when and (b) for what purpose, if not,

(2) whether any members of the Cabinet have made such contact without their having been authorized or instructed to do so, if so,

(3) whether he supports the action taken by the Cabinet members concerned in this regard,

(4) whether he will make a statement on the matter?

The STATE PRESIDENT

(1), (2) and (4) No

(3) Falls away

Own Affairs

Funds to certain company

106 Mr M J ELLIS asked the Minister of Education and Culture

(1) Whether his Department has made any funds available to a certain company, the name of which has been furnished to the Minister's Department for the purpose of his reply, if so, (a) what total amount, (b) when, (c) for what purpose and (d) what is the name of this company,

(2) whether this company is still operating, if not, (a) when and (b) why did it cease operations,

(3) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE

(1) No, not according to available records

(a), (b), (c) and (d) Fall away

(2) Has no knowledge about the firm's present position

(a) and (b) Fall away,

(3) No

WEDNESDAY, 7 OCTOBER 1987

†Indicates translated version

For oral reply

Written reply to question set down for oral reply on Tuesday 13 October 1987

General Affairs

U 308 transportation by road

*1 Mr P C CRONJÉ asked the Minister of Economic Affairs and Technology

(1) Whether the Nuclear Fuels Corporation (Nufcor) has a licence to transport U 308 by road, if not, why not, if so, (a) when was the licence granted, (b) what is the licence number and (c) what are the conditions of this licence,

(2) whether the vehicle transporting the U 308 which was involved in an accident at the Majuba Pass displayed this licence information as required by sections 30 (1) and 37 (2) of the Nuclear Energy Act, No 92 of 1982, as amended, if not, why not,

(3) whether any approaches were made to the Atomic Energy Corporation, Nufcor or the Council for Scientific and Industrial Research by any fire or traffic departments regarding the properties and hazards of U 308 and the action to be taken in the event of spillage thereof, if so, (a) when and (b) what was the response to these approaches,

(4) whether he will make a statement on the matter?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) Bearing in mind the relatively low hazard potential of this material, the AEC did not issue a licence in terms of section 30 of the Act NUFCOR was granted an authority to export uranium oxide in terms of section 49 of the Nuclear Energy Act (No 92 of 1982)

year. — Argus Correspondent.

Paarl mural

the Oshiwarongo district on September 26 last year, while she, Roodt and two others were travelling in SWA/Namibia. — Sapa.

Sasol threat to fire 1 000 strikers

JOHANNESBURG. — Sasol has threatened to dismiss about 1 000 workers after a six-day wage strike at its Sasol One plant. Members of the SA Chemical Workers Union downed tools after negotiations over wages and other issues broke down. — Argus Correspondent.

Lebowa leader Phatudi 'critical'

I offered Eksteen a job after SABC row — Pik

Political Staff

THE director-general of the SABC, Mr Riaan Eksteen, was offered a job in foreign affairs during the week he was rumoured to have been fired by President Botha.

The Minister of Foreign Affairs, Mr Pik Botha, told Parliament this yesterday amid a barrage of questions from the Conservative Party which is refusing to allow the "Eksteen-Botha" controversy to die

It has accused President Botha of "evasion" because he did not directly confirm or deny yesterday if anyone in his office had been considered for Mr Eksteen's job

The President merely referred to a clause of the Broadcasting Act which states that only the SABC board can appoint a director-general

"Stood alone"

Mr Pik Botha said he offered Mr Eksteen a job because it appeared from Press reports that he "stood alone" and that his job was in jeopardy.

Mr Eksteen had done good service in the Department of Foreign Affairs, Mr Botha said Mr Eksteen was at one time Ambassador to the United Nations

After the replies to these and other questions yesterday the CP said "the whole story had not been told" and announced it had asked for a select parliamentary committee to investigate

The row blew up over reports that President Botha telephoned Mr Eksteen during a TV news broadcast on August 24 and threatened to fire him because he did not like the SABC report on the resignation of the Rev Allan Hendrickse from the Cabinet

President Botha has admitted that he telephoned Mr Eksteen to ask him to change the news but has denied threatening to fire him

In Parliament yesterday the CP's Mr Fanie Jacobs, MP for Losberg, asked President Botha if a senior official in his office had been considered for Mr Eksteen's job

President Botha was not in the House, but on his behalf Mr F W de Klerk answered by referring Mr Jacobs to the Broadcasting Act.

"This does not answer the question," Mr Jacobs said at a Press conference afterwards

"Why did he evade such a simple question? The CP has information which suggests that the full story has not yet been told"

In reply to a question by Mr Jacobs, Mr Alwyn Schlebusch, Minister in charge of broadcasting, said he had not investigated the rumours surrounding Mr Eksteen because, in a news report of August 27 Mr Eksteen said he had not been dismissed and only the SABC board could dismiss him

Theft charge: Three on bail

Court Reporter

A TEACHING assistant at the University of Cape Town and two others have been released on bail by Wynberg Regional Court after being held in connection with the theft of computer equipment from the UCT Graduate School of Business

Mr Manoog Singh, 28, of Sandringham Court, Wynberg, a part-time teaching assistant in the department of inorganic chemistry, Mr Charles Naidoo, 25, of Rawalpindi Road, Merebank, Durban, and Mr Morgan Padyachi, 27, of Mains Road, Athlone, were not formally charged and were not asked to plead

The State has alleged that they broke in to the School of Business on July 23 or 24 and stole three computers, two printers, two typewriters and an Erica telephone, together worth R36 890

The hearing was postponed to next Wednesday for further investigation

The MINISTER OF FINANCE

No, (a), (b), (c) and (d) fall away

Aircraft registered in USA

462 Mr C B SCHOEMAN asked the Minister of Transport Affairs †

(a) What is the monthly average number of aircraft registered in the United States of America that make use of facilities at airports falling under his Department, (b) for what purposes are the flights concerned undertaken and (c) in respect of what period is this information furnished?

The MINISTER OF TRANSPORT AFFAIRS

(a), (b) and (c) It is not in the interest of the Republic of South Africa to divulge information of this nature

SABC: meetings of Board

514 Mr S C JACOBS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services †

(1) Whether he is notified of meetings of the Board of the SABC, if not why not, if so,

(2) whether he was notified of a meeting of this Board about the continued employment of the present incumbent of the post of director-general of the SABC, if so, (a) by whom, (b) (i) when and (ii) where did the meeting take place or will it take place and (c) (i) who called the meeting and (ii) why was it called,

(3) whether he will make a statement on the matter?

The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES

(1) No Because I don't require to be notified

(2) During the discussion of my budget vote, the Chairman of the SABC informed me in passing that an ordinary meeting of the Board was to take place on 2 September 1987 in Johannesburg This was a routine meeting and was not specially convened for a specific matter

(a), (b) and (c) fall away

(3) No

Economic summit conference

531 Mr C J DERBY-LEWIS asked the State President

(1) Whether he intends holding an economic summit conference, if so, (a) when and (b) where,

(2) whether he intends inviting representatives of small and medium businesses to this conference, if not, who will be representing the interests of such businesses, if so,

(3) whether these representatives have been requested to obtain a specific mandate from the businesses concerned, if so, what are the relevant particulars,

(4) whether it is the intention to invite representatives of the agricultural sector to this conference, if not, why not?

The STATE PRESIDENT

(1) Yes I refer the honourable member to my address in the House of Assembly on 13 August 1987 and my press release of 10 September 1987

(2) Yes

(3) No

(4) Yes .

Contact with ANC

586 Mr C J DERBY-LEWIS asked the State President

(1) Whether any members of the Cabinet have been authorized or instructed to make any direct or indirect contact with officials or members of the ANC

HoA

and/or their intermediaries, if so, (a) when and (b) for what purpose, if not,

(2) whether any members of the Cabinet have made such contact without their having been authorized or instructed to do so, if so,

(3) whether he supports the action taken by the Cabinet members concerned in this regard,

(4) whether he will make a statement on the matter?

The STATE PRESIDENT

(1), (2) and (4) No

(3) Falls away

Own Affairs

Funds to certain company

106 Mr M J ELLIS asked the Minister of Education and Culture

(1) Whether his Department has made any funds available to a certain company, the name of which has been furnished to the Minister's Department for the purpose of his reply, if so, (a) what total amount, (b) when, (c) for what purpose and (d) what is the name of this company,

(2) whether this company is still operating, if not, (a) when and (b) why did it cease operations,

(3) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE.

(1) No, not according to available records

(a), (b), (c) and (d) Fall away

(2) Has no knowledge about the firm's present position

(a) and (b) Fall away,

(3) No

HoA

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Written reply to question set down for oral reply on Tuesday, 13 October 1987

General Affairs

U 308 transportation by road

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(1) Whether the Nuclear Fuels Corporation (Nufcor) has a licence to transport U 308 by road, if not, why not, if so, (a) when was the licence granted, (b) what is the licence number and (c) what are the conditions of this licence,

(2) whether the vehicle transporting the U 308 which was involved in an accident at the Majuba Pass displayed this licence information as required by sections 30 (1) and 37 (2) of the Nuclear Energy Act, No 92 of 1982, as amended, if not, why not,

(3) whether any approaches were made to the Atomic Energy Corporation, Nufcor or the Council for Scientific and Industrial Research by any fire or traffic departments regarding the properties and hazards of U 308 and the action to be taken in the event of spillage thereof, if so, (a) when and (b) what was the response to these approaches,

(4) whether he will make a statement on the matter?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) Bearing in mind the relatively low hazard potential of this material, the AEC did not issue a licence in terms of section 30 of the Act NUFCOR was granted an authority to export uranium oxide in terms of section 49 of the Nuclear Energy Act (No 92 of 1982)

(a) The authority was granted on 23 July 1987

(b) The number of the authority was 19/1987 (N)

(c) The relevant conditions attached to the authority were

(a) The regulations for the Safe Transport of Radioactive Materials (1985 Edition) of the International Atomic Energy Agency (IAEA) must be complied with

(b) This authority must be returned to the Atomic Energy Corporation of South Africa Limited, P O Box 582, Pretoria, 0001, promptly after shipment of the total quantity authorised herein has been completed, or when no longer required for further use

(2) Since neither NUFCOR nor the carrier were licensed in terms of section 30 of the Act, no licence information was required to be displayed on the vehicle However, the IAEA regulations referred to earlier call for appropriate labelling of vehicles indicating that the material being transported is radioactive The vehicle in question did carry placards indicating that the load was radioactive material

(3) No formal inquiry was received by the AEC from any Fire Department NUFCOR also confirmed, on inquiry by the AEC, that they have also not received such inquiries

However, the AEC maintains a National Emergency Team which was activated and which established monitoring stations at Charlestown and at the Fire Station in Newcastle They were in continuous contact with the Town Clerk and the Chief Protection Services of Volksrust and the Traffic Department of Newcastle Decontamination facilities were also established by the AEC at Volksrust and at the Fire Station in Newcastle

By the nature of these acts, personnel of the Fire Department in Newcastle were kept fully informed

However, a reporter of the Natal Witness did ask a member of the Emergency team what the ultimate destination of the uranium oxide was, and he correctly answered that such information was classified

(4) No, not at this stage

For written reply

General Affairs

Reply substituting reply to oral question 26 on Tuesday 8 September 1987 put by Mr S S van der Merwe (col 806)

Boschfontein 458-JQ

*26 Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning

(1) Whether, with reference to his reply to Question No 229 on 21 August 1987, the six White owners of Portion 4 of Boschfontein 458-JQ have been bought out by the South African Development Trust Corporation if not, when is it anticipated that the matter will be finalised, if so, when was the sale concluded,

(2) whether this land will be made available for sale to the 92 Black persons living on the land to be incorporated into Bophuthatswana, if not, (a) why not and (b) to whom will this land be sold,

(3) whether, prior to this land being incorporated into Bophuthatswana, these Black persons will be consulted regarding their views on incorporation, if not, (a) why not and (b) who took the decision not to consult them, if so, (i) when, (ii) who will consult with these persons and (iii) what options will be offered to them in regard to the proposed incorporation?

†The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

HoA

(1) No Negotiations with some of the owners have not been completed as yet

(2) (a) and (b) No decision has so far been taken about the future disposal of the undivided shares that will be acquired by the South African Development Trust

(3) (a) and (b) The hon member is referred to paragraph 4 of the reply by the hon Minister of Constitutional Development and Planning to Question No 229 on 21 August 1987 A decision on the incorporation of the area concerned was taken by Parliament of the Republic of South Africa by passing Act 112 of 1986

Tourism Board employees

174 Mr R M BURROWS asked the Minister of Economic Affairs and Technology

(1) What was the total number of persons employed in a full-time capacity by the South African Tourism Board as at the latest specified date for which information is available,

(2) (a) how many such persons were employed in each of the eight most senior post levels of this Board, (b) how many of these persons were (i) male and (ii) female and (c) to which population group did each of these persons belong,

(3) (a) what will be the applicable salaries and/or salary scales of each of the eight most senior post levels of this Board with effect from 1 July 1987 and (b) what financial and other specified benefits will be applicable to each of these post levels as at 1 July 1987?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) 285 persons on 1 October 1987

(2) (a) 82 persons

(b) (i) 71 male persons

(ii) 11 female persons

(c) 69 White males, 1 Black male 1 Coloured male and 11 White females

(3) (a) Applicable salary scales on 1 July 1987

Executive Director	R70 017 (Fixed)
Chief Director	R62 199 (Fixed)
Director	R54 954 (Fixed)
Deputy Director	R43 389 × 1 830 – R47 049
Assistant Director	R33 624 – 34 803 × 1 431 – R37 665
Senior Accountant	R25 371 × 1 179 – 30 087/33 624 – R34 803 × 1 431 – R37 665
Senior Tourism Promotion Officer and equivalent	R25 371 × 1 179 – R30 087
Hotel Inspector	R15 912 × 789 – 22 224/22 224 – 23 013 × 1 179 – 25 371/25 371 × 1 179 – R30 087

(b) Benefits Housing subsidy
Pension fund
Group life insurance
Annual service bonus
Motor-car financing scheme (from rank of Director)
Entertainment allowance (from rank of Deputy Director)

End Conscription Campaign

249 Mr S S VAN DER MERWE asked the Minister of Law and Order

(1) Whether, with reference to his reply to Question No 30 on 16 June 1987, any possible charges are being inves-

R44,766 million and R34,644 million, respectively, of which R41,214 million and R31,244 million, respectively, were allocated to the SBDC In addition, *ad hoc* allocations are made from time to time for particular purposes For example, up to 31 March 1987 a total amount of R155 million had been allocated to the SBDC for special job creation programmes

The funds allocated to the SBDC are used by the Corporation to assist small business in various ways Details of the assistance programmes which the SBDC has developed, (as well as of the Corporation's other sources of finance), are contained in its latest Annual Report which was tabled in Parliament on 9 June 1987 The assistance includes the granting of loans to meritorious small business enterprises and is provided irrespective of population group It is, therefore, not the policy of the SBDC to furnish particulars of its clients on a basis of colour Since its establishment in 1981 until 30 June 1987 the SBDC granted direct loans to 15 246 entrepreneurs involving a total amount R380,8 million Furthermore the programmes of the SBDC have resulted in approximately 158 310 jobs being created and maintained

(a) and (b), (i) and (ii) Fall away

Kleinkrans, George

525 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

(1) Whether a residential area known as Kleinkrans and situated near Wilderness in the George constituency has been advertised for occupation by the Coloured population group if so (a) why, (b) on what dates and (c) in what publications

(2) (a) what has been the cost to his Department of developing this area, (b) (i) how many houses have been constructed and (ii) at what price per house, (c) (i) how many houses have been sold and (ii) at what price per house, (d) how many houses (i) are being rented and (ii) are vacant and (e) in respect of what date is this information furnished,

(3) (a) who is responsible for the sale of these houses and (b) what was the motivation for the decision to build them?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) No, but a Coloured group area proposal was advertised

(a) Proposals for the establishment of group areas in Wilderness and environs, including a Coloured group area at Kleinkrans, were received from the Divisional Council of George

(b) On 18 November 1966 and 10 February 1967

(c) In the "George and Knysna Herald"

(2) The construction and sale of homes are not functions of the Department of Development Planning

(3) Falls away

St Helena Mine, accident

527 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

(1) Whether inspectors from his Department have visited the St Helena Mine in connection with the recent accident at its No 10 shaft, if so, on what dates,

(2) whether there was any evidence of negligence on the part of any persons concerned with this mine, if so, on whose part

(3) what were the other findings of these inspectors?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) Yes Shortly after the accident at 06h45 on 31 August 1987 the Assistant Government Mining Engineer, O F S region, and both the Chief Inspector of Mines and the Chief Inspector of Machinery, Welkom, visited the shaft Operations are still in progress to recover bodies from the cage at the shaft bottom, and the abovementioned Chief Inspectors have since the accident visited the shaft more or less on a daily basis

The Government Mining Engineer and one of his Deputies visited the shaft on 31 August and 1 September 1987 and the Government Mining Engineer again visited the scene on 3 and 4 September 1987

(2) The investigation into the cause of the accident has not been completed and as yet no findings could, therefore, be made

(3) Falls away

Central Energy Fund

528 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

(a) By whom and (b) on what basis is the Central Energy Fund being administered?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(a) The Board of CEF (Pty) Ltd appointed in terms of the Central Energy Fund Act, 1977 (Act No 38 of 1977)

Presently the Board of Directors of CEF (Pty) Ltd is composed as follows

Mr D R Vorster IDC, Chairman
Mr S P Ellis General Mining Corporation
Mr G C Croeser Department of Finance
Dr J A Lamprechts Department of Trade and Industry
Mr M Macdonald IDC
Mr E S Paddock Formerly attached to Mobil Oil Southern Africa (Pty) Ltd
Mr L N J Engelbrecht Department of Mineral and Energy Affairs
Dr D C Neethling Department of Mineral and Energy Affairs

(b) In accordance with directions in terms of the Central Energy Fund Act, 1977 (Act No 38 of 1977)

Contribution to SWA-budget

529 Mr C J DERBY-LEWIS asked the Minister of Finance

(a) What was the contribution made by the South African Government to the budget of South West Africa in the 1983-84, 1984-85, 1985-86 and 1986-87 financial years, respectively, and (b) how was this contribution made up in respect of each such year?

The MINISTER OF FINANCE

(a) and (b) The contribution made by the South African Government to the budget of South West Africa in the undermentioned financial years was made up as follows

Financial year	Budgetary assistance	Customs and Excise duties paid in terms of section 22 (1) (d) of the South West Africa Affairs Act, 1969 (Act 25 of 1969)
	R	R
1983-84	284 538 400	250 000 000
1984-85	372 000 000	250 000 000
1985-86	318 700 000	300 000 000
1986-87	466 970 000	350 000 000

Regional services councils

530 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether any regional services councils (a) have been granted and/or (b) are about to be granted interest-free loans by any Government institutions or bodies, if so, (i) which councils and (ii) (aa) what are the amounts involved, and (bb) for what purposes are these loans intended, in each case?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(a) Yes

Sasol trying to divide strikers — union

Labour Reporter 8/10/87

The SA Chemical Workers' Union today accused Sasol management of using the Supreme Court to "divide" strikers by applying for an order evicting striking employees from their hostels.

Sacwu spokesman Mr Manene Samela said Sasol was due to apply for an eviction order today following the deadlock of negotiations.

However, a Sasol spokesman could not confirm that the company had applied for an eviction order. He said 80 workers had left the hostels voluntarily. Ten percent more workers had reported for duty since Monday, he added.

The latest development follows a threat by Sasol to dismiss about 1 000 strikers.

The workers, mostly Sacwu members, downed tools to back demands for a wage increase of R200 a month and improvements in benefits. Sasol said its wage offer represented a 21 percent increase on the minimum wage scale.

Workers have allegedly been subjected to general harassment, including arrests and assaults.

The union has released copies of an undertaking by the head of Welkom police, Brigadier J. Swart, in which police undertook, among other things, not to assault workers involved in the dispute. Police said the undertaking was without "admission that police had engaged in any unlawful action in respect of (the Sasol) dispute".

Escom to move to Beacon Bay

Daily Dispatch Reporter

EAST LONDON — Escom is planning to move its Eastern Cape regional office to Beacon Bay from its present location at Escom House in Buffalo Street

Escom's assistant regional manager, Mr Corrie Visagie, said the existing building was too small to meet the requirements of the more than 200 office staff.

Because of the lack of space, the area manager and his staff, an extension of the regional manager's section, had already been forced to move to Beacon Bay.

Escom is considering developing a site in Beacon Bay and has asked five developers with local interests to make proposals on a package deal which will include the disposal of Escom House, the acquisition of a Beacon Bay site from Escom and the development of a complex on the site to be leased back to Escom

The proposed new site will be 11 km from the existing Escom House, but Mr Visagie said that would not pose a problem for staff as many of them already lived in Beacon Bay.

Plans for the new complex have been underway for some time, but the restructuring of Escom has been given priority in the last two years.

CAPITAL MARKET

Eskom pulls its stock in

In what can be considered a success, Eskom's plan to consolidate six stocks into a single giant stock — the L168 — attracted R11,1 billion (81%) of the total R13,6 billion of the stocks in issue

The public handed in R5,3 billion (67%) of its R7,9 billion holdings — 58% of the total value of the six stocks Held by Eskom, the remaining R5,7 billion was obviously handed in Eskom's Francois Botha is "happy with the result"

The six Eskom stocks involved are the R2 billion 10% 2007 (L154), R1,6 billion 13,2% 2007 (L155), R650m 14,25% 2008 (L157), R2,9 billion 12% 2008 (L159), R3,8 billion 11% 2009 (L160), and the R2,7 billion 10,5% 2004 (L163)

The biggest successes were the L160 and L163 (over 80% handed in) These stocks were largely held by institutions who had little hesitation in handing in their stock — the new L168 is far more marketable Indeed, it has already become SA's most fashionable gilt and is thought to account for over 90% of standardised option trade

Another major advantage for institutions is that it is easier to monitor and administer one stock than six, and they also gained from the margins narrowing between the six stocks and the L168

For these reasons Senbank, which arranged the consolidation along with Finansbank, reckons 99% of the larger stockholders (holding over R1m) gave in their stock for the L168 It is also interesting to note that the L163 is itself a consolidation of 16 Eskom stocks This is Eskom's only other consolidation, and Botha says no further consolidations are planned

Lowest success

As expected, the L157 had the lowest success rate only 30% was consolidated This is the smallest of the six stocks and carries the highest coupon (14,25%) It is largely held by small individual investors — many living abroad — who clearly perceive they would be better off earning an annual 14,25% than the lower 11% they would get from the consolidated L168 Unlike institutions, marketability is of secondary importance to them since they are primarily holders for income purposes

Also, some foreign holders may be hesitant about disclosing their holdings Bringing in the stock certificates held by foreigners has been a problem, and explains why the deadline was extended by a month to end-September

The L168, with an 11% coupon, carries three maturity dates June 2007, 2008, and 2009 It is by far SA's largest stock in issue Treasury's largest issue, for instance, is the R3 billion RSA 2007 Eskom's second largest stocks are its 1995 (L165) and 1996 (L167) issues of R1 billion each But given the three maturity dates, the size of L168 must be seen in perspective — one-third (R3,7 billion) matures each year

The stock represents around 46% of Eskom's total R24 billion in issue in the form of 84 stocks of which some 6 000 stockholders hold R13 billion

For Eskom a major advantage of the consolidation is that it now has a really huge and marketable stock, which is also an advantage to any borrower Eskom also does not have to issue new loans to raise funds, it will take many years for Eskom to sell off its R5,7 billion holding of the L168

In line with the long-end market, the L168 has dropped over the past week, dipping just below 15% on Tuesday Early last week it was around 15,3% after the September inflation rate was announced Dealers explain that the bull run is due more to technical and jobbing factors than to fundamentals, pointing out that medium-dated stocks — institutional investors' favourite area at present — have not dropped as much

Others explain that the long-end overreacted in going as high as 15,3% and is now correcting itself Trade in September on the JSE alone dropped from a buoyant average of R18,2 billion in July and August to R13,9 billion

The Reserve Bank has been selling 1990 and 1993 stock into strength According to the Bank's *Quarterly Bulletin*, in the second quarter R649m in new funds was raised in the primary market by the public sector This is down from the first quarter's R845m

After nearly a year in operation, and on small volume and wide doubles, Sats' equity-linked fixed-interest (ELFI) issue has shown rare price movement Over the past two weeks the bull tranche has risen from R121% to R129% while the bear tranche has shifted from R80% to R74%

Prices have now shifted more into line and are some 13% from their bases One dealer explains that an increase in interest has tended to move prices more into line; he says that although not as stable as before the recent move, prices have settled down with demand for bears relatively strong

According to Sats, foreign demand for the bear tranche was strong up to the end of August This kept the price of both tranches stable In September the position changed with perceptions of the financial rand changing so that prices moved on profit-taking Apparently volume is extremely volatile

Investec, the main promoters of ELFI, denies there is a lack of interest The initial R116m issued has grown to over R500m, there are now 60 institutions participating, and that in some weeks Investec itself is doing trade worth R100m

Sats agrees it has stopped tapping further ELFI stock, but denies this is because prices were so out of line "We have a surplus of funds and it is costly to continue borrowing funds through ELFI at 10,5% only to invest them in the money market at 8,5%" ■

Sasol appeals to court to evict 400 from hostels

Labour Reporter

Sasol yesterday confirmed applying for a court order to evict from its hostels about 400 workers who were dismissed after ignoring a deadline to end a seven-day wage strike.

The SA Chemical Workers Union (Sacwu) said the evictions were aimed at dividing the 3 000 strikers.

Sasol said those dismissed had been told to leave as accommodation was a condition of employment.

OWN ACCORD

"Several workers have already left on their own accord, but Sasol was regrettably obliged to apply for a court order to evict approximately 400 dismissed workers," said a spokesman.

More workers had reported for duty since Monday, he said.

The workers, mostly members of Sacwu, downed tools to back a demand for a R200-a-month pay increase and improvements in benefits.

UNDERTAKING

Sasol said its wage offer represented a 21 percent increase on the minimum rate.

The union has released copies of an undertaking by the head of Welkom police, Brigadier J Swart, in which police undertook, among other things, not to assault workers involved in the Sasol dispute. Police said the undertaking was without "admission that police had engaged in any unlawful action in respect of (the Sasol) dispute".

Pik stirs it up over Eksteen

By LESTER VENTER
Political Correspondent

OPPOSITION politicians have brushed aside President Botha's denial that he tried to fire SABC chief Mr Riaan Eksteen

They are demanding that Mr Botha and Mr Eksteen act further to clear up some still apparent inconsistencies

The renewed controversy was fuelled by the announcement in Parliament this week by Foreign Minister Pik Botha that he had offered Mr Eksteen an alternative job at the time of the furore

Mr Botha's candid admission followed President Botha's denial

Now politicians are saying the Foreign Minister's admission appears to contradict the President's denial.

Mr Dave Dalling, Progressive Federal Party spokesman on the media, called Mr Pik Botha's claim that he had read of Mr Eksteen's trouble in the newspapers "peculiar in the extreme" — and his Conservative Party equivalent, Professor Fanie Jacobs dismissed it as "laugh-

Nebulous

Mr Dalling said "A senior of the Cabinet would in no circumstances the have made such a move on the basis of nebulous speculation in the Press

Therefore it is my view that Pik Botha made his offer to Mr Eksteen as a result of conversations with people in the know.

I don't think the President and the Foreign Minister are being frank The public is being taken for a ride on this issue."

Professor Jacobs said he had facts at his disposal that the secretary-general of the State President's Office, Dr Jannie Roux, had been considered as a replacement for Mr Eksteen's job

He challenged President Botha to deny this

Prof Jacobs said it was preposterous that Mr Pik Botha would have reacted on Press reports when he could have picked up the telephone to a colleague, Mr Alwyn Schlebusch, the Minister in the State President's office in charge of broadcasting

Commenting on reports that Mr Schlebusch was himself unhappy at how the matter had been dealt with, Prof Jacobs said "I would be very surprised if Mr Schlebusch was happy with affairs.

Mr Eksteen was ambassador to the United Nations when he was appointed by Mr Pik Botha, then in charge of broadcasting, to the job of SABC director-general four years ago He and Mr Botha are personal friends

Informed speculation is that Mr Botha considered Mr Eksteen for the post of administrator-general of SWA/Namibia.

These sources also hold that President Botha's denial of the firing bid is explained by the fact that Mr Eksteen over-reacted to the clash with President Botha — and that the President did not intend going as far as an outright dismissal

Sasol takes strikers to court

ALAN FINE

SASOL will bring an application in the Supreme Court in Bloemfontein today for the eviction of several hundred dismissed strikers who have ignored requests to vacate company-owned hostel premises.

About 2 000 members of the SA Chemical Workers' Union (Sacwu) have participated in an 11-day-old wage strike at Sasol 1 and Natref in Sasolburg.

Sasol says 1 300 workers were dismissed last week for failing to meet ultimatums to return to work. It is believed about half of them reside in the hostels.

Meanwhile the Chemical Workers' Industrial Union, which has 9 000 members at Sasol 2 and 3, yesterday called on Sasol to negotiate in good faith with Sacwu.

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Sasol plans several major expansions

DAVID FURLONGER

SASOL is planning important expansions to its mining and industrial operations.

The company is considering a colliery extension programme which will eliminate the need to buy about 4-million tons of coal a year, says chairman Joe Stegmann.

Sasol also plans to extract propylene as a downstream project of its oil-from-coal scheme, and to manufacture polypropylene. These materials are used in the plastics industry.

Stegmann says "An import-replacement opportunity for propylene as well as for polypropylene has already been identified in the market. The project is in the final phase of consideration and a choice of technology will be made soon."

The two projects are among several measures Stegmann hopes will contribute to long-term profit growth at Sasol.

Sasol's synthol process has been chosen for the Mossel Bay gas project and Stegmann says: "A licence agreement has been concluded and the related fees will make a contribution to group profits this year."

However, the company is not able to extend its own fuels activity. Sasol is no nearer buying full control of Sasol Three and Stegmann says acquisition of the government's share will not be considered until "relevant circumstances are acceptable to both parties. Until such time, we shall not be able to consider further extensions to our own synthetic fuels industry."

Sasol turnover fell last year from R3,64bn to R3,11bn and pre-tax profits from R1,19bn to R917m. Attributable profits slipped from R575m to R526m, but the dividend rose from 45c to 47,5c.

Stegmann says in the annual report: "Indications are that at least the present level of dividends could be maintained for 1987-88."

Nusaw lashes out at Iscor

13/10/87

THE National Union of Steel and Allied Workers has claimed that Iscor's retrenchment procedures are "racist" and aim at protecting white workers at the expense of the exploited and oppressed black employees.

The union contends that this attitude emerged during negotiations between the two parties when management announced that it is intending to reduce staff because of many reasons, including the biting recession and surging inflation

The union's general secretary, Mr Domane Tibane, said most members were faced with the prospect of being laid off because of the company's retrenchment and rationalisation scheme

He said the company was refusing to retrench white workers, especially those who usually go for military service and those whose function was redundant

The company's public relations manager, Mr P M du Plessis, has denied that management was racist and intended to protect white employees.

Necessity

He said in terms of legislation they were not allowed to retrench workers who do military service and those who were apprentices Most whites fell under these categories

"Recent developments in the economic field have been detrimental to South Africa's heavy industries, as well as to Iscor Consequently actions to improve efficiency at all Iscor centres, in addition to those taking place continuously, have become a matter of necessity, he said

Under the circumstances the company was compelled to introduce further measures, including reduction of staff and closing down of certain plants, Mr du Plessis added

However, Mr Tibane said the company was not prepared to bargain with the union in good faith because their members were going to suffer most, especially in the wake of the soaring rate of unemployment in South Africa

He said the union was intending to hold an urgent meeting on Saturday to discuss this issue together with other aspects affecting workers

The meeting will be held at Laudium Hotel

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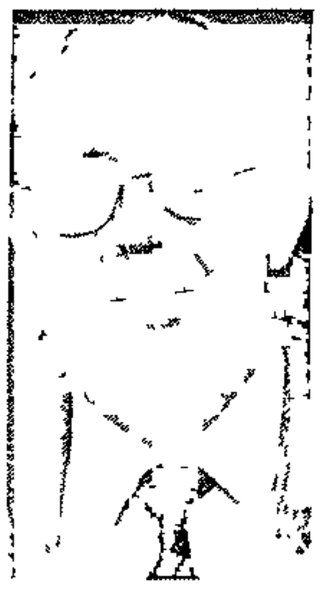
SABC

His master's voice

President P W Botha is believed to be looking for a chairman with executive powers to head the SABC board According to sources, the feeling in Tuynhuys is that Director General (DG) Riaan Eksteen has failed the president; Botha has indicated that he wants the positions of chairman and DG to be combined. He feels the present chairman and board do not exert enough control over Eksteen and the SABC.

Meanwhile, Conservative Party (CP) spokesman on the SABC, Dr Fanie Jacobsz, says his party is studying the Broadcast and Radio Acts to see what steps can be taken to halt government's interference in the daily running of the SABC Jacobsz would not elaborate, but CP insiders indicate legal action will be considered

Sources close to government have also revealed to the *FM* the remarkable conversation that took place between Botha and Eksteen after the Hendrickse affair on TV's *Netwerk* Apparently Botha accused Eksteen of not being interested in his work And, to Botha's anger, the SABC apparently neglected to have a fulltime senior technician on standby at Tuynhuys



Eksteen

According to the sources, one of the things Botha was unhappy about was the way the TV lights shone in his eyes when he was interviewed

The affair flared up again last week, when Pik Botha (Eksteen's former boss and the one credited with appointing him as DG) admitted that he offered Eksteen a position in Foreign Affairs

Fanie Jacobsz has since then challenged the president to say whether he had considered Tuynhuys administrative head Dr Jannie "JR" Roux for Eksteen's position Botha referred Jacobsz to Article 9 of the Broadcast Act, which states that the DG is appointed by the SABC board

Insiders at Foreign Affairs say Pik Botha had Eksteen in mind as Administrator General of Namibia, trouble was that the present AG, Louis Pienaar, is a good friend of P W Botha

Meanwhile, the SABC's political staff — always regarded as His Master's Voice — are in turmoil as a result of constant interventions from Tuynhuys And the suggestion that Botha is looking for a replacement for Eksteen has senior Eksteen supporters scouting around for possible employment outside Auckland Park

It is said that Johan Pretorius, the former senior news editor, who was sent down to handle all Botha's TV performances, is extremely unhappy in his new position According to other newsmen, Tuynhuys spokesman Jack Viviers almost dictates to Pretorius the parts of Botha's speeches which he deems important

Viviers has also been overheard to say that there is a leftist influence in Auckland Park in charge of decision-making

To go back further during the night-long telecast of the May election results, Botha directly called senior director Sakkie Burger, who was handling a discussion panel, to complain about the favourable way in which the CP gains in the Transvaal were being projected

National Education Minister F W de Klerk, who had been in the next studio, called Botha later Sources say Botha had forbidden De Klerk to make a statement, as Transvaal Nat leader, on his party's poor showing in the province — an instruction De Klerk ignored

The next day De Klerk was told to report to Cape Town

During Pik Botha's recent trip to France and Portugal, only a member of the SABC political staff, and no other member of the press, went with him

According to another SABC staff member, Botha's press secretary Marie Botha had called the SABC to ask whether they would be interested in sending someone

But other political correspondents at parliament only heard of the trip when the party — including the SABC's Andre le Roux — had already left

Le Roux's trip — paid for by the SABC — also seems strange because the SABC (by its own admission) is going through tough financial times After all, SABC correspondent Clarence Keyter is based in London, and he was present in Lisbon when Botha arrived

Dangerous

These incidents will no doubt draw the attention of the outside consultant who has just been appointed by the SABC board to analyse and evaluate business operations at Auckland Park

But will the SABC ever dare to turn down a request by a senior Cabinet member that someone accompanies him on an overseas trip?

By interfering directly with SABC operations, government has created a dangerous precedent Already there are murmurs within the top SABC echelons about the way in which Minister's Council chairman Amichand Rajbansi tries to manipulate programmes ■

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cont

eliminate the need to buy about 4 Mt of coal a year.

Among recent expansions the fertiliser operation has continued to make losses But, on the strength of greater price stability in the market, and lower operating costs arising from a rationalisation programme — staff was cut by about 30% — a profit is expected in the current year

The share remains a sound investment but looks set to underperform the industrial sector in the short term *Andrew McNulty*

SASOL

Ready for Sasol 3?

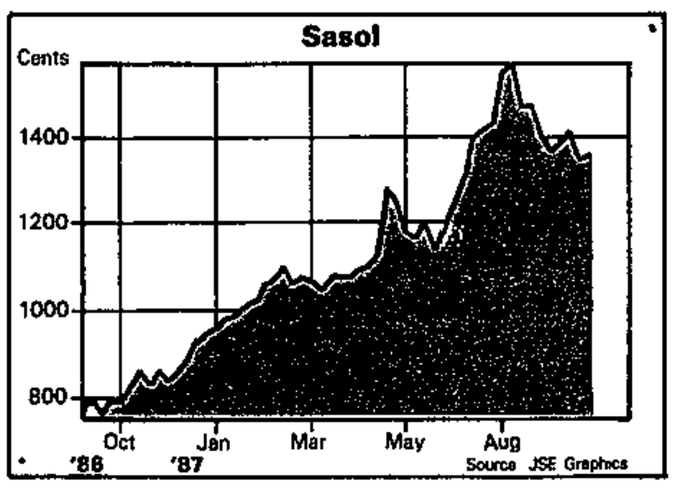
Activities: *Produces liquid fuels, pipeline gas, fertiliser, explosives and petrochemical products from coal and crude oil Owns 52,5%, and has access to 70% of the capacity of Natref petroleum refiners*
Chairman: *J A Stegmann, managing director P du P Kruger*
Capital structure: *562,5m ords of no par value Market capitalisation R7,65 billion*
Share market: *Price 1 390c Yields 3,4% on dividend, 6,7% on earnings, PE ratio, 14,9, cover, 2,0 12-month high, 1 575c, low, 760c Trading volume last quarter, 4,47m shares*
Financial: *Year to June 30*

	'84	'85	'86	'87
Debt				
Short-term (Rm)	209	479	377	53
Long-term (Rm)	2 080	1 519	797	419
Debt equity ratio	1,1	0,85	0,49	0,14
Shareholders' interest	0,40	0,43	0,44	0,55
Int & leasing cover	2,3	3,5	5,8	14,1
Debt cover	0,26	0,51	1,1	1,86

Performance	'84	'85	'86	'87
Return on cap (%)	14,6	20,9	26,7	17,5
Turnover (Rm)	2 217	3 166	3 683	3 109
Pre-int profit (Rm)	751	1 151	1 425	969
Pre-int margin (%)	29,0	36,0	38,8	29,5
Taxed profit (Rm)	413	502	701	527
Earnings (c)	73,3	89,1	102,3	93,5
Dividends (c)	33	39	45	47,5
Net worth (c)	296	418	428	544

Until international crude-oil prices show sustainable growth, or the rand falls sharply, Sasol's income looks likely to remain under pressure Chairman Joe Stegmann says present indications are that at least the present level of dividends could be maintained for 1987/1988 But investors need to know when earnings and dividends will return to the historical pattern of double-digit growth

Apart from market trends, there could be help from internal developments An effective way of boosting group income might be the takeover of the remaining 50% of Sasol 3, whose taxed profits tumbled from R262,4m to R100m With its cover reduced below 1,0 from as high as nine times a couple of years ago, the company paid a dividend of R150m, of which R75m accrued to Sasol Sasol 3 was comparatively hard hit by the oil price collapse as it is less diversified than the other



Sasol's Stegmann ... market not very stable

Sasol plants; conversely, its profits must be capable of rapid recovery given sufficient improvement in international petroleum prices And it has large retained profits

Attractive valuation

From Sasol's standpoint, a takeover now could be attractive if earnings should be a major factor in setting the price A 15 times p e works out to a bargain basement valuation of R1,5 billion Such a price is not likely to be attractive to the vendors, but perhaps a deal could be struck Sasol, which has repaid most of its debt, may well be capable at present of funding the takeover at realistic prices and without another big rights issue The IDC remains a shareholder in the listed group, government will benefit from dividend growth by Sasol, and by avoiding tampering with petrol prices

I would not be surprised if a takeover is announced within the next 12 months Stegmann, in fact, says that "The acquisition of Sasol 3 will be considered as soon as the relevant circumstances are acceptable to both parties"

The effects of last year's 34% slide in rand prices of Sasol's main products were severe Operating cash flow — normally one of Sasol's strengths — was 28,5% lower at R1,1 billion.

Turnover fell 14,5%, the pre-interest margin dropped from 38,8% to 29,5% and pre-interest profit was down by R456m at R969m The dividend was maintained in the second half of the year, resulting in a rise of only 5,6% for the full year.

Causes were, firstly, the collapse in the international crude oil price, and then the recovery in the rand/dollar exchange rate Stegmann notes that the collapse from about $28 per barrel since January 1986 had by June that year been checked by opposing market forces Prices had recovered from a low of about $8 per barrel to about $17 per barrel in June 1987

"In the past few months the price has been strongly influenced by political tension in the Gulf area," he says "However, the underlying market is still characterised by oversupply and the market is not very stable."

It is not difficult to make a bullish long-term case for oil prices. Sasol MD Paul Kruger painted such a scenario when the preliminary figures were announced. But realistic short-to medium-term forecasts are hazardous

Stegmann says experience over the past few years has demonstrated that strong corrective market forces come into operation when the price of crude oil moves below $15 per barrel "However, at this stage the oversupply, due to the lack of discipline among Opec members, prevents the price rising to $20 or more unless renewed tension in the Gulf area causes upward pressure," he adds.

For the 1988 year, this leaves the group relying largely on the rand (which shows little sign of weakening), internal efficiencies, benefits from conservative financial policies and any changes which could be made in its favour to the domestic fuel pricing structure.

Internal productivity will remain important. The group has consistently worked on the efficiency of its diversified plants and of its coal mines. Cost increases were abnormally high last year owing to cyclical maintenance and upgrading work done on capital equipment at the Secunda collieries This year there may be lower cost increases and some benefits from the expenditure.

Although debt outstanding is down by R702m, net borrowings are only down by R267m at R426m, as cash balances dropped by R435m Against this, the equalisation reserve of R125m could be called on if needed.

Apart from synthetic fuel projects, the group is considering extraction of propylene and the manufacture of polypropylene. Stegmann says that an import-replacement opportunity for both these products has been recognised in the market. Another probable project is a colliery extension which would

'Iscor profits dive a blow to privatisation'

27/10/87

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DAVID FURLONGER
Industrial Editor

B/dos

ISCOR'S 41% profits dive has diminished chances of the government-controlled steel-maker being privatised, says chairman Marius de Waal

He says its profit performance in recent years has been too erratic to make such a step feasible in the near future In the last three years alone, pre-tax profit has leaped from R21m to R172m and back to R101m.

He says potential investors want consistent profit and dividend growth. Iscor, with its fixed assets of R3,2bn, is trying to achieve this but it takes time.

"If we can achieve all our objectives, it could lead to a listing on the Johannesburg Stock Exchange in a few years. But this is not the time."

De Waal's comments came in an interview yesterday on results showing reduced local steel demand and over-traded world markets had slashed Iscor's profits by more than 40% last year

Iscor's annual report shows pre-tax profits reduced to R101m in the year to June 30, compared to R172m last year. After-tax profits were down to R93m from R163 Turnover, however, rose 6% to R4,14bn.

De Waal says the results mirror a recovery that didn't happen. At this stage

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Iscor 'not ready to be privatised'

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● From Page 1

last year, Iscor was predicting an economic revival leading to increased local steel consumption. Instead, consumption fell

Demand for steel in industrial and mining machinery declined 16%, for use in motor vehicles 18%; construction 14% and railway equipment 50% This was partly offset by a 16% increase in tinplate demand for canning, and a similar improvement for steel containers.

"Conditions in the foreign steel markets were also less favourable for SA exporters, as regards both product mix and prices, while a stronger rand against foreign monetary units had a further adverse effect on export earnings," De Waal says in the chairman's review

Interviewed yesterday, he said Iscor would continue exporting to keep its mills running at full capacity But the stronger rand and SA's high inflation rate were increasingly making it less profitable.

From page 1

clude news and current affairs.

"If you take away all violence you are sanitizing the news and not giving a true presentation of what is going on," Mr Moulding said

Violence was accepted in some dramas when it was "necessary for dramatic integrity and was justified by the script"

Production staff at the BBC had very clear guidance regulations which are regularly updated and which lay out the kind of "refinement" process that must take place

Mr Moulding said the "worst offenders" were American action series and that the channel did not screen programmes such as "The A-Team", had turned down "The Equalizer" which was screened in this country as "Die Laaste Uitweg" and "Crime Story" currently being screened on M-Net's open time

The BBC has bought a series of "Miami Vice" but does not screen episodes which overstep the guidelines.

He said an academic study had found that violence on British television was on the decrease. The academics had studied everything from news reports to children's cartoons like "Tom and Jerry" which showed excessive violence

The recent Hungerford massacre had helped to gauge the mood of the nation and there was widespread support for the censoring of violence on television

Mr John Badenhorst, public relations manager for M-Net, said from Johannesburg last night that "M-Net is also very aware that violence on the screen is not advisable, especially for young viewers"

"All our movies carry an age restriction as recommended by the Publications Control Board and the more lively action movies are shown in our later time slots," he continued

Mr Badenhorst said he also wished to point out that "each decoder has a remote control with which a parent is able to programme out any film on his home screen which he does not want a child to see"

lead to the scrapping of popular overseas programmes such as "The A-Team", "MacGyver", "Hill Street Blues", "Miami Vice", "Airwolf" and others, Mr Eksteen replied that there were no plans to take off any particular programme

But the issue of violence would be taken into account when new overseas programmes were bought

Programmes which could not be extensively edited would be screened after 9pm from Monday to Thursdays, thus leaving Friday, Saturday and Sunday open for family viewing

"I recently met with the director-general of the BBC and he said violence was also one of his problems The BBC have also issued guidance on the treatment of violence," Mr Eksteen said

But Mr John Moulding of the BBC last night told the Cape Times although the service was committed to removing gratuitous violence from certain programmes this did not in-

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SATV's clean-up

Riaan Eksteen orders scenes of violence to be cut

By MARIANNE THAMM

SCENES of extreme violence will now be cut from programmes on SATV.

The censorship starts immediately and all programmes will be affected, even the news, children's programmes and series bought overseas

The Director-General of the SABC, Mr Riaan Eksteen, yesterday announced that the board had accepted proposals for the elimination of violence on television programmes put forward by a "task group" headed by Mr Hein Jordaan, general manager of TV1.

The announcement came after Mr Eksteen called a national press conference yesterday to introduce Radio Pulpit, a religious radio station which will for the first time allow for the leasing of air time from Radio 2 000

He also announced that Radio 2 000 would become a fully fledged radio service from January 1

The task force, whose duty it was to look into the issue of violence on television, was formed earlier this year soon after President P W Botha's comments on the unacceptability of violence on television.

In February Mr Botha said some of the violent films and series screened by the SABC were not in the interests of peace in South Africa

Mr Eksteen said the new "prescriptions" were contained in a "lengthy document which is quite involved" and which has been distributed to all producers, programmers and production staff The proposals would take "immediate effect"

He could not answer specific questions as to how the SABC intended to create a violence-free television station and said he was aware of the fact that all violence could not be edited out without substantially changing the story He could also not elaborate on what the SABC considered "extreme violence"

He said the document was not secret but could not be given to the press at this stage

Asked whether the new censorship policy would

SABC

Saved by the budget

SABC Director General (DG) Riaan Eksteen's head may be saved from the Tuynhuys guillotine Indications are that SA's broadcasting and TV monopoly — a money-guzzling machine for the past four years — may have brought down its huge expected deficit of R48m for 1987 to less than R4m

The news about the SABC's financial recovery has not even been relayed to the corporation's board, which will only have its next meeting in January It is expected that the external auditors will finish their annual report of the corporation's financial position at the end of February, when it will be tabled in parliament

To the beleaguered Eksteen, who has had to face a barrage of criticism from President P W Botha in the past few months, the news of the upswing could not have come at a better time Rumours were rife in and around Tuynhuys and Auckland Park that he was for the chop — especially after the Allan Hendrickse affair on TV's *Netwerk*

Since 1983, the operational expenditure of the SABC has been overtaking the corporation's total income At the end of 1986, Auckland Park showed a R27,9m deficit

The financial forecast for 1987 presented a dismal picture of overspending and rising costs In his 1986 annual report, board chairman Brand Fourie said the "financial position of the SABC indicates once again that it did not have a very successful financial year" The trend was expected to continue this year

First signs of a brighter picture emerged when deputy DG Wynand Harmse, who is responsible for SABC finances, indicated to management at the beginning of December that there was a vast improvement Harmse said if previous projections of the 1986/1987 financial year had been accurate, a shortfall of R60m in the coming year could have been expected

However, Harmse said, things were on the up, and a small surplus in the 1988 budget (which has not yet been approved by the SABC board) could not be ruled out

The favourable forecast may have changed Eksteen's personal fortunes In SABC circles, he is admired for his style of management and administration Stricter administrative control, more advertising revenue, retrenchment of personnel (down from more than 7 000 to under 6 000 in less than two years) and the utilisation of unused programme stock are some recent achievements

In the light of the corporation's expected performance, it is difficult to see how Botha could justify replacing Eksteen But then, past experiences with the SABC have shown that Botha does not always justify his actions

A positive financial outlook for the SABC has, however, another political implication, which could also affect the advertising revenue of the corporation and that of the print media It is known that the SABC would like to strengthen its income by increasing TV licence fees, in order to correct the imbalance between income derived from licences and from advertising

During the 1986 financial year, 63,4% of its R410,1m income came from advertising, licences contributed a mere 25,4%

With the SABC possibly showing a profit in 1988, government may be unwilling to allow such an increase In that case, the print media will continue to play second fiddle when it comes to sharing advertising

ELECTIONS

The Jaap Factor

The Herstigte Nasionale Party is set to become the New Republic Party of the far Right — incapable of winning seats, but with enough support to spoil the Conservative Party's chances in marginal constituencies Never mind all the predictions — the resignation of HNP stalwart Louis Stofberg is unlikely to kill off the party in the near future

The first major test will be early next year — two by-elections for parliamentary seats won by the CP in the May general election Standerton MP Jacobus de Ville was unseated by the Supreme Court because he was technically a State official when elected, in Schweizer-Reneke, Jacobus Beyers was forced to quit when his estate was sequestrated.

De Ville beat the National Party candidate by 952 votes, and Beyers won by only 191 The Nats are confident of winning back both seats, and are expected to pour all available resources into the campaigns

In both constituencies there are likely to be three-cornered contests Marais himself will stand in Schweizer-Reneke (a decision

PEACE TALKS

Peace talks between Cosatu-UDF and Inkatha have ground to a halt after a bitter clash during their latest meeting in Maritzburg.

Delegates seeking an end to the violence in the city's black townships clashed over a magazine called *Inqaba ya Basebenzi* ("The Workers' Silo") which Inkatha brought to the meeting

Published by the Marxist Workers' Tendency, a hard-Left faction recently expelled from the ANC, the magazine dealt with violence as a political strategy. Inkatha insisted that both the UDF and Cosatu should publicly repudiate the magazine

UDF and Cosatu representatives evidently did so during the meeting, but refused to do so publicly on the grounds that neither organisation had anything to do with the magazine. After about three hours of fruitless argument, the meeting broke up. No date was set for further talks.

The Maritzburg Chamber of Commerce, which is acting as peace broker, will now try to get things going again, according to manager Paul van Uytrecht Both parties remained anxious to pursue talks, he said, but each appeared to be waiting for the other to make the first move

On the eve of last week's talks, seven more murders were reported, including that of a 67-year-old man who was stabbed 129 times

FM 18/2/81

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ESKOM

Majuba goes wet

Eskom will revert to wet-cooling for the last three units at its new Majuba power station being built at Amersfoort, near Volksrust This is in contrast to the dry-cooled Matimba and Kendal power stations, also under construction at the moment The decision will pare R450m off the cost of the R5 billion Majuba station

An Eskom spokesman says the Department of Water Affairs has advised Eskom that because of the construction of the Lesotho Highlands Water Scheme, more water will become available to the country in general and this will ease Eskom's position

"Unfortunately the first three units at Majuba are already fully contracted out so we are going to have to stick to dry-cooling methods there," he says "But because we have been cutting back our capital expansion programme, we have not yet awarded all the contracts on the second set of three units" When Majuba is finally completed in 1999, it will have a capacity of just over 4 000 MW

Iscor increases its medical aid fees

B/days

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20/12/87 MICK COLLINS

DRASTIC increases in provincial hospital tariffs and other expected increases in medical costs had forced increases in membership fees for both its medical aid schemes, Iscor said.

"Unless these increases are implemented, each fund — the Iscor Medical Benefit Fund (IMBF) in Pretoria and the Vanderbijlpark Medical Benefit Fund (VMBF) — would end 1988 with a large deficit," said a spokesman for both schemes.

Quoted in the corporation's monthly newsletter, the spokesman said that Transvaal provincial hospital fees had been increased by 85% and theatre fees by 100% on July 1, 1987 after only one week's notice.

"In accordance with government policy, provincial hospitals will increasingly recover costs, which will mean that these costs will come close to those of private hospitals. A further increase of 30% in total hospital expenditure in 1988 is forseen," he said.

The expected cost increase in respect of general practitioners and specialists would be approximately 17,5%, those of dental services 15% and of medicine about 20% during 1988.

He said membership fees for both medical aid funds had only been increased by 12% in 1986.

"If we had implemented a 15% increase in 1986, as allowed by the Iscor board of directors, we would have broadened the base on which to calculate the present increases and we would have required a smaller increase in membership fees to meet the operating cost requirement."

In the case of the IMBF, a member with dependants would contribute R79 instead of R61 a month (a 29,5% increase), while a VMBF member in similar circumstances would contribute R57 instead of R42 a month (a 35,7% increase) as from January 1, 1988.

ESKOM

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Tariff relief

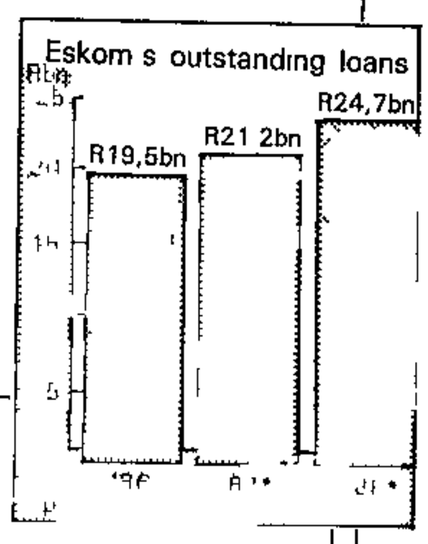
In announcing that it will increase tariffs by just 10% on January 1, Eskom demonstrated that it is running more like a private business these days cutting costs and passing on the savings to customers

Says Eskom communication manager Ewald Thal "It is vital to keep our costs as low as possible and our tariff as low as possible We don't want to be seen as an insensitive bureaucracy milking the country"

In the past two years, the utility has cut its staff from 66 000 to 56 500, saving it R180m this year alone And Thal says Eskom is carrying out a plan to cut both projected operating costs and capital expenditure by R1 billion between 1986 and 1989 This year it has benefited from lower than projected coal and interest costs

Thal says it's too early to tell if Eskom will be able to keep its 1989 increase to 10% But he says the company is pledging to make the 1989 increase at least two percentage points less than the prevailing inflation rate, as measured by the CPI

It's hard to keep tariffs low because, despite its austerity measures, Eskom's costs keep rising It projects that, from this year to next, operating costs will rise by 23% to R3,8 billion, interest and finance charges by 28% to R3,2 billion, and capital expenditure by 31% to R4,2 billion



ESKOM

Balance Sheet

	1986 Rm	1987* Rm	1988* Rm
Operating expenditure	2 394	3 129	3 840
Interest and finance	2 121	2 462	3 161
Capital expenditure	3 217	3 172	4 153
Loan repayment	912	1 481	1 036
Total costs	8 644	10 244	12 190
Less			
Revenue from tariffs	5 845	7 024	8 118
Gross funding requirement	2 799	3 220	4 072

* Eskom projections

Increase efficiency

It expects to bring in R8,1 billion from tariffs next year and plans to borrow R4,3 billion — R3,6 billion locally The borrowing will bring its outstanding loans to R24,7 billion

The extent to which Eskom can increase efficiency and cut costs — and thus cut its tariffs and borrowing — must be welcomed The fewer resources that SA has to commit to obtaining electricity, the better off it will be

Says economist Nancy Seijas, who researches privatisation for the Free Market Foundation "Eskom has decentralised its structure by giving the managers of individual departments and power stations more say in their own affairs, it has cut staff, and it has committed itself to a private-sector business approach This can only bode well for the economy Other State corporations could learn from this new philosophy at Eskom"

The fact remains, that Eskom's contribution to lower consumer prices is not very substantial Eskom has a long way to go to achieve that

Costs in any large undertaking, and especially in Eskom's case with regard to capital, are subject to the creative instincts of accountants when competition is not a factor Eskom, which has become pretty good at blowing its own trumpet, may have done well to hold down electricity price rises, but our suspicion is that it could have done a great deal better ■

Kendal shows the way

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In this, the last of our three-part series on power station technology, we look at Kendal. At this station, Eskom is implementing indirect dry cooling on a massive scale to suit SA's lack of water resources.

Technological advances at Eskom's giant 4 000 MW Kendal power station, now being constructed near Witbank, will save SA around 55m m³ of water every year. The use of sophisticated indirect dry-cooling rather than wet-cooling to lower the temperature of the vast volume of water circulating in the station's six condensers will make this possible

Though there are abundant coal resources in the eastern Transvaal highveld, water supplies are already strained to meet the demands of the three largest wet-cooled stations in this area — Kriel, Matla and Duvha Limited resources and rising water costs were the major considerations influencing Eskom's decision to enter the field of dry-cooling technology

In wet-cooling, the water is exposed by sprayers inside the cooling towers to the atmosphere and cooled off, leading to large quantities of evaporation In fact, evaporation losses account for roughly 80% of the water requirements of a conventional wet-cooled power station

In indirect dry-cooling, the water circulates inside a closed system Hundreds of car-like radiators are mounted at the bottom of the cooling tower and the water flows through these. The airflow created by the shape of the cooling tower passes through the radiators and cools the water No evaporation takes place and there is no resultant loss of water

An indirect dry-cooled system uses 0,8*l* of water/kW-hour compared with a wet-system's 2,5*l*/kW-hour. It must be emphasised that the technology used at Kendal is very different to that being applied at Matimba which uses the direct dry-cooling method (*Business* November 27). Direct dry-cooling involves the use of fans and these power stations have no cooling towers

Kendal's indirect system will cost around R200m, compared with about R62m for a conventional wet-cooled system But again, the amount of water saved is significant, particularly for a country with dwindling water reserves

Indirect dry-cooling is not altogether new to SA, since Eskom experimented with it on two 200 MW sets at Grootvlei power station between Heidelberg and Villiers But it has never before been applied on such a scale as at Kendal, which will ultimately have six 686 MW generating sets

Kendal will be fired by coal with a calorific value of 17,5-18,5 megajoules per kilogram and an ash content of approximately 30%-32%

The coal is mined at Rand Mines Khutala colliery

Construction of Kendal began in 1982 and is scheduled for completion in September 1993. The overall cost of the project will be about R3,5 billion in 1987 money terms

Boilers at Kendal are being made by Combustion Engineering International and turbogenerators are by Kraftwerk Union AG

Twin overland conveyors bring the coal from the mine to the coal stockyard Coal has been stockpiled since November last year, to be used when the first unit is commissioned in June 1988 ■

MUSGRAVE RIFLES

On target

Musgrave of Bloemfontein, with its 100% local content rifles, is proof that arms embargoes don't work. If anything, they spur local manufacturers to produce weapons that can compete with the best in the world.

The takeover of the family concern by Armscor a few years ago has added tremendously to the quality standards and export potential of Musgrave products

More Musgrave custom-made rifles are being sold overseas than in SA. Even its production models, which sell at R1 200-R1 500 and have captured 80% of the South African market, are beginning to find their way on to the shelves of gun shops in other countries

MD Abie Koch says only 150 custom-made rifles were produced last year. More can be made, but production is limited because they are entirely hand-crafted The market is also limited — to those prepared to pay anything between R2 800 for an excellent hand-made weapon with few frills and R44 000 for a superb hunting rifle with intricate engraving and gold inlay.

Koch believes the South African market will absorb about 4 000 hunting rifles this year and grow at 10% a year. He appreciates that Musgrave's present range will have to be upgraded if it is to stay competitive "We will reach saturation point with our current range in the not too distant future and will have to pull something new out of the bag," he says

Musgrave's weapons are a far cry from the initial range made to capitalise on the gap in the market created by the arms embargo The originals were accurate and efficient but lacked the charisma, *feel* and balance that hunters, particularly professional hunters, demand in a weapon.

The current range is beginning to make its mark in foreign markets because it has those qualities and a lot more. At this stage "our export is a trickle, not a flood," says Koch, who recently exhibited Musgrave rifles at a European exhibition

"I was prepared not to sell a single rifle, but I sold several The numbers certainly aren't impressive, but the mere fact that we sold those weapons proves to me that we are on the right track and that our weapons can compete internationally with the best available in their price ranges

"We are now setting our sights on the export market."

Filippo Bagliacca, a wealthy Italian industrialist who hunts for nine months a year and who has more than 150 hunting rifles in his personal collection, claims Musgrave rifles will sell well in Europe He will buy 100 to sell there, mainly in Italy.

He regards that as "testing the water, but if they sell as well as I think they will, I'll build it up into a big business"

Koch says the improvement in quality is due largely to the new management team However, the Armscor takeover has also resulted in a substantial improvement in quality

A R6,5m expansion of the Musgrave plant, which will be used mainly to make new products for the local market, will be completed early in the new year. About R1m is being invested in buildings and the rest in sophisticated computer numerically controlled production equipment and a 300 m tunnel to test and zero rifles before they leave the factory.

The first two new products are a 22 pistol, which is intended to capitalise on the growing popularity of silhouette target shooting and a shot pistol that will be made in two calibres, 12 and 410-gauge. The 22 pistol will come on the market in March 1988 and the shot pistols soon afterwards More new products will follow.

Discontent among CSIR retrenched

PRETORIA. — Large-scale discontent is said to have surfaced among staff of the Council for Scientific and Industrial Research (CSIR) after 14 top officials lost their jobs as a result of "reorganization" within the council.

Those retrenched include two deputy presidents and seven chief directors. One of the chief directors is considering legal steps against the council in terms of an alleged unfair labour practice.

According to one of the retrenched officials, there was a definite feeling of bitterness among those affected and the general feeling was the matter had been "badly handled".

The cost of the retrenchments to the CSIR, including pension pay-outs, could run into "several million rand".

The reason given by the CSIR for the reorganization programme was "to be more market-related and to be able to serve industry better".

The men had apparently been given three months' special leave "and we were told not even to come back".

The men said that in terms of the settlement — a few were close to retirement age — they would suffer a financial loss

The lump-sum payments, although large in rand terms, did not take inflation into account, they said This, with the fact that the payments were taxable, reduced them considerably.

In terms of the deal, those under 60 — excluding deputy president Dr Koos Kemp, 59 — will receive a lump sum of 15,5% of their current salary multiplied by their number of years service from the pension fund (said to be only what they have paid into the fund), plus a year's salary in one sum, and accumulated leave pay-outs from the CSIR.

It is understood that Dr Kemp will take leave in April until he turns 60, when he will retire.

Those who have been declared redundant are two deputy presidents, Dr Koos Kemp and Dr G Heymann, and six chief directors under the age of 60, Dr John Morris, Dr Pat Butler, Dr Theuns Erasmus, Dr Jimmy Bull, Dr Derrick Turpie and Mr Kobus van Zyl, chief director Mr Neil Walker, who is over 60, and five other senior officials to whom it was "suggested" they should go on pension for being over 60. They are Mr Frank Anderson, Mr Naude van Wyk, Mr Raymond Vice, Dr Mike Hunt and Mr Vic Shaw.

The chief directors were heads of institutes and in control of R15-million to R20-million budgets or more

The CSIR said in a statement yesterday, its 23 existing research institutes and laboratories had been reorganized into 11 industry-related divisions and its administrative and support services had been rationalized

The new top management posts were widely advertised and in June 1987 were filled by 14 people who met the demands — two people were appointed from outside the CSIR while the others were chosen from within

The process of restructuring would be completed early in the new year, and the "new CSIR" will come into operation on April 1 — Sapa

Multiple

(260) F/M 4/12/87

SABC

Feel the heat

Wanted: an SABC TV cameraman prepared to follow President P W Botha on all his official engagements.

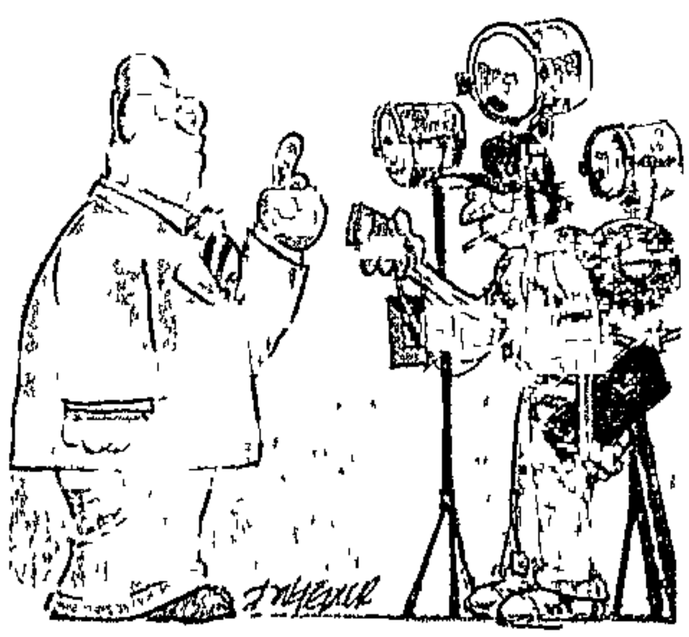
Benefits: an extra R15 000 in allowances on existing salary, and the chance to work with the most expensive TV camera owned by Auckland Park.

This is the unofficial call that has gone out from SABC's top management, in their effort to ease the strained relations between Tuynhuys and Auckland Park since the Allan Hendrickse *Netwerk* debacle

An informed source at the SABC has told the *FM* that the latest Tuynhuys job has not been advertised in the usual way So far, three senior cameramen — Robbie Klarenbeeck, Faan van Zyl and Rudi le Roux — have been approached, but apparently all three declined the offer.

The SABC has gone out of its way to appease Botha since the Hendrickse affair Senior Editor Johan Pretorius has since been appointed "Tuynhuys correspondent."

And it may be more than coincidental that the man responsible for the extensive coverage of Hendrickse's resignation, Political



Correspondent Freek Robinson, has been transferred to London after only a short spell at parliament (*Current Affairs* November 20).

During their heated meeting after the Hendrickse incident, an irate Botha complained to Director General Riaan Eksteen about his handling of the SABC

One of the complains was that he (Botha) had asked for a senior technician at Tuynhuys to adjust the camera lights Now the SABC has decided to have a permanent cameraman on standby at Tuynhuys, should Botha go on TV — which, of course, he does often

To the SABC (and undoubtedly to the taxpayer) this means extra expenditure amounting to about R15 000 annually in parliamentary and travel allowances, excluding travelling expenses (The parliamentary TV cameramen are based in Cape Town, so these allowances don't apply to them)

Parliamentary staff members working for the SABC get a daily allowance of R75, which is about R20 per day more than political correspondents working for the print media

Already the SABC is spending a vast amount of money to keep Pretorius on Botha's track Pretorius is based in Johannesburg and constantly has to fly to Cape Town, or wherever Botha goes

The SABC source also tells the *FM* that a special camera, the only one of its kind owned by the SABC, is used when filming Botha The camera, which apparently oper-

PUBLIC SECTOR - GOVT - ENTERPRISE

1988 [redacted].

JANUARY — [redacted] MAY

Eskom needs R1,3bn

JOHANNESBURG — The treasury manager of Eskom, Mr Francois Botha, says the company will need about R3,5 billion this year to cover expenses

This is about R1,3 billion up on last year's figure

Mr Botha said that apart from the normal running expenses, new power stations and extentions to the distribution network would be the largest expenditure

He said he did not believe that Escom's greater capital needs would have a significant effect on the local capital market as only R350 million more than last year would have to be borrowed on the local market.

He said at this stage there was no question of foreign loans although foreign bankers were eager to grant export credit facilities to stimulate their export markets — Sapa

Eskom feisty about raising R2,8bn on local market

HELOISE HENNING

ESKOM's programme to raise R2,8bn on the local markets this year — up 80% on 1987 — should not prove difficult provided that government borrowing is kept within reasonable limits.

It hopes to raise a further R700m through foreign loans, bringing the total borrowing requirement to R3,5bn compared to the R2,2m used last year.

Bonds of R1,850m will be raised on the capital market — R350m up from R1,5bn in 1987. A further R950m will be raised on the money market by means of short-term project finance bills compared with last year's repayment of R500m short term loans, says Eskom's local capital market manager Gerard Ramage.

Ramage stresses the increased 1988 demand must be compared with last years low level of capital expenditure.

In line with forecast

Eskom Financial Planning Manager Hugh Ashby says the expected borrowings are in line with the corporations forecasted budget.

The lower expenditure last year was also due to a "windfall" of benefits from foreign exchange activities, a repeat of which has not been budgeted for.

Private sector money managers are concerned that present money market liquidity could become tighter if the expected upswing of the economy comes about. They add, however, selling R1 850m stock should not be overly difficult because Eskom has always made "a good market in its stock".

Director of Johannesburg Options Market David Bullard says Eskom stock is the bellwether in the bond market, its traded volumes on Monday were more than three times those of RSA, Sats and Sapo.

"We are at last seeing that Eskom is serious about cutting back on cost. But goverment spending is out of control. When the government's budget figures are revealed we'll probably have another problem coming."

Court helps Iscor get its money back

PORT ELIZABETH — A shipload of oil worth R172 872, on board a Turkish cargo vessel in Port Elizabeth harbour, has been attached following an urgent application by Iscor

The Port Elizabeth Supreme Court yesterday granted a final order attaching the contents of the Hirra 2.

The application was brought by Iscor against Sonmez Denizcilik Han, the time charterer of Hirra 2, of Istanbul, Turkey

Hirra 2 was not in Port Elizabeth harbour yesterday afternoon

A spokesman for the attorneys representing Iscor said late yesterday afternoon the respondents had paid the amount owed to Iscor last Monday and Hirra 2 had left Port Elizabeth harbour

The application was first brought as an urgent matter on December 23 and a rule nisi ordering the attachment was granted.

January 6 was the return date of the interim order

Mr Justice Mullins yesterday made the interim order final and ordered the respondents to pay the costs

In papers supporting the application, C J Botha, who said he was manager of Iscor's steel shipping department, said the application was to find jurisdiction in an action to be brought by his company against the respondent for the payment of R172 872

This debt arose out of various agreements between the two companies

Iscor had on various occasions shipped steel on to the respondent's vessels in Port Elizabeth harbour between June 1986 and January 1987.

Botha said it was a customary term of such an agreement that in the event of his company loading more than 3 000 tons a day, despatch money was payable to his company for the time saved as a result of such quicker loading.

He said despatch money, in terms of the agreement, was R4 000 for each day saved by his company

The amount involved was for eight invoices

Botha said the respondent was the charterer of Hirra 2 and the owner of the bunkers which contained crude and diesel oil aboard the vessel

The value of the cargo was R172 872

He said his company had attempted to obtain payment of the amount and the attempts, which included a visit by him to the respondent's offices in Istanbul, were to no avail

When the matter was called yesterday, the judge confirmed the interim order and ordered the respondents to pay the costs The matter was then taken off the roll

Own Correspondent

Institute chief explains staff retrenchment

PRETORIA — Some 237 "support" staff at the Council for Scientific and Industrial Research in Pretoria face possible retrenchment in about a year's time

This emerged at a press conference yesterday at which the chief executive and president of the CSIR, Dr Chris Garbers, explained the restructuring and streamlining process the institute had embarked on

Seven executives were declared redundant in moves which saw 21 former research institutes restructured into 11 research and development divisions

One redundant chief director, whom Dr Garbers would not name, has taken legal action for reinstatement

Dr Garbers dismissed allegations that the redundant executives had been treated unfairly

Some 95 per cent of the CSIR's 4 747 staff members — including all its scientists, researchers and technicians — had been placed in the restructured CSIR A total of 237 as yet unplaced support staff would be retained to assist in the restructuring process They may or may not be retrenched in a year's time

"Contrary to reports of general dissatisfaction, uncertainty, unrest and even mutiny, I am convinced that the vast majority of CSIR staff have accepted the necessity of change and the accompanying discomfort," he said

The 42-year-old organisation had been overhauled because of changes in science policy, cutbacks in budgets, the need to strengthen university research, the demands of industrial development, worsening international relations and the withholding of technology

The group executive for corporate services, Dr Neville van Deventer, said the CSIR had set up a National Technological Information Service to acquire information for South African use from world sources It would operate above board and not covertly — Sapa

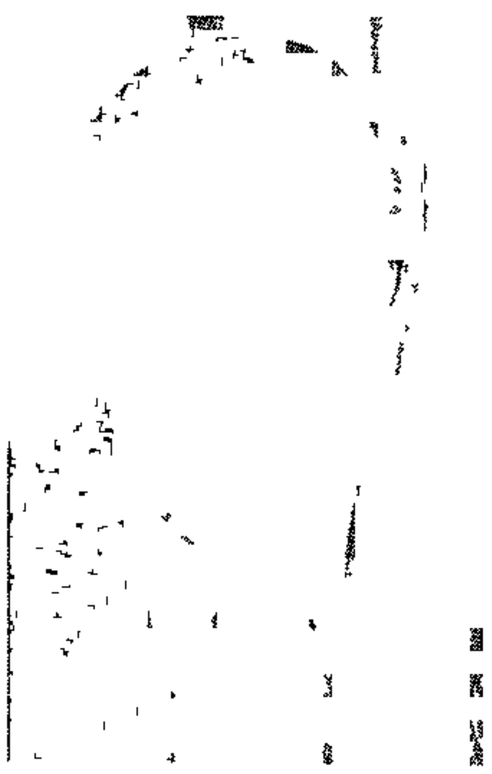
CSIR

No pain, no gain

260

Anguish in the ranks of the Council for Scientific and Industrial Research (CSIR) over high-level redundancies is, paradoxically, a healthy sign It means that the restructuring that is taking place is being effective, and that is to the benefit of the whole country

Of course it is painful for those who are redundant, as many private-sector employees but few in the public sector, well know. However, it does seem that those made redundant have been treated fairly In particular, reports that a deputy director of the CSIR executive and six chief directors were axed without pension benefits are incorrect. In terms of the regulations of the Pension Fund for Associated Institutions, the seven, all of whom are under 60, received a tax-free lump-sum gratuity (which CSIR chief executive and president Chris Garbers says compares favourably with benefits payable at retirement), a separation benefit based on current annual gross salary and years of service, and three months' notice of termination of service



Chris Garbers

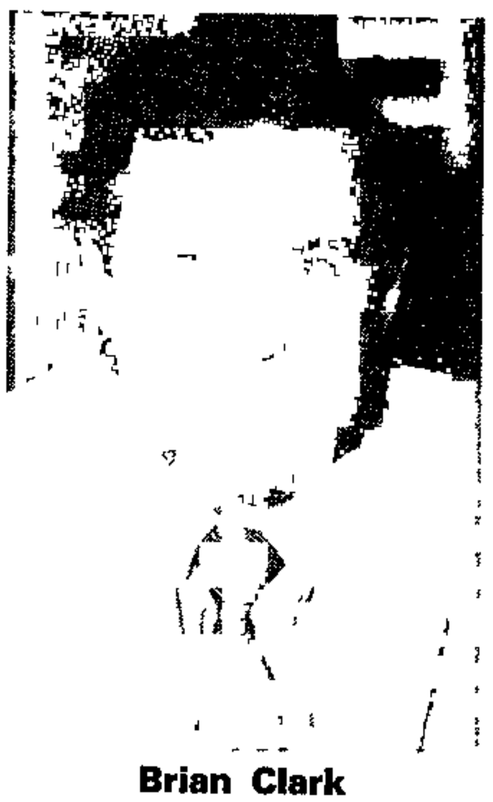
These particular redundancies came about because the 21 former research institutes have been restructured into 11 research and development divisions, and the executive trimmed from six to five persons. In the new set-up, members of the executive head four functional groups Research, Development and Implementation (RDI), Corporate Financial Management, Corporate Support Services and the Foundation for Research Development.

Clearly, this streamlining has led to fewer top posts The new posts were advertised and, according to Garbers, the seven — deputy president Gorra Heymann and chief directors Jimmy Bull (National Chemical Research Laboratory), Theuns Erasmus (National Institute for Coal Research), John Morris (National Building Research Institute), Derek Turpie (SA Wool and Textile Research), Pat Butler (Information and Research Services) and Kobus van Zyl (Administrative Services) — were among the unsuccessful candidates They were declared redundant, says Garbers, "because jobs of appropriate status could not be found for them "

One other deputy director, Koos Kemp, and seven other managers of former research institutes or service organisations, all of whom are over 60, elected to retire on pension One of the axed former chief directors, whom Garbers declines to name, has taken legal action for reinstatement, and talks between his and the CSIR's legal representatives are proceeding

All but about 5% of the 4 747 complement at September 30 — including all scientists, researchers and technicians — have now been placed in the "new" CSIR And, says Garbers "Nobody has been forced to take a position of reduced seniority or status "

This leaves 237 support and administrative staff facing redundancy Most of them are expected to remain with the CSIR for the next year working on such projects as updating the capital register and simplifying and redrafting financial and personnel codes Some of them are expected to get permanent positions as a result of openings created by staff turnover which, historically, has run at about 12% The CSIR's loss of staff will in most cases be someone else's gain In particular, all seven senior men axed have strong management skills as well as scientific or technical backgrounds Such skills are in high demand and they are unlikely to be without offers Indeed, Heymann has already accepted a senior post at Armscor A major consideration of the restructuring is that the CSIR has seen the need to adopt a market-orientated approach to R & D It is well known that in the old CSIR many researchers nominated their own fields of work, which have not always resulted in tangible benefits Such an ivory-tower approach does not accord well with demands for R & D to play a greater role satisfying the needs of a growing population, creating wealth and ensuring competitiveness in world markets The CSIR's mandate now can be divided broadly into two functions' its own R & D, and funding of sciences and applied sciences at universities, museums and technikons The latter, which is being done through the Foundation of Research Development, is intended to result in significantly increased merit support for university researchers and a dramatic increase in the number of post-graduate bursaries This support programme is expected to be in full operation by 1992.



Brian Clark

The CSIR itself is no longer concerned only with R & D, but also with implementing its findings "The results must get to the market," says Garbers Where in the past there was strong emphasis on publishing findings as early as possible, in future, he says, "we would rather take out a patent before publishing "

In line with this, the CSIR is also moving to a private-sector-like system of inducements to succeed Personnel Administration Standards which, says Garbers, "brought micro-control over to the CSIR from outside," have been abolished, giving the CSIR greater autonomy over its own affairs

"For the first time in history we are able to reward outstanding achievement," he says.

The RDI group, under Brian Clark, expects by the middle of next month to have finalised contracts with private and public sector organisations for projects to be commenced in April Such contracts are designed to enable the CSIR to generate more of its own funds and be less dependent on the taxpayer Inevitably, this new approach has led to charges that the new CSIR will ignore fundamental research in order to pursue a money-making role This would be a backward step. But while Garbers and Clark freely acknowledge the new emphasis on short-term, market-orientated work, they say that medium and long-term research will continue and, in some cases, be enhanced Expected soon is an announcement that the former SA Inventions Development Corporation (Saidcor) is being revamped as a vehicle for "high-risk" research, that is research where thee is no guarantee of a pay off Clearly, fundamental research is important, but not all research is equally valuable, and not all of it deserves funding by the taxpayer The new structure provides the opportunity for more cost-effective R & D, and, ultimately, more research of all types

Getting lean may be tough, but the results are already looking good It is an example that the rest of the bloated bureaucracy should be encouraged to follow ■

After yet another week of the SABC's electronic grovelling

Time to privatise TV news and stop this silly slanting!

By RICHARD McNEILL

THERE are moments on television which have the effect of suddenly crystallising all that is wrong and lacking down at the SABC.

I recall John Bishop on Network once stumbling through a list of Prison Service promotions that seemed never-ending.

His face was a picture of suppressed incredulity at what he was required to read out on the prime news bulletin of the day

More recently the lead item in the news was a statement by President Botha on the Group Areas Act which said, in effect, that he had nothing to say about it, other than what he had said the previous time he said something

Every day there are, of course, the comings and goings and statements of the President and senior Ministers to be covered — as though this were the sum total of the nation's life

But this week Netwerk excelled itself in what might be called electronic grovelling

First news up in Wednesday's edition was the death of the President of China Fair enough, you might say Taiwan is one of South Africa's few friends in the world at large, and clearly some recognition of this sad event was in order

EULOGIES

But the item quickly degenerated into a dirge lasting more than seven minutes — with a parade of people, led by President Botha and Pik, seemingly queueing up to express the "grief of the South African people"

As if all this wasn't enough, the next item turned out to be an obituary in similarly tedious terms of the late Connie Mulder — who, if the SABC coverage was to be believed, was an heroic figure, a former Cabinet Minister of stature, a wonderful and wise man who will be sorely missed

This time the President, Chris Heunis and Andries Treurnicht were called on to deliver the eulogies — even though Mulder was treated almost as though he had never joined the Conservative Party.

Only one glancing reference was made to Mulder's involvement in the "so-called Info Scandal" Yet the truth about Muldergate — as it was also known — has yet to be fully told

Then, on Thursday's Network, all the big Nat guns were trained on the AWB violence at FW de Klerk's Standerton meeting

An extensive report featured FW talking in the dark — richly symbolic for those who are less than fervent party supporters — and an interview with Treurnicht

Was it my imagination or did the English subtitles fail to fully reflect, word for word, the Conservative Party leader's withering attack on De Klerk?

The closing headlines said Treurnicht had "come out strongly against political violence"

As a summary of the interview, and indeed of Treurnicht's position, it was laughably simplistic

One has become accustomed to the fawning attitude adopted by SATV to all things Nationalist and Governmental One has become resigned — almost — to the relentless highlighting of humdrum events of importance to some or other Minister or functionary, in the manner of Soviet TV

But this week the corporation quite shamelessly ducked its editorial and informative function and surrendered to the political whiplash

The inclination to view the world, even the essentially non-political world, through ministerial spectacles, has got to stop — for two quite compelling reasons

Firstly, the low esteem in which the SABC is held among large numbers of South Africans is deeply worrying to those who believe it could and should be an important influence for reconciliation — and that can only happen if it recovers some of its credibility

But secondly — and this is the only argument likely to cut any mustard with Tuynhuys, though its subtlety may nevertheless be lost even there — it undermines the Government's own ability to influence people positively

If Chris Heunis opening a fire station is given the same kind of star treatment as Chris Heunis making an important constitutional point, what scale of values is operating?

SCORN

If the State President is given air time every time he opens his mouth, and with no hint of any opposing point of view, how are ordinary people to judge what is important in what he says, and what isn't?

Everything seems equally important — or worse, equally unimportant

I won't even mention the scorn with which many relatively sophisticated people, a growing number of them Afrikaners, now treat SABC news bulletins It makes them scramble for the M-Net controls

And maybe therein lies a possible answer Isn't it time the whole business of TV news-gathering was privatised?

People read "private" newspapers and magazines. In some instances they listen to "private" radio news bulletins

Why doesn't the SABC put its news out to tender, accept the most efficient offer, and sit back to put on the sport and plays and chat shows and blood-and-thunder series, which is where its programming heart really lies?

EXAMPLE

An interesting example of this happened last week in London, where local TV station LWT was kicked off by Britain's Independent Television Authority for not supplying a local news bulletins

The company promptly invited 20 firms to tender for the bulletins, and finally awarded a R12-million contract to a small firm called Screen News

This is the first time a "third force" has breached the monopoly of British TV news held by the BBC and ITN Did the walls come tumbling down? No they didn't.

In South Africa's case, a more realistic plan would be to allow the independent M-Net to run its own news

The station is already jointly owned by English and Afrikaans newspapers, who could surely be trusted to set up a responsible and professional joint news authority to supply a balanced coverage of the nation's affairs — though who knows, there may be others also capable of doing so

CHANGE

Yes, and pigs might fly Hasn't President Botha already said — as faithfully reported on SATV — that M-Net will never broadcast news while he is President?

But people say things, and then circumstances change, don't they?

I know that if I were Mr Botha, I would be worried not only about over-exposure, but the craven, unquestioning way I was treated by the SABC — that film profile broadcast last year, for instance, led to hoots of public derision

Is it too much to hope that the President's judgment has now improved in these matters?

'Increasing pressure' from UK

'Peace parley' call by Strauss

Own Correspondent

JOHANNESBURG. — The Prime Minister of Bavaria, Mr Franz Josef Strauss, last night proposed an international peace conference for Southern Africa.

His call echoed that of President P W Botha earlier this week when he said he would like a regional conference of Southern African states and interested powers.

At a reception in Pretoria hosted by the Foreign Minister, Mr Pik Botha, Mr Stauss called for "an international Southern African congress which all the powers will attend".

He said it was senseless "to exchange opinions by interviews and hostile statements". Political leaders should "sit together and give South Africa a chance to explain its problems. This would be a democratic way of assessing Southern African problems."

Mr Strauss also made a scathing attack on supporters of economic sanctions against South Africa. He warned sanctions would not lead to equal rights or an end to apartheid. It would take 15 to 20 years to rebuild the South African economy after sanctions.

Meanwhile, concern was growing yesterday that the Strauss visit may backfire unless he could gain some positive assurance on reform from the government, or even some positive sign concerning political prisoners.

Attempts to set up meetings with left-of-centre black leaders had come to nothing by late yesterday, provoking fears that his visit would be lambasted as an exercise in moral support for the Botha government.

LONDON. — The British Prime Minister, Mrs Margaret Thatcher, and West German Chancellor Mr Helmut Kohl were each increasing pressure on South Africa "to give up its policy of destabilizing Mozambique", the London Guardian reported yesterday.

The Guardian said Mrs Thatcher had sent a letter to President P W Botha, urging him to "heed the strength of feeling not only about apartheid in South Africa, but also about the perilous security situation in Mozambique, which is seen to have been provoked by Pretoria's deliberate efforts to destabilize its northern neighbour".

However, the Guardian said Whitehall referred to the visit of Mr Franz Josef Strauss as "an unguided missile whose target was unclear". — Sapa

MEDIA AND POLITICS

The CP blacks the airwaves

Official Opposition leader Andries Treurnicht has given his Conservative Party (CP) strategists the go-ahead to launch a country-wide consumer action campaign against the SABC

Angry at Auckland Park for what CP spokesman Clive Derby-Lewis calls a deliberate National Party (NP)-inspired attempt to link Treurnicht with the militant Afrikaner Weerstandsbeweging (AWB), supporters of the party will be urged to sell their TV sets

Since taking over government 40 years ago, the Nationalists have gradually entrenched themselves as the rulers and policy-makers of the airwaves The Progs (and those before them) had tried in vain to curb the tide of NP propaganda dished out by the SABC

Now Auckland Park and its masters in Tuynhuys face an onslaught from a different quarter The main reason for the Treurnicht/CP wrath stems from a champagne breakfast press conference Treurnicht held in Johannesburg last Thursday to answer questions on the March by-elections. The CP charges that the SABC concentrated only on the negative AWB aspect, ignoring other issues raised at the two-hour conference

Derby-Lewis calls that night's 6 pm TV news and *Netwerk* programme "almost contempt at what he (Treurnicht) was saying about the AWB" He says he phoned Deputy Director General Kobus Hamman the following day to register his party's strong protest: "I said to him that if the AWB is such a big issue, attention should also be given to the secret talks between the Broederbond and the ANC and the government appointed ANC member on the Transvaal Executive Committee"

Derby-Lewis says Hamman replied that the SABC was of the opinion that it had handled the conference correctly "He told me he did not think it was something to get excited about," Derby-Lewis says

He adds that he discussed his strategy for a nationwide consumer action with Treurnicht, who had no objections "He also thinks that action against the arrogance of the SABC is long overdue It is now the time to involve the consumer At the same time, we are also getting technical advice on whether it is possible for TV sets to be converted to monitors, thus allowing people to use it for video viewing, without using the SABC's broadcast facilities That might enable viewers to still use their sets for entertainment without having to pay TV licenses"

Although the CP's proposed action smells very much like that of an official party

Hamman

boycott, Derby-Lewis denies this vehemently "We are not asking supporters to boycott products advertised on TV We are not boycotters" He does admit, however, that once people start selling their TV sets, producers and advertisers may also put some pressure on the SABC

Treurnicht himself gave the SABC an indirect warning during a recent interview when the possibility of a TV debate between him and Transvaal NP leader F W de Klerk was raised Accusing Bob van Walsem, the editor of Afrikaans Sunday paper *Rapport*, of not honouring an agreement with him during the publication of a debate between him (Treurnicht) and De Klerk in the political columns of the paper, Treurnicht said the terms of a TV debate would have to be agreed on and strictly adhered to

Meanwhile, the CP spokesman on the SABC, Fanie Jacobz, a former law professor at Potchefstroom, is seeking legal advice to ensure that the SABC fulfils its duties as a broadcast medium in terms of the Broadcast Act, says Derby-Lewis

(According to Notice 1249 in the *Government Gazette* of June 15 1979, the SABC "*shall broadcast its programmes to report newsworthy current events in the Republic and abroad clearly, unambiguously, factually, impartially and without distortion.*")

With three by-elections looming (Standerton, Schweizer-Reneke and, later, Randfontein), the attention of media watchers will once again focus on the SABC's handling of the viewpoints of the various parties And as can be expected in these three rightwing constituencies, the Nats will try desperately to embarrass Treurnicht by linking him to Eugene Terre'Blanche's militant AWB

To back their claim of bias on the part of the SABC, the CP will, ironically, be able to use a report commissioned by Progressive Federal Party (PFP) media spokesman Dave Dalling The report, by Rhodes University's Department of Journalism and Media Studies, found that the NP was given substantially more time on SABC-TV than other parties or groups

The report, which was included in *South African Election 1987*, a Human Sciences Research Council report, stated that the CP and the HNP together received about the same time as the PFP-New Republic Party (NRP) alliance It concludes "Coverage of the election calls into question the SABC's compliance with the last three points of paragraph 1(d) of its conditions of licence '*to report current events . factually, impartially and without distortion*'"

Furthermore, the report says that the "treatment of election news and conduct of election round-ups, as indicated in this report, severely stretch the ordinary meanings of '*impartially and without distortion*'"

For many years, the NP has commanded the airwaves with political propaganda delivered by the likes of Alexander Steward, then the ghost voice of the *Current Affairs* programme and, lately, Cliff Saunders Last year, viewers had to put up with the grilling of Independent candidate Wynand Malan by political reporter André le Roux and the humiliation of Labour Party leader Allan Hendrickse by P W Botha himself, claiming the powerful medium for his majority use

Another scenario, of course, could be that Pretoria may again use the SABC as an election tool for tough talking on the P W and Magnus shows

Anything, except *reform*, is possible during an election involving the NP, CP and HNP

SABC crackdown after blunders

w/t ARGUS 30/1/88

by IAN GRAY
Weekend Argus Correspondent

JOHANNESBURG — SABC Director-General Riaan Eksteen has called a meeting on Monday of the corporation's news staff amid fears of a new clamp "on instructions from P W Botha"

However, I understand that Mr Eksteen will address the news staff not on political coverage but on the number of factual inaccuracies in radio and television news bulletins recently

In one embarrassing incident this week news staff incorrectly reported the date and time of the funeral of an SABC staff member in Bloemfontein.

Carter Ebrahim

Last week Mr Eksteen issued a personal apology in radio and TV news bulletins to then Labour Party Cabinet Minister Carter Ebrahim after it was said in an earlier bulletin that there had been several "blunders" in his department over the years.

It was believed at the time that the apology had been instigated by the State President who backed Mr Ebrahim against party leader the Rev Allan Hendrickse, but this was discounted by SABC staff who said the instruction to apologise came directly from Mr Eksteen immediately after he heard it broadcast for the first time.

In addition to factual errors, television news bulletins and the nightly *TopSport* have been plagued by frequent technical mistakes

Conservatives attempt big TV switch-off

By BARRY STREEK
Political Staff

THE Conservative Party has launched a nationwide consumer action campaign against the SABC because of its alleged bias and lack of objectivity.

It is asking right-wing people to switch off their television sets during programmes they don't like, to force down viewership and advertising income

"We will encourage people on a large-scale basis to switch off the programmes that annoy them," a party spokesman, Mr Clive Derby-Lewis, said yesterday

"The fact that they are not receiving viewership will make advertisers pressurise the SABC to reduce their rates

"The SABC can't afford to do this This will force them to have more objective treatment of the CP," Mr Derby-Lewis explained

"We will involve all right-wing groups, including the CP, the AWB, the Afrikaner Volkswag (AV), the Stallard Foundation, the Civic Action League in Durban and the Oranje Werkers

"We object to paying licence fees and advertising income when the SABC is nothing but a National Party propaganda machine," he added

He said the CP leader, Dr Andries Treurnicht, was fully behind the campaign "The whole CP is fed up with the SABC"

Asked if the CP would welcome the support of other groups who were upset with the SABC's coverage, Mr Derby-Lewis replied "We are not interested in other groups They must fight their own battles But there is nothing we can do if others get on to the bandwagon

"We are the official opposition in the South African Parliament and we demand objective coverage"

Mr Derby-Lewis said the campaign would be aimed at programmes like Network and the news

The unacceptable face of TV, by the CP: Matlock!

THE Conservative Party has declared war on the SABC — and some of the country's favourite TV programmes.

As two by-elections loom in Standerton and Schweizer-Reneke, a massive "switch-off" drive is threatened by CP leaders to retaliate against what they dub the SABC's "grossly unacceptable bias" in favour of the National Party.

By CHARMAIN NAIDOO

But sitcoms with black actors or supposedly low morals — as well as news shows — are also on their hit list

CP spokesman Clive Derby-Lewis declared this week that the party is against

Distortion

MATLOCK, the American series about an intrepid lawyer, because it has a black judge and a black police chief

WEBSTER, because it is about a black child adopted by a white couple — "it's ridiculous, a total distortion of the facts A young child is being used to soften public opinion"

BARE ESSENCE, because of "certain bedroom scenes"

SPIOEN SPIOEN (simulcast The Scarecrow and Mrs King), the spy series, because the security chief is black

NORTH AND SOUTH, currently the series with top viewership, because of a scene involving a white man in a clinch with a slave and an across-the-colour-line marriage between a white woman and a black slave

MISDAAD IN MIAMI (simulcast Miami Vice), because all the top positions in the police department are held by Hispanic or black people

Said Mr Derby-Lewis "In fact, all programmes that represent a distorted view of reality in the United States — giving the impression that negroes have control of the country — are unacceptable

'Objectionable'

"We're being brainwashed with all this American civil rights rubbish From what we see on our screens, you'd think the negroes run America"

The campaign, he said, will be against the National Party's "propaganda base" CP members will be urged to stop watching the "objectionable" shows

"Our consumer action campaign could begin as soon as within the next week All we're waiting for are the results of a technical study which will show whether it is possible to turn TV sets into video monitors," Mr Derby-Lewis said

The CP hopes this will force advertisers into putting pressure on the SABC

"If enough of our members switch off, the advertisers will have to wake up and realise that they can no longer allow the SABC to have complete control over what consumers are allowed to watch," said Mr Derby-Lewis

He claimed bias at the SABC is worse than in communist countries.

"For example during the elections the SABC used two separate interviews done with me and Minister of Finance Barend du Plessis But they presented them as a debate

"The interview with Mr Du Plessis was done two weeks after mine, which meant he had all that time to reply to points that I'd raised"

Also cited as examples of anti-CP bias were

Negative

- An SABC news bulletin which dealt only with the negative AWB aspects of a two-hour Press conference given by the CP leadership.
- A Network documentary which said how well integration in the South African Defence Force was working

"While we have no intention of calling for a boycott of the SABC — we are not a boycott party — we do believe that we can no longer allow this to go on," said Mr Derby-Lewis

The SABC — which faces similar complaints from the left of the political spectrum — has always denied a pro-Government bias

But Mr Derby-Lewis said "The SABC is using our licence money to fund the National Party propaganda machine and we can no longer allow it"

Senior staff of the SABC were were not available for comment yesterday

Call on govt to relinquish stake in Sasol

(260) B/day 13/2/88

CHRIS CAIRNCROSS

GOVERNMENT has been asked to relinquish financial ties with quoted oil-from-coal giant Sasol.

These amount to a 30% stake in the issued share capital of Sasol 1, which it owns through its 100% ownership of the Industrial Development Corporation (IDC).

This accounts for some 173-million shares valued at about R1,2bn at current rates, according to Sasol sources yesterday.

The call has come from the Parliamentary Standing Committee on Public Accounts, and is contained in its latest report tabled in Parliament this week.

In examining the affairs of the Central Energy Fund (CEF), the Equalisation Fund and the SFF Association, the committee has uncovered evidence that the state has made no attempt to recover its investment in Sasol

The committee has called for full "privatisation", recommending that the Secretary to the Treasury, in consultation with the Departments of Mineral and Energy Affairs and Trade and Industry, "investigate" ways and means of recovering government allocation for the financing of Sasol 1

Privatisation demand

According to standing committee member Jasper Walsh, PFP Pinelands, the recommendation is effectively a demand for the outright privatisation of Sasol.

The committee's argument, apparently, is that neither government nor the IDC should hold investments of this nature

One suggestion is that they should be sold into the open market with the resultant capital used by the IDC to finance new development projects, or used by government for other needy housing or infrastructural schemes

Investment analysts yesterday noted it was not an opportune time for a big block of Sasol shares to go on to the market.

"They have taken a beating recently, and government would certainly not get the returns it would hope for," said one analyst

In evidence before the standing committee, CEF CE D R Vorster recalled that the funding of Sasol 1 went back to 1953, when R110m was advanced by the Treasury in the form of share capital in the IDC, which was the sole shareholder in Sasol until its privatisation at the end of the 1970s

The committee was told that soon after the privatisation of Sasol, efforts were made to determine from both Mineral and Energy Affairs and Trade and Industry why the allocations of the State Revenue Fund in Sasol 1 were not taken into account when the calculations were made to reimburse the state's financing of Sasol 2 and 3

It emerged that these inquiries were stonewalled, with both departments denying responsibility for any decision

The fact that the state's investment in Sasol is still covered by the IDC shares and held by these two departments was also stressed

Eskom seeks to reduce borrowing requirements

Eskom is looking for ways to reduce borrowing requirements because the recent rise in interest rates will add millions to costs.

Eskom said yesterday that it had renegotiated a local loan scheduled for repayment this year As a result, borrowing requirements for 1988 had been reduced by R300 million.

At the same time, however, offers from foreign lenders with funds affected by the debt standstill had been better than expected in both volumes and costs.

"The approved 1988 funding plan provided for R300 million to be raised from foreign sources, but indications are than an extra amount of about R200 million could be raised in 1988 These additional funds are all for a 10-year period provided in terms of the second interim arrangements under the debt standstill."

Eskom said it had also been highly successful in extending certain loan maturities in line with the options available under the second interim arrangement. "As a result of these negotiations on the local and foreign markets Eskom has been able to reduce its funding requirements from local sources to R2,4 billion from R2,9 billion

"Capital market operations are expected to bring in R1,5 billion (R1,49 billion in 1987) and R900 million is to come via the money market."

Recent increases in local interest rates had been earlier and sharper than expected and would have an adverse effect on its interest and finance charges, Eskom said

"It is estimated that a rise of 1 percent per annum in local interest rates will cost Eskom about R23 million more than budgeted for in 1988 Should a 1 percent higher interest rate prevail throughout 1989, the impact on expected requirements next year will be twice as large.

"This increase in funding costs consists of higher interest charges in the capital and money markets

"Despite Eskom's recent drive to improve efficiency, the rise in rates will impact directly on the local floating rate debt The rise in interest rates has been more than 1 percent over the past two months and should this trend prevail the interest bill for the money market may will rise to more than R26 million"

Interest and finance charges are Eskom's largest cost element. — Sapa.

Eskom cuts its local funding

FOLLOWING recent sharp rises in interest rates, Eskom yesterday announced it was to chop local funding requirements by R500m — from R2,9bn to R2,4bn.

"Interest rates moved faster than anticipated Upward moves over the past two months have been sharper than expected and would have had an adverse effect on our interest and finance charges," said GM finance Larry Harper

"It is good, positive news for the markets We feel more confident in getting the reduction rather than if we had under-projected and had to go back for more cash"

He said a cause for concern was the impact the rise in short-term rates would have on the cost of covering forward all foreign commitments, since the forward premium depends directly on the interest rate.

MICK COLLINS

"The rand-dollar forward exchange portfolio with commercial banks is at present R6,5bn and a 1% increase in this cost will add a further R65m to finance costs. We are looking at long-term rates for forex cover and getting away from the three- and six-month roll over."

Asked if foreign buying of Eskom stock was fuelling the financial rand, Harper said it was hard to identify. "Most deals are through the market. The brokers and financial institutions have most contact with foreign buyers. We will see in about two months when stocks are registered

"The approved 1988 funding plan provided for R300m to be raised from foreign sources, but indications are that an extra amount of about R200m could

● To Page 2

Eskom will chop local funding by R500m

● From Page 1

be raised during 1988. These additional funds are all for a 10-year period, provided in terms of the second interim arrangements under the debt standstill"

He said Eskom had also been successful in extending certain loan maturities in line with the options available under the second interim arrangement

Eskom would continue its efforts to reduce interest costs and keep electricity tariffs at reasonable levels, which in turn would assist the economy.

"To date we have successfully renegotiated a local loan for repayment this year As a result, borrowing requirements for 1988 have already been reduced by R300m.

"At the same time, offers from foreign lenders with funds affected by the debt standstill have been better than expected in terms both of volumes and costs"

Capital market operations are expected to bring in some R1,5bn (R1,496bn in 1987) and R900m is to come via the money market.

Church now uses Eskom's white elephant

Star 5/2/88. 260

By Therese Anders, Highveld Bureau

A church is using Eskom's R3,5 million Middelburg "white elephant" on several days a month for a nominal fee.

Eskom's proposed eastern Highveld headquarters were completed two years ago but the complex of carpeted offices and workshops has never been occupied — except now for Sunday services of the Apostolic Faith Mission (AGS).

Until a year ago, the property — which was built for a workforce of 150 — was overgrown with weeds.

After The Star highlighted the state of the property, Eskom moved in a maintenance team and groundsmen and the complex is now well maintained.

Eskom's Middelburg "headquarters" is a victim of the major restructuring and subsequent decentralisation undertaken by the organisation after the De Villiers commission of inquiry.

During the past two years Eskom has been looking for a buyer or lessee for what a senior Eskom official once privately called "an embarrassment". But it seems it may soon be permanently occupied.

Yesterday, Eskom's estates manager, Mr Ben Rheeder, said that five potential tenants were currently negotiating to lease the property.

"In the meantime we have let the building to the AGS church.

"Although we are charging them only a nominal rate, it must be borne in mind that they use only a section of the building for a few days a month."

He said the contract contained notice of only two weeks and this meant that, as soon as a suitable lessee could be found, the building could be vacated.

Stop pussyfooting about comparative advertising

Star 6/2/88 260

Will comparative advertising allow the small businessman to tackle his heavyweight competition head-on? According to local adman Reg Lascaris, both will benefit if restrictions on making comparisons are lifted.

CHRIS MOERDYK

South African media owners and the advertising industry have been called on to review the prohibition on comparative advertising.

The plea came from ad agency MD Reg Lascaris who told The Saturday Star this week that lifting the ban on this form of advertising would have several benefits — not the least of which was anti-inflationary potential

"In the United States, when Datril pointed out how much Tylenol tablets really cost, Johnson & Johnson brought the price down by 30 percent.

"Ridgies took on the potato crisp market leader Ruffles by pointing out that the product contained artificial preservatives Within three months Ruffles had removed the artificial ingredients

"So there is potential for price-cuts and quality improvements through comparative advertising At the moment we have a halfway-house situation which satisfies no one Everyone thinks there is a total ban on comparative advertising in this country That is not entirely true. There is a grey area, and this is one type of grey area we can do without.

"Let's have a new look at the whole issue, and concentrate on giving consumers more information, relevant truthful detail and allow honest comparisons. At the moment the comparisons which are allowed are vague and can be misleading.

"It's crazy to prohibit the straightforward variety yet permit innuendo"

These "half-rules," he said, were contained in the section headed *Denigration and Disparagement* in the Advertising Standards Authority code.

It stated that advertisers and advertisements "should not attack or discredit other products, advertisers or advertisements directly or by implication"

And there was a specific ban on "singling out" a product or service for unfavourable comparison.

However, that same section of the code stated, "substantiated competitive claims inviting comparison with a group of products, or with other products in the same field, shall not necessarily be regarded as disparaging"

"So, in-store consumer tests of a named brand of margarine against unnamed competitors or against a similar category of product (butter or other types of spreads) would "not necessarily" offend South Africa's advertising code.

"This shows up the lack of logic in our system Claims that do not give full information, can confuse the consumer. We let just this category of comparison through the system, yet block the frank and open variety which remove the verbiage from a product category and get down to hard facts about price, features and benefits

"Where's the logic?"

Mr Lascaris said he had grown impatient with counter-arguments that full comparative advertising also generated "clutter" and consumer confusion, while dragging the art of advertising down to the level of a slanging match.

"There may have been validity in that thinking a couple of years ago, but not any more The Americans, Scandanavians, the British, and others who allow comparative advertising, have gone through the learning curve for us.

"There is no room for smugness or monopoly thinking in a comparative advertising setting. Davids are encouraged to take on Goliaths It's a healthy and challenging environment. And South African business would get a welcome shot in the arm"

SABC tells it like it wants

Star 6/9/88 260

WHISPERS

Chris Moerdyk

That news media credibility survey released by the SABC this week is terrifying — if it's true.

If it is, then the vast majority of our population seems convinced that SABC radio and TV news is the real McCoy while very little that appears in newspapers is to be believed.

And the only conclusion that can possibly be drawn is that South Africa must be the most gullible nation on earth.

But what makes one wonder about the accuracy of it all is that the SABC has made no mention of who asked what sort of questions of whom and most important of all, how many respondents were involved.

Without this sort of substantiation it would be like commencing a news bulletin with an announcement that America was about to launch a nuclear attack on Russia without saying who said it. If it was Ronald Reagan then the news item would have credibility. If on the other hand, it was made by an illiterate down-and-out from Little Rock, Arkansas,then it would have no news value whatsoever.

And the same criterion applies to market research. So the question that needs to be answered is what "private company" undertook the research, was it restricted, for example to interviews in Verwoerdburg only, and was more than a handful of respondents involved? Without meaningful terms of reference, research can be made to come up with anything the heart desires

But assuming that the SABC's survey is spot on — just what are the implications? Quite simply that the corporation has proved beyond all shadow of doubt that not only does radio and particularly TV represent the all-powerful media we have always known them to be, but that the SABC has done a altogether spectacular job of getting the South African public to believe every word it has broadcast.

Even on the simple premise that government legislation precludes unbiased news in any event, the SABC has never been known to tell it like it is or, in many cases, even address issues that clash with its own viewpoints

It studiously avoids negative news while punting the positive. On this basis perhaps what all those respondents were telling them was, "the SABC tells us what we would *like* to hear what we *want* to believe"

C 35 Sandringh

Drawing fangs of lightning

FINANCE STAFF

Over the past few years the CSIR — a world leader in research into damage caused by lightning — has completed two developments which will save South Africa millions of rands a year.

The first involved Eskom's power lines which, in the Highveld, are exposed to severe lightning activity, particularly in November and January. Most of South Africa's major industries are concentrated in this region, and lightning strikes often cause the disruption of the vital power supply to these industries and costly breakdown of transformers and surge arrestors.

Research unertaken in co-operation with Eskom has led to the development of insulation co-ordination strategies for distribution lines and equipment and, in particular, voltage insulation levels. This enabled the CSIR to recommend improvements to the design of distribution lines resulting in a more reliable power supply to end-users and the reduction of repair costs to electrical supply systems.

A second development by the CSIR is an effective lightning warning system capable of providing advance warning of approaching thunderstorms in shallow mines where electrical currents caused by lightning could prematurely detonate explosive charges or ignite accumulations of methane which can lead to serious accidents in collieries.

The instrument was designed to provide a three-level warning which is useful in situations where lead-time is essential to alert production staff of a disruption or allow timely evacuation of dangerous areas.

'Bright future for Eskom'

Star 6/2/88 (260)

Electricity giant poised for listing on JSE

Electricity Council chairman Dr John Maree has welcomed yesterday's announcement by State President Mr P W Botha that the Electricity Supply Commission (Eskom) should plan for a listing on the Johannesburg Stock Exchange

POLITICAL STAFF

Dr Maree said: "We have not been caught unprepared. Eskom has completed a very successful restructuring along sound business lines, with the most significant changes coming in the areas of decentralisaion, major cost reductions, tighter financial controls, reduced staff numbers and sound business management.

"Since mid-1985 Eskom has been controlled by an Electricity Council which represents all of our major customers. They have contributed a great deal of private sector expertise to the organisation."

Dr Maree said Eskom had also privatised many of its peripheral activities. These included the construction of power stations and major transmission lines, the home ownership scheme, insurance, some company townships and some meter reading activities

"The other significant point is that our business has never been subsidised by taxpayers, we receive no grants or loans from public funds and our employees are not civil servants.

"Eskom has always been financed by revenue from electricity sales and by loan capital.

"A listing on the JSE means that loan capital will be replaced by risk capital and this in turn will require careful planning to ensure that our income and expenditure not only balances, but also allows the payment of dividends to shareholders

"We will be calling on outside experts to assist us in sorting out the details and exploring the implications The next few months will be decidedly busy."

Dr Maree said he did not anticipate at this stage that privatisation would have a significant impact on staff numbers which had already been reduced by about 10 000 since the beginning of 1986 — from more than 66 000, to the present level of just over 56 000.

Mr Colin Eglin, leader of the Progressive Federal Party, said the State President's opening address was "utterly distressing" because it contained no vision for the future and only a passing reference to reform.

Mr Eglin said it appeared the Government was continuing on a course of evasion, dealing with symptoms rather than with the fundamental causes of problems.

Conservative Party spokesman Mr Cas Uys said the announcements by Mr Botha were the result of Government overspending in recent years The State was now going to use its capital assets for the primary purpose of settling its debts and to bring about a redivision of wealth.

Mr Amichand Rajbansi, Chairman of the Ministers' Council, said Mr Botha should be complimented for his strong stand against inflation and for being in favour of privatisation and deregulation.

Tax specialist Mr Michael Stein said the new VAT system would increase the administrative burden of both the private and the public sectors

Mr Stein said the Government had made a few mistakes with the GST system One mistake was the food exemption. It cost the Government an absolute fortune yet may not have helped the poor

Teachers' Federal Council chairman Mr Dudley Schroeder said the State President's announcement that provision would still be made for "occupation-specific" adjustments, would give the State a chance to eliminate the inequalities between teachers' salaries and those in the rest of the public sector

Transvaal Teachers' Association president Professor Rod Conacher said he supported the need for a disciplined approach to salary and wage increases in both the public and private sector — but only if it was consistent.

"This does not preclude the elimination of the gap between teachers' salaries and those in the rest of the public and private sectors."

A, Transvaalse Onderwysers Vereeniging spokesman said it fully supported the statement by the Federal Council. The association would tell its members everything that had been done to put across the case of teachers' salaries "We will then ask them for a mandate on what our next step should be"

African Teachers' Association of South Africa president Mr Frank Tonyeni said "The catastrophic announcement has hit black teachers below the belt." He said he could only hope the specific problems of the teaching profession would be addressed

Walk-'n-wheel marathon man Mr Tony Williams was given a champagne welcome in Johannesburg yesterday by Mr Patrick Mabunda of Daveyton and TrustBank officials Mr Williams is part of a team journeying through South Africa to raise funds for disabled people and to focus attention on their lifestyles ● Picture by Alf Kumalo

Proposals 'a quantum leap forward'

CAPE TIMES 6/2/88

Financial Editor

THE Government's decision to privatize Eskom and other parastatals will be "a quantum leap forward" if it is implemented, Standard Bank economist Nico Czypionka said yesterday

He said proposals put forward in the State President's speech yesterday were positive

But he thought it would be better to reduce the size of the public service rather than merely contain the wage bill in terms of increases The wage freeze would be a major sacrifice, but it would be better to have "a lean and well paid civil service"

He also thought it a mistake not to have consulted the trade unions over the campaign to keep down wages and prices

Similar views were put forward by the Southern Life Association's chief economist, Mike Daly, who pointed out that public servants would "still get their notch and merit increases This will probably add 5% to the Government's wage bill, which will not be inflationary"

Daly thought it a mistake not to have invited trade union leaders to the State President's meeting with leading businessmen on Thursday

"It is no good in SA today just to bring the Government and the white captains of industry together because the unions see it as a plot to stop them from reaping their reward"

Benefit

It was now up to industrialists to convince the unions that keeping salaries and prices down would be to the eventual benefit of their members

The President of the Cape Chamber of Industries, Mike Getz, praised the State President's courage in taking such strong action

But "We have to recognize that our workforce are involved in our economy and our society now"

Getz and the director of the Stellenbosch Bureau for Economic Research, Ockie Stuart, also pointed out that the public servants' wage freeze would dampen the economic upturn

"Obviously it is going to tighten up some areas of consumer spending Many consumers are State employees and they will not be compensated for inflation this year,"said Getz

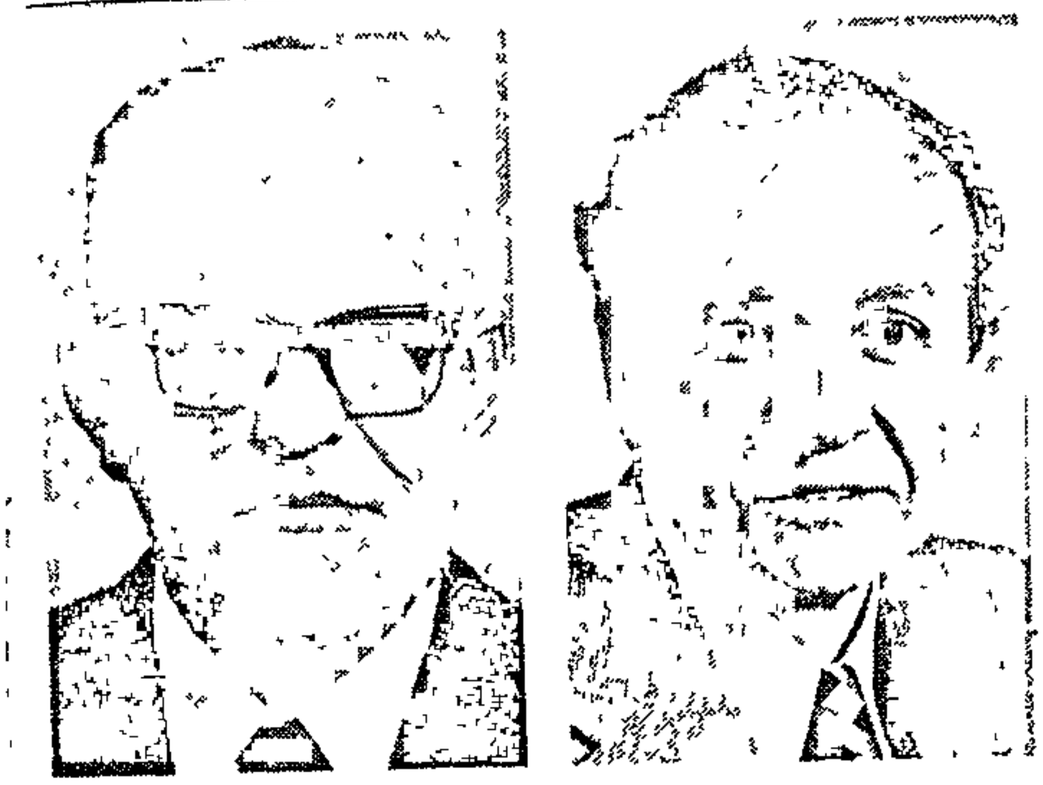
Stuart, who said earlier this week that businessmen were "brimming with confidence" yesterday said this confidence would now be "somewhat dented"

But he thought a growth rate of 3% would be possible this year

The director of the UCT Graduate School of Business, Paul Sulcas, said public servants, particularly teachers, were being called on to make a big sacrifice

Sulcas said the idea of privatizing Eskom and other parastatals was excellent in principle But they would not necessarily become more efficient unless the public servants running them were replaced by people from the private sector

Sulcas also thought deregulation was a more effective way to encourage small businesses than to pump money into them through the Small Business Development Corporation



Casper Uys Harry Schwarz

Govt 'selling assets for debt'

Political Staff

THE two main opposition finance spokesmen in the House of Assembly took opposite stands on the economic measures announced yesterday by Mr P W Botha in his opening speech to Parliament

Mr Casper Uys of the Conservative Party was totally opposed, saying "the government is selling its assets to pay its debts".

"This speech indicates that the government is in serious financial difficulties," he said.

However, the Progressive Federal Party's Mr Harry Schwarz said any moves to economic progress and justice should be supported and moves to restrain government welcomed.

"One hopes they will be carried out to the full and that any appeal for salary and wage restrictions will be accompanied by a restraint on prices. The government should set the example by restraining administered prices, such as on food and tariffs," he said.

Mr Uys said the country was not involved in a privatization scheme but with a government which was trying to settle its debts.

"The switch to a VAT system is not going to mean lower prices for the taxpayer. Pressure on the man in the street is not going to decrease," said Mr Uys.

"The government's decision that levies should be pumped into the exchequer just amounts to another form of taxation which is totally unacceptable.

"Pegging civil service salaries means, in real terms, that they will have to take a cut in salary."

JSE listing of Eskom hailed by chairman

(260)
9/1
8/2/88

JOHANNESBURG — The Electricity Council's chairman, Dr John Maree, welcomed the announcement by the State President, Mr P W Botha, that Eskom should plan for a listing on the Johannesburg Stock Exchange

In a statement released here, Dr Maree said "We have not been caught unprepared for this move

"Eskom has completed a very succesful restructuring along sound business lines, with the most significant changes coming in the areas of decentralisation, major cost reductions, tighter financial controls, reduced staff numbers and sound business management

"Added to this is the fact that since mid-1985 Eskom has been controlled by an Electricity Council which represents all of our major customer groups who have contributed a great deal of private sector expertise to the organisation"

Dr Maree said Eskom had also moved down the track of privatising many of its peripheral activities These included the construction of power stations and major transmission lines, the home ownership scheme, insurance, some company townships and some meter reading activities

"The other significant point is that our business has never been subsidised by taxpayers, we receive no grants or loans from public funds and our employees are not civil servants

"Eskom has always been financed by revenue from electricity sales and by loan capital

"A listing on the JSE means that loan capital will be replaced by risk capital and this in turn will require careful planning to ensure that our income and expenditure not only balances, but also allows the payment of dividends to shareholders"

Dr Maree said he did not anticipate at this stage that privatisation would have a significant impact on staff numbers which had already been reduced by about 10 000 since the beginning of 1986, from more than 66 000 to the present level of just over 56 000

Eskom has total assets in excess of R28 billion These include 27 power stations and more than 170 000km of high voltage power lines

● The proposed Eskom R20bn listing will siphon off institutional cash in what was already a bearish market, brokers warned at the weekend

While welcoming privatisation in principle, the broking fraternity was taken completely by surprise in what they described as the "far-reaching" and "radical" measures announced by Mr Botha on Friday

Although bullish for the capital market through easing pressure on rates, it would have a negative impact on the equity market absorbing institutional funds, they said — DDC-Sapa

Privatization 'will release R67 billion'

CAPE TIMES 8/2/88

260

Own Correspondent

JOHANNESBURG — The government's Thatcher-style plan to privatize large parts of the public sector will release more than R67 billion into the economy, industrial analysts said at the weekend.

The State President, Mr P W Botha, said the government would introduce legislation to convert Eskom, SATS and Posts and Telecommunications into tax-paying, profit-seeking enterprises.

He said it was also planned to privatize the state- phosphates company Foskor, steel giant Iscor and the offshore gas project at Mossel Bay

Pim Goldby's national director, Mr Roger Keyte, said the release of static funds tied up in major undertakings would have far-reaching effects

"It now remains to be seen to what extent and how soon the moves will be made"

The proceeds of Eskom (R28 billion), SATS (R18 billion), Post Office (R8 billion) and Iscor and IDC at R3 billion each — would be used to redeem public debt for basic infrastructure in developing areas and to create funds for developing small business

Pivotal IDC

While analysts believe the privatization moves will be led by Eskom, they point to the pivotal role played by government's Industrial Development Corporation (IDC) which holds a majority shareholding in Foskor, Atlantis Diesel Engines, Alusaf and Sapekoetea, with its tea and other agriculture-based interests

The IDC has been in the forefront of privatization and through its majority shareholdings in subsidiaries, Industrial Selections and National Selections, has already allowed the investing public into proven unquoted companies The IDC also has a huge interest in Mossel Bay.

The general manager of IDC, Mr Carel van der Merwe, said that while it was still too soon to forecast when more privatization moves would take place, he pointed to the corporation's existing record on privatization

"We believe private participation is healthy and necessary Government obviously believes Foskor is ready to take the plunge and in all probability many others will follow"

The chairman of IDC, Mr Marius de Waal, who is also chairman of Iscor, said he welcomed the undertaking that government will actively reduce its role in the economy in an effort to curb inflation

He said government's approval of a VAT system of taxation was heartening, as exports of products were not subjected to it. It would be exports that would have to carry the economy through difficult economic conditions

With regard to the privatization of Iscor, Mr De Waal said Iscor must now assess the cost-structures in order to make it possible, and in order that Iscor would be able to pay an initial dividend to its shareholders.

More than 99% of Iscor's shares are owned by the state A number of individuals hold a total of 200 000 shares

Iscor's fixed assets totalled R28,27 billion at the end of June last year, and its investments R578 million It has shown profits in the past four years

Mr De Waal also said the IDC agreed the emphasis should be on the development of small and middle industries

He said the IDC would sell its interest in Foskor as soon as possible, but would not consider further sales now, as it had adequate funds for the financing of industrial development.

Eskom chairman Mr John Maree welcomed the announcement that Eskom should plan for a listing on the Johannesburg Stock Exchange

Mr Maree said: "We have not been caught unprepared for this move Eskom has completed a very successful restructuring along sound business lines, with the most significant changes coming in the areas of decentralization, major cost reductions, tighter financial controls, reduced staff numbers and sound business management

Mr Maree said Eskom had also moved down the track of privatizing many of its peripheral activities

● **SATS privatization 'distant' — Page 9**
● **Eskom: Brokers wary — Page 9**
● **Tolls 'dangerous' — Page 9**
● **Pay freeze pressure — Page 9**

IDC's scheme means 25 000 new jobs

Star 8/2/88

Finance Staff

Following the State President's new economic deal, a massive R1 billion will go to the country's industrial development as a result of the newly-announced five percent interest scheme by the Industrial Development Corporation (IDC)

A welcome side effect, too, will be the flow of an estimated 25 000 more jobs

Mr Carl van der Merwe, IDC's general manager, is reported as saying "Quite a few big loans application people who have been hedging their bets in the past few weeks will now come into the picture

"Investment of R1 by the IDC normally means R3 in total For every R1 we spend, you can expect another R2 to come from the private sector"

It is estimated that as a result of the scheme, R300 million will be immediately at the disposal of medium-size independent industrialists

Brokers cautious on Eskom listing

THE proposed Eskom R20bn listing will siphon off institutional cash in what was already a bearish market, brokers warned at the weekend.

While welcoming privatisation in principle, the broking fraternity was taken by surprise by what it described as the "far-reaching" and "radical" measures announced by President P W Botha on Friday

Although bullish for the capital market through easing pressure on rates, it would have a negative impact on the

KAY TURVEY

equity market absorbing institutional funds, brokers said

However, taking a longer view, brokers welcomed the new listing potential undertaken in Botha's speech as this would broaden the market and address the shortage of quality script in SA, where funds are locked into the local market.

With total assets in excess of R28bn, industry sources said Eskom would bring about R20bn of this to the market and retain key operational functions in its 27 power stations and on its 170 000km of high-voltage power lines

Chairman John Maree welcomed the announcement and said: "Eskom has completed a very succesful restructuring along sound business lines. Since mid-1985 all of our major customer groups have contributed a great deal of

● To Page 2

Brokers 'wary' of Eskom listing

private sector expertise to the organisation.

"Our business has never been subsidised by taxpayers, we receive no grants or loans from public funds and our employees are not civil servants

"Eskom has always been financed by revenue from electricity sales and by loan capital A listing on the JSE means that loan capital will be replaced by risk capital, and this in turn will require careful planning to ensure that our income and expenditure not only balance, but also allow the payment of dividends to shareholders."

A Max Pollak & Freemantle analyst said the listing would simply serve to change the flow of funds, although he cautioned millions of rands could not be redirected overnight.

Davis Borkum & Hare's Max Borkum said: "We sincerely hope the authorities will be sensitive to the market conditions when implementing any privatisation programmes and that private sector listings are not forced to take a back seat"

Senekal, Mouton & Kitshoff's Leon Steenkamp said to raise the funds required to list Eskom could possibly be to the detriment of lower quality counters. He advised the listing should be broken

● From Page 1

down into divisions to come to the boards gradually.

On the plus side, he said it would rectify the lack of blue chip script and increase the scope of investment in the equity market.

Fergusson Brothers' Paul Fergusson welcomed the proposed listing as a stimulus to the market. Like the Sasol listing in 1979, he believed it would create more velocity and interest in the JSE

He requested a timetable on the proposed listing, because anticipation of the actual delivery could be negative to the market as investors held on to funds

Edey Rogers & Co's John Rogers said the timing was not right at the moment following the disastrous flotation failure of the second BP listing in London after the October crash.

A dealer said British premier Margaret Thatcher had proven it was easy to privatise in a bull market, but a bear market could prove difficult

A Martin & Co analyst said the proposed listing of parastatals would raise a big question over the prescribed asset ratio required by institutions, with rumours rife that these could be abolished

Privatization: State will keep control, says minister

CAPE Times 9/2/88 260

Political Staff

THE government intends to retain tight control over those state and parastatal bodies it has earmarked for "privatization" and in each instance will hang on to a majority shareholding.

The government's stance was disclosed yesterday by the Deputy Minister of Finance, Mr Kent Durr, who was addressing a business convention at a Cape Town hotel.

Referring to what he described as the "accelerated programme of privatization" announced last week by the State President, Mr P W Botha, Mr Durr noted that this would embrace legislation whereby the country's leading public utilities — Eskom, SATS and the Post Office — will be converted to private corporations, either wholly or after their division into appropriate components

"The state will, however, be the controlling shareholder," he stressed

Mr Durr subsequently said this provision would also apply to Foskor and Iscor, and will effectively amount to a majority, controlling interest in these organizations

He agreed that this amounted to "a partnership arrangement"

Meanwhile, Cosatu warned yesterday that the new economic package and particularly attempts by private sector employers to adhere to his calls for wage restraint, would serve only to heighten worker militancy

Information officer Mr Frank Meintjies said Cosatu's living-wage campaign had highlighted the dangerously wide income gap between rich and poor

Privatization, he predicted, would further concentrate wealth in the hands of a few, as shares in privatized corporations would be snapped up by the monopolies

It would endanger jobs, reduce the possibilities for a redistribution of wealth and would set back workers' efforts to achieve more control over their lives

● Privatization: State to retain control — Page 9

Privatisation bonanza

By DEREK TOMMEY, Finance Editor

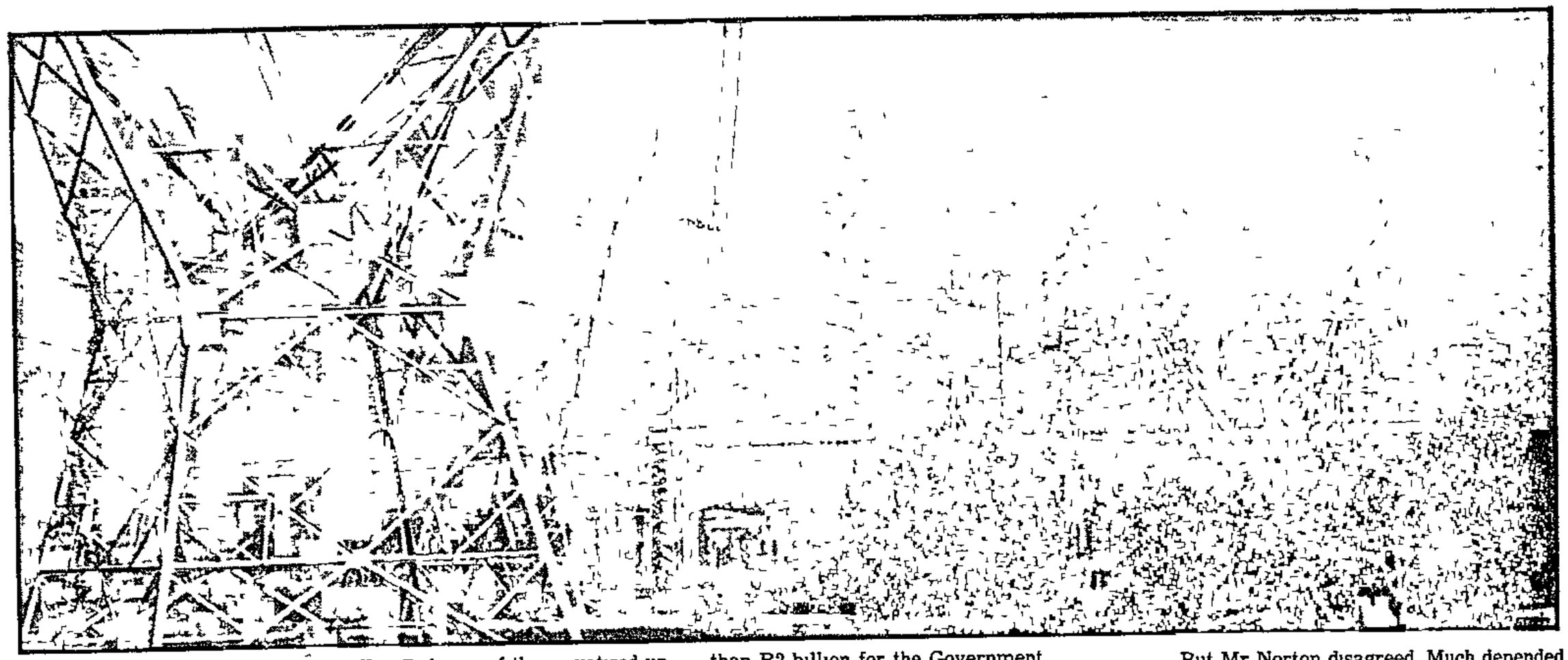
THE Government should derive many important benefits from the proposed sale of state assets, announced by the State President, Mr P W Botha, on Friday.

Among them are a more efficient economy, sharply increased tax revenues, significant capital inflows into the state's coffers and, last but not least, an enhanced reputation for supporting the private sector

Together these benefits should greatly help ease its financial situation, although possibly not to the extent that many people expect.

Lack of investment funds is expected to limit the scope for share issues in the short term and make the privatisation of the Government sector an essentially long-term operation

The benefits from privatisation become clearer the deeper you look. Taking Eskom as a guide, the introduction of private sector management and the need to account to shareholders should do wonders for the efficiency and morale of the privatised Government sector



RIGHT: Eskom power lines at the Cape . . private sector management is doing wonders for efficiency and morale at the giant undertaking.

At Eskom the result has been almost miraculous Since Mr John Maree moved there from Barlows in mid-1985, it is estimated that he has been able to achieve savings of more than R2-billion in capital and operating costs while greatly slowing down electricity tariff increases

In 1985 Eskom raised its tariffs by 20 percent It did the same thing in 1986 But by 1987 the new management's policies were starting to work and the increase was limited to 12 percent. This year it is 10 percent.

Privatisation should achieve similar efficiency in other state enterprises and greatly improve their profits

This brings us to one of the major benefits of privatising Government enterprises All these companies in future will have to pay company tax on their profits

Sats, probably the country's biggest single enterprise, has never paid a cent in income tax — nor has Eskom Treasury officials must be drooling at the thought of the huge sums in tax they will collect when these organisations and others in the same boat are privatised and run on profit-making lines, for half their profits will go to the state

For the Government this means exchanging responsibility for more money

The Government will also receive money when it sells off shares of the privatised undertakings to the public However, the sum is likely to be much less than some of the figures bandied about recently

Stockbrokers say the financial institutions (life offices and pension funds) will probably have about R3-billion available for total investment in shares this year Not all of this is likely to go into state enterprises

The mining houses, the other large source of funds to the share market, are not expected to be greatly interested in state assets as they are heavily involved in new gold mining ventures

As a result, the sale of shares in state enterprises this year could raise much less than R2-billion for the Government.

Much will depend on the way the Government markets the shares, says the president of the Johannesburg Stock Exchange, Mr R A Norton

He believes the Government should get advice from experts Instead of offering only shares it should also offer investments such as convertible debentures He also believes that the Government must make a strong effort to stimulate interest by the man in the street in its share issues

Some brokers say the Government will be able to sell its shares only in a bull market, which rules out any Government issues this year

But Mr Norton disagreed Much depended on the terms offered, he said He believed it would be more suitable for the Government to come to the market at times like this than at the height of a bull market.

One worrying aspect of privatisation has been that the Government may sell a monopoly to a private company which charges more than it should

But this fear seems groundless in the light of the statement by the Deputy Minister of Finance, Mr Kent Durr, that the Government will retain a majority shareholding It indicates that control of any monopoly will remain with Parliament.

Govt reveals details of privatisation

Political Staff

The Government has disclosed further details of the major privatisation initiative which President Botha announced when he opened Parliament last Friday.

The **Minister of Economic Affairs and Technology, Mr Danie Steyn,** announced the moves in Parliament yesterday during the no-confidence debate

● He said he had asked Iscor's chief Mr Marius de Waal to make privatisation proposals

Iscor, with assets of R3 300 million, was already paying taxes and had made profits last year of R467 million — if ordinary provision was made for replacement of assets He predicted that Iscor would be privatised quickly

Eskom, with assets of nearly R26 billion, would soon be appointing outside consultants to suggest further privatisation and restructuring measures.

● Negotiations for selling off the shares of Foskor, the corporation producing phosphates for fertiliser, had been under way for some time.

● The Prima production unit in the Atomic Energy Corporation (AEC) — which made precision products and instruments — was already in the second phase of privatisation.

Investigations were well under way into the possible privatisation of other high-tech units in the AEC

But the Government had decided to privatise in three phases.

Firstly, individual units within the AEC would be run as separate business concerns

Secondly, if the units seemed to be viable, they would be established as separate companies

Thirdly, if the unit proved capable of functioning independently, its shares would be offered to the public

● Referring to the Industrial Development Corporation, Mr Steyn said the Government would have to be "very selective" if its interests in industry were sold off.

Yesterday, Mr Steyn also announced a new scheme to improve the international competitiveness of South African manufacturing industries

The new measures will include schemes to provide assistance for input costs, productivity improvement, the development of small industries and special programmes for industrial development — Sapa.

(260)

[illegible]

By DOUGLAS GORDON: TV Correspondent

THE SA actors' union this week igned its first contract on pay nd working conditions with the ABC.

Actor Carel Trichardt, head of the A Film and Theatre Union SAFTU), said his 700-strong, multi- acial membership was satisfied ith the terms

He also described the past 15 years f frustration on both sides, with the tors resenting low fees, 20-hour orking days and sloppy producers and the SABC sceptical over some tors' unreliable behaviour.

□□

In the past, the SABC/SAFTU les were so erratic an actor could fined the cost of day's TV produc- n — up to R50 000 on a big series — he did not arrive on set.

Carel said. "It didn't happen but SABC was entitled to do it. There re major faults on both sides. I yed the lead in TV's Bart Nel in 5 for R2 000 and it has been re- ated twice since.

'Now we get 25 percent of the original fee for the second repeat showing."

The SABC will also pay the actors 15 percent of the profits it makes from video rights, overseas sales and other spin-offs from successful series

But the SABC retains the rights to popular TV characters, such as Skollie in Vyfster, not the actor who plays the part

Actors whose voices are dubbed before screening — as Anneline Kriel's was in the Skoppensboer series in 1985 — will now be notified, to avoid embarrassment.

Carel said. "Actors have suffered as budgets for TV dramas have soared to millions of rands and booming overseas productions have shown them just what they may be worth outside SA."

The new contract gives actors an eight-hour daily working shift — "a call" — at a fee of between R50-R250, with stars like Gordon Mulholland, Sandra Prinsloo, Marius Weyers and Bill Flynn earning R250 a day and extras earning R50-R100

□□□

Actors earn an extra "half-call" for working between 10-12 hours and an extra "second call" for working 12-16 hours a day

The contract limits the number of calls an actor can make a month to 23 — giving stars a maximum R5 750 plus overtime

All actors get a a day off in every seven, not necessarily on Sundays

The terms for top actors may seem low, by comparison with the American stars. Richard Chamberlain earned R2-million each for King Solomon's Mines and Alan Quatermain in Johannesburg in 1985/6 — plus R2 000 expenses, 5-star hotel accommodation and other perks in flights and cars.

Local actors are in heavy demand for commercials, dubbing work, promotions, TV and radio appea ances and, of course, for other stag film and TV productions outside th SABC.

This contract does not limit the chances of taking other work, but tr SABC has first rights on an actor wh signs for an in-house production

This avoids previous disputes ove actors leaving a drama set — costume and make-up — and grab bing a few hours of dubbing wor elsewhere between camera calls o dumping the SABC job if they get better movie part at short notice

Carel said. "The SABC said thi caused actors to be over-tired and unreliable

"We said actors had suffered sit ting around all day on set while directors faffed about and, finally went home without pay.

"Now we'll discipline our actors conduct and the SABC will tighten up its daily actors' calls The discipline suits both sides."

A "decency clause" also applies — with actors and actresses now given ample warning of parts that include nudity or sensuality, and the option

CAREL TRICHARDT .. union boss

of refusing a scene without losing the role

In turn, the SABC insists actors must stay within 60km of the production site and — similar to airline pilots — swear off drink, drugs and "dangerous activities" which may risk life or limb from the rehearsal stage to the filming and post-dubbing period.

Carel said: "Most of it is common sense but it's good to have it on paper

"In the same way, actors now have the right to insist on stunt-people or stand-ins for risky moves on set — like getting out of a car on a crowded highway or jumping over a wall

"The SABC has been constructive and encouraging within the confines of its budgets for TV and radio work, including the rates for voice-overs and dubbing and paid medical checks before productions

□□□

"The full contract includes fees for repeat screenings, rehearsal and post-production work and compensation for cancelled bookings

"In cases of major disputes over fees or conditions, both sides agree the issue should go to arbitration."

Carel became chairman of SAFTU in 1983 and immediately began pushing the SABC to agree to a full working contract. He said SAFTU's next step would be to finalise similar terms with film and TV production companies

'Uncertainty a major drawback'

Privatization gets cold shoulder

By LAWRENCE TOTHILL
Investment Editor

REMARKS such as "take it with a truckload of salt" and "the only thing that is certain is that it is more uncertain" are just two remarks made by investment advisers regarding the privatization of certain of the parastatals such as Eskom, Iscor, Railways, Harbours etc, now that the first euphoria has worn off and the possibility exists of investing in these bodies

One of the major drawbacks is the lack of clarity on whether the government will, or will not, continue to exercise control with investors holding a minority position and no chance of getting voting and management control

Very cautious

A director of Personal Trust, John le Roux, said he would be very cautious if the State kept control, and would not advise investing outright in one of the enterprises until it was clear what was happening

"State control might not be a good thing if the making of profit is a major motive — as is the case in business. The State has to bear in mind the needs of the workers, who also happen to be voters," said Le Roux

The lack of follow-through since the original announcement has not helped credibility and Le Roux reckons he would need a lot more information before he would recommend an investment in a parastatal

For the time being he wants his clients in non-State-controlled investments

Two of the directors of Fisc Investment Management, Kate Brown and Robin Richards, held similar views

Brown was cautious — "wait and see some figures first, its impossible to give a sensible view at this stage, we are just guessing"

Richards shrugged his shoulders adding he thought the policy was "politically unacceptable with the potential laying off of staff and the possible loss of State pension rights"

He pointed out that the only way the parastatals could become profitable would be through the reduction in staff — that is the story in the UK

Richards was also disappointed that there was not a word about privatizing the control boards or the co-ops who enjoy immense power through special privileges, which put them at an advantage to private enterprise

Leon Campher, director Syfrets Managed Assets, also raised the questions of "how will they privatize, which way, which portions?

"Until we know something we are lost Some parts of SATS might never be viable, but perhaps the harbours, roads and airports might be in private hands"

He also fears the redundancy problem since all State departments and enterprises are over-staffed

Ultimate benefit

To cut back on staff would be good, reckons Campher, because that is to the ultimate benefit of the taxpayer, but there might have to be some allowance for redundancy and the freezing of posts

Looking at the Eskom position, Camphor called to mind the fact that Eskom has loan stock of more billions of rands than most people can immagine Large amounts of these stocks are held by institutions as part of their official requirements

To sell off Eskom by offering ordinary shares to institutions or investors who already have a massive stake through their loan stock holdings hardly seems logical

"There is a possibility, however, that Eskom stock could be converted into debentures which also carried the right to convert into ordinary shares (equity) at some stage in the furture — that would be more logical," said Camphor

"Right now the government must lay it on the table, stop the feet dragging and state their position clearly"

Star 11/2/88

SA cut off Bop TV and radio signal

The Minister of Foreign Affairs, Mr Pik Botha, confirmed yesterday that the South African Government had instructed the SABC to cut off the Bop TV and radio signal

This was done because South Africa did not want any messages disseminated that might cause further confusion or despondency among the public of Bophuthatswana, said Mr Botha

There was an agreement between the two countries granting the South African Government this right under given circumstances, he said

Telephone and telex lines in Mmabatho were down from yesterday afternoon

First AEC group to be privatised

260 Star 11/2/88 222

Pretoria Correspondent

A high precision facility that manufactures the separating elements for uranium enrichment plants is to be the first group within the Atomic Energy Corporation (AEC), to be privatised

It is at present being run as a separate business, known as Prima, within the AEC.

Prima has a staff of about 500 people and the Industrial Development Corporation has been involved in its management for about a year.

Although Prima's main client is still the AEC, sufficient market penetration has already been achieved to ensure that the corporation's share of its turnover will be reduced substantially in the near future.

A statement by the AEC said a decision had already been taken to enter the "second phase" of Prima's privatisation.

Negotiations were being conducted with the private sector on the appointment of a board of directors and chairman.

Negotiations with financial institutions regarding financing had also reached an advanced stage, it said.

ation in SA ... held in Ger- key ...

R900m share offer predicted

Eskom set for listing in 9 months

260
B/day
12/2/88

ELECTRICITY giant Eskom is poised to come to the JSE within nine months with the first phase of its listing — said to be in the region of a R900m share offer

The move to the JSE will be the biggest after the previous record set by Sasol, whose rights offer was for 560-million shares at a pitch price of R2

About R513m was raised by Sasol with 30% of the shares held by government through the Industrial Development Corporation

Late yesterday market commentators said if the share offer reached the market as part of Eskom's annual borrowings, it would mean institutional money moving across from the capital markets to the JSE

● Privatisation excitement: Page 4

"Even if the offer initially only takes the form of a R700m requirement, institutions would move cash across to the Exchange This, in turn, could have a positive effect on money market interest rates — it would be anti-inflationary"

Eskom chairman John Maree declined to speculate yesterday on what amounts could be involved, but said it was possible the offer could be part of Eskom's annual approach to the market for its borrowing requirements

However, he confirmed a share offer would take place before the end of the year in line with the economic package announced by President P W Botha.

MICK COLLINS

Maree also revealed that an internal top-level meeting had already taken place and proposals formulated were due to be discussed last night at a further meeting.

Wasting no time since the announcement by Botha last Friday, Eskom already has a committee and several subcommittees to deal with all aspects of the forthcoming listing. The next step would be the formation of a steering committee, sources said

Still to be decided are the actual date of the launch and the form the share offer will take

Maree said Eskom was budgeted to look for borrowings of about R4bn in 1989, and added the corporation was well aware of the impact such a huge sum would have on the capital market and the pressure it was likely to cause on interest rates

"Dependent on ruling rates, we will still look offshore for some of our requirements."

Asked to comment on the size of the first phase of the listing, Maree said: "We obviously couldn't look for the R4bn through a listing. The market couldn't take it We must first test the waters and then take it from there, but we won't take more cash out of the total pool

"Details involved in the share offer still have to be worked out. The amount of the first tranche could be known soon, but our listing will happen as projected by the State President — this year."

MMARATHO ...

(260 B/days 12/2/88

Maree makes light work of Eskom listing

□ MAREE . "In spite of all this excitement, we still have a business to run"

MICK COLLINS

THE AIR in Eskom's corridors of power fairly crackles with excitement generated by the magic word "privatisation" Mounted on a lifetime of top business experience, lance at the ready, is the dynamo-like chairman 'John Maree — leading the charge that will see the biggest listing of a public corporation ever on the Johannesburg Stock Exchange.

What would have caused consternation 'in the utilities' ranks three years ago has stirred an enthusiasm and derring-do among senior staff — an attitude fostered by Maree

It is he who has brought the R28bn fixed asset base company out of the dark Seventies into the light of the late Eighties

Ever since its restructuring at his hands, the electricity colossus has taken on the image of a robust professional — open the doors, trim the flab, get the bookkeeping right, pay attention to detail and the rest will happen by itself

State President P W Botha's announcement on Eskom's imminent listing has not fazed the generator of 90% of SA's power Far from causing the tight-lipped reaction as witnessed from other parastatals, it has set Megawatt Park alight.

Still resident at the Park — the palatial surroundings built by cash-flush, tariff-happy predecessors — the majority of staff merely wishes to forget the bloated bureaucracy of yesteryear

Late into the night, senior strategy groups are already planning what form the complicated listing will take. Splinter groups have branched off to look at financial and legal issues The next step — a steering committee.

"What we have seen in the last week is a clear directive from the State President on where we are going," Maree says

In a clear reference to the more stodgy thinking of certain government echelons, Maree inferred that there won't be any concrete pourers to hold the move back.

"This is a new track A new era I know there are a lot of imponderables nobody has thought through There are many ways to privatise, but in the short-term there is no magic wand"

That Maree has given Eskom a head start on other unwieldly State-aligned corporations (except Iscor) is evident. Losing no time, his top executive has already met and broadly outlined the mammoth privatisation task.

It will happen in 1988 — have no doubt about that. The Eskom chairman points to the process already underway of "hiving off" activities not essential to the company's main role — the generation, transmission and distribution of electricity

Eskom has the advantage in that it already has a board of directors — the Electricity Council — comprised of 19 top-notch business professionals, only two of whom have strong government affiliations Dr D C Neethling of Mineral and Energy Affairs, and Dr Chris Stals of the Department of Finance

It has already moved down the privatisation track and handed over power station construction, transmission line construction, its home ownership scheme, insurance, meter reading activities and municipal reticulation.

Its business has never been subsidised by the taxpayer It receives no grants or loans from public funds and perhaps what is most significant, its employees are not public servants, inclined to be satisfied with mediocrity

"In spite of all this excitement, we still have a business to run. We don't want to lose momentum on our efficiency/co-ordination drive.

"We have completed a restructuring along sound business lines — decentralisation, major cost reductions, tighter money controls and a reduced staff"

Commenting on government's overall privatisation plan, Maree says "Cutting these businesses free will ultimately do wonders for SA. Ten years ago we saw the UK on the skids — look at it now"

But what of the impact of the listing on the JSE? What liquidity, so jealously guarded by vested interests, will be available?

"We will have to wait and see — test the waters. I cannot see us going to the market for our total local and foreign loan requirments of about R4bn for 1989

"We will be calling on outside experts to assist in sorting out details and exploring the implications Loan capital will be replaced by risk capital.

"This leaves us with the responsibility of ensuring that our income and expenditure not only balance but also allow payment of dividends"

Prior to its restructuring, Eskom employed a fund accounting convention, but last year it switched to a conventional businesss accounting system

Capital expenditure is financed from borrowings and own funds. Borrowings are obtained by raising overseas loans and issuing bonds in local and overseas capital markets.

Internally-generated funds are obtained from tariff income (all tariff increases are now regulated and spoken about well in advance), with a maximum of 10% announced for 1988 and a commitment to keep the increase for 1989 at least 2% below the inflation rate

Eskom locally-registered stock has seen the emergence of a secondary market which is actively traded on the JSE Eskom is a buyer of last resort.

Under the new accounting system, the practice of investing internal funds in its own loan stock issues and the associated accounting mechanisms for raising internal interest charges were abolished.

Costs, including depreciation charges, transfers which may have been made to accumulated reserves and any appropriations made from past accumulations will appear for the first time in the 1987 annual report in April.

"Going for a listing makes sense. Eskom's biggest expense is servicing its loans, which after a risk capital injection will be considerably reduced," Maree says.

Going to the JSE for the whole of its 1989 capital requirements (of about R4bn) is not on Fully aware of the influence it wields on the local money market, Eskom will still go overseas for some of its borrowings to avoid undue pressure on local interest rates — dependent on rates available at the time

Nothing concrete — date and format — has been decided yet, but Maree is sincere in his promise "to inform" knowing any decision will have a heavy effect on the money markets

"The public will be the first to know We won't hold anything back. As soon as we know which route we are taking, the market will be briefed"

How the JSE will receive the listing and where it will slot in among the Top 100 remains to be seen

But what is certain is that absolute shareholder loyalty/truth will be forthcoming from the knightly Maree.

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BUSINESS

D/D 13/2/84 (280)

Eskom gears up for JSE listing

JOHANNESBURG — A steering committee, on which a cross section of "outside experts" are represented, has been set up to plan Eskom's listing on the Johannesburg Stock Exchange later this year

A spokesman for the electricity giant said the experts serving on the committee included private sector representatives, but their identities could not be disclosed at this stage

Eskom has undertaken to go to the JSE before the end of this year as a first step towards privatising its operations as announced by the State President, Mr P W Botha, in Parliament last week

The amount of the share offer is expected to be in the region of R900-million, but Eskom chairman John Maree declined to speculate yesterday about the amount involved nor the form the share offer was likely to take.

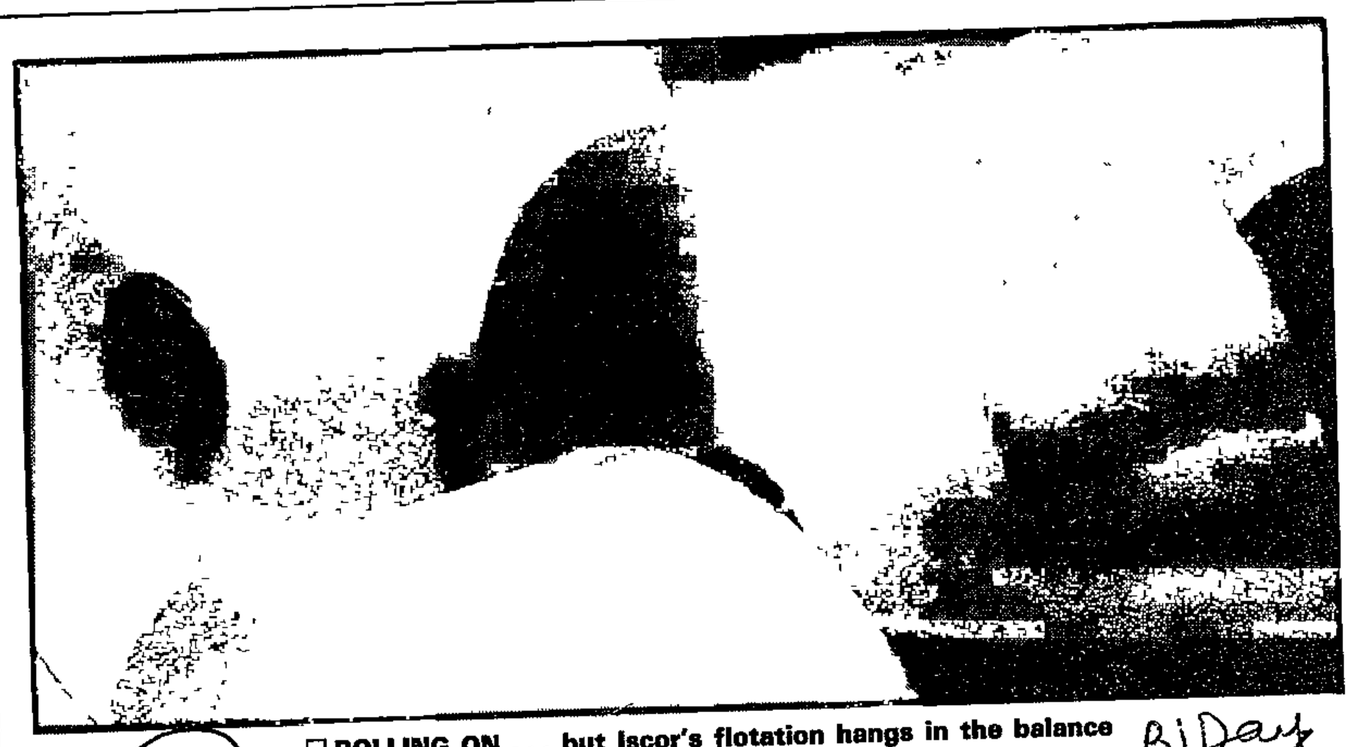
He confirmed however that a share offer would take place before the end of the year in line with the economic package announced by Mr Botha.

Mr Maree said Eskom was budgeted to look for borrowings of about R4-billion in 1989 The corporation was well aware of the impact such a huge sum would have on the capital market and the pressure it was likely to cause on interest rates.

"Dependent on ruling rates, we will still look offshore for some of our requirements," he said

"We obviously couldn't look for the R4-billion through a listing The market couldn't take it. We must first test the water and then take it from there, but we won't take more cash out of the total pool.

"Details involved in the share offer still have to be worked out The amount of the first tranche could be known soon" — Sapa



□ ROLLING ON . . . but Iscor's flotation hangs in the balance

Iscor tempers its stand on privatisation

LINDA ENSOR

AS THE euphoria over the privatisation initiative gives way to a more realistic assessmemt, so the "ifs" and "buts" begin to emerge This is especially so for Iscor, the State-owned steel giant, which has established an internal committee to investigate just how privatisable the corporation — with a shareholders equity of R3,5bn — in fact is.

The committee will be reporting to Minister of Economic Affairs and Technology Danie Steyn before the Parliamentary debate on his budget, which is likely to take place in May

Iscor's flotation is something which hangs in the balance, depending finally on whether it is profitable enough to pay dividends sufficiently attractive to a private investor.

Investors eager to share the Iscor cake may discover that the crumbs likely to be apportioned to them don't, in the final analysis, justify it being cut up.

Its high capital expenditure — about R500m per annum — constrains its ability to pay dividends, an event which has in the past been more an exception than the rule

Apart from the R65m paid in dividends to government in the financial year to June 30, 1986, no dividends have been paid for many years.

The decision to do so is purely an internal one, based on profitability and funding requirements, with no pressure being exerted by government.

Government holds 500 000 A class shares in Iscor, 341,9-million B preference shares and 90-million redeemable preference shares. The private sector only holds 219 636 shares in the form of 7,5% cumulative preference shares.

The size of Iscor's capital expenditure is apparent from the fact that in 1985/86 group pre-tax profit was R426m, before an increased provision for the replacement of assets and R172m after this provision. In 1986/87 the figures were R467m and R101m respectively.

Iscor chairman Marius de Waal says. "Iscor's capital expenditure is very high, as there is a continuous development in technology and demand for new and better quality steels.

"This means that if one wants to keep one's debt ratios in order, one has to fund a fair proportion of new developments from cash flow. The need to pay dividends could diminish the ability to fund this capital expenditure."

He adds that the internal committee's investigation may reveal that Iscor "just cannot pay the kind of dividends that a normal investor would like, that we just cannot make the profits".

Were a private company to resort to borrowings to fund its capex programme, it would probably be precariously overgeared and strangled by enormous interest payments. Iscor's debt equity is a healthy 28% at present, though it has soared as high as 70% in the past.

The committee will be drawing up projections of Iscor's profitability and forecast earnings and dividend growth for the next 10 years, as well as future capital expenditure requirements based on the likely demand for steel.

A further central element of the committee's analysis will be the likely trends on the world steel market, which will play a determining role in Iscor's future profitabilty as the scope for growth of the domestic market is relatively small

There is presently a world oversupply of steel, which has depressed prices. But De Waal says there are indications of a stronger demand for flat steel products, which appear to be holding their own against substitutes like plastics and ceramics.

"If there is an upward trend in world steel demand, then obviously prices will rise and this would provide Iscor with the required growth opportunities," he adds.

And once SA resolves its political problems in an internationally acceptable way, it will be able to resume exporting steel to lucrative markets such as the US Africa also has growth possibilities once its member countries build up foreign exchange earnings to purchase South African steel

□ DE WAAL . . . "early days"

A report on these issues will be submitted by the internal committee to the Iscor board, and thereafter it is intended to solicit the views of institutional investors on how the market is likely to respond to the listing of the corporation on the basis of its fundamentals The report will then go to the Minister.

Iscor's possible flotation is still "early days," and De Waal does not envisage it occurring this year, as he does not think the market will be able to absorb Eskom's flotation as well as that of Iscor And 1989 also appears too soon.

A considerable increase in the world price of steel would impact on timing "Our profitability would increase considerably once export prices increase, and if we had to delay a listing an opportune time to proceed with it would be when prices rise."

In De Waal's view it would be preferable to sell off a majority shareholding, with government possibly being a minority partner

He is quite adamant, however, that Iscor should be sold as a group, if at all, and is quick to squash suggestions of separately hiving off any of its 14 constituent operations — which include three steel works and 11 mines

No rationalisations would be necessary to make Iscor privatisable, according to De Waal. "Over the last number of years we have done an enormous amount to streamline Iscor and improve efficiencies and productivity," he says

Professsional management systems have been [illegible] has been cut from 79 000 to 56 000 and loss-making product lines have all been eliminated so that all operations are now economically viable In addition, obsolete plant — such as the Dunswart Steel Works in Benoni — have been decommissioned

Processes and equipment have also been improved, with the switch to continuous casting being a major step forward In addition, the corex process for producing iron will be commissioned in the middle of this year to make SA less dependent on scarce coking coal.

De Waal vehemently denies that SA's strategic interests interfere with Iscor's policy decisions and is emphatic that all projects — including government contracts and the production of steel for Armscor — are undertaken only if they are commercially viable.

Neither, he says, does Iscor benefit in any extraordinary way, such as by concessions or privileges, from being government-owned. It pays normal income tax and is not financed by government loans but by money raised on the capital market.

In short, De Waal does not think the corporation can benefit in terms of profitability and efficiency from being privatised

"I dare anyone in the private sector to do better than our excellent management team," he says. "Iscor has been one of the few steel works in the whole world that has been profitable during the past four years of tremendous recession in the world steel market.

De Waal thinks that, on the contrary, privatisation holds out the threat of increased steel prices. "There is always the temptation to improve profitability by raising prices," he says.

This is not unfeasable, especially as Iscor produces 72% of SA's [illegible] ducers supplying the remaining 28%. However, Iscor claims since 1980 its price increases have been consistently lower than those of both the producer price index and the consumer price index.

But De Waal does think that privatisation will open up greater possibilities for the steel producer in that it will give it the opportunity to diversify downstream by entering the secondary production of steel products This could have considerable synergistic benefits, he adds

At present Iscor has not been able to do this because, as a parastatal, it is not allowed to compete with the private sector

In conclusion, De Waal says if Iscor is to be floated it must *done so successfully and not fo*[illegible] the British example, where Br[illegible] Steel was a state corpor[illegible] which was privatised then nati[illegible] alised and now — under That[illegible] — is a candidate once again privatisation

Nuclear workers demand reaction to private sell-off plans

By Martin Challenor

A group of skilled white artisans at the Atomic Energy Corporation's Pelindaba complex say they are angry and frustrated with the delays in finalising plans to sell off part of the plant to private enterprise.

The AEC last year retrenched about 330 people as part of its rationalisation programme. About 660 more resigned, partly influenced by the uncertainty over the rationalisation moves, AEC's chief executive Dr J W L d Villiers confirmed yesterday

Pelindaba is the centre of nuclear research in South Africa

The first section to be sold will be a high-precision plant housing some of the equipment used in the manufacturing of separating elements needed for the uranium enrichment process

For the past year it has been run as a separate business unit, known as Prima, within the AEC It has a staff of 500 and a turnover of R30 million a year

Some of the skilled artisans in the plant said that for the past 18 months they had been waiting for the AEC to carry out its plans to convert the plant into a private company

The artisans say their former colleagues received retrenchment packages of between R60 000 and R300 000

The employees still working are to be paid out for the State benefits they will lose, such as special leave, when they fall under the new private firm

They complain, though, that each time the deadline nears for privatisation, it is delayed.

"We want our money now. There are always meetings but nothing ever happens They are not playing the game with us Our problem is that we do not have unions we can go to," says one of the workers

"All the other guys got their money Now the guys here are quarrelling among themselves We just feel the outside world must know about this There are many jobs outside that we could take but we are scared that days after we resign they will pay out the money we have waited for so long"

Dr De Villiers said. "Unique skills and technology are vested in the group's employees. The success of the venture is mainly dependent on the retention of staff and their willingness to support the venture

TERMS AND CONDITIONS

"The AEC cannot afford to lose these skills and will negotiate with the employees to establish reasonable terms and conditions for their transfer to the private company.

Dr De Villiers says Prima is involved in the manufacture of high-quality, high-precision products and precision machinery for the automised production of precision products and components

Dr De Villiers said privatisation took time AEC had conducted a programme of rationalisation and restructuring of its activitites in the past two years, based on a business orientated approach

AEC is running Prima as a separate business and with private sector help Products have been diversified to penetate a larger sector of the market on a commercial basis.

Eventually a separate company with its own board of directors will be formed, to be financed by loans and share capital AEC could retain the majority shareholding, but all forms of subsidy would end

When the company fuctions independently and profitably, shares will be offered for sale

Dr De Villiers said AEC was now Prima's main client but major market diversification had been achieved

Eskom's R50m barter move

ELECTRICITY giant Eskom has taken the initiative in countertrade and was yesterday reported to be attempting an overseas barter of surplus inventory said to be worth about R50m

The massive overhang, the result of drastic rationalisation and the restructuring of the utility into business units, is due to be countertraded against vital imports.

Johann Klopper, manager in charge of Eskom's newly formed unconventional trade division, declined to disclose the exact amount involved but said it was substantial.

"The main reason for countertrade is to cut down on the corporation's capital expenditure bill and to improve our cash flow

"This has particular significance in the light of our rationalisation which has left this surplus inventory."

Klopper confirmed the existence of a countertrade clause in Eskom's tenders

"We invite suppliers to submit alternative tenders to cater for countertrade in all of our tendering."

MICK COLLINS

Tenders with countertrade proposals have already been received for an undisclosed large contract Klopper could not confirm the exact percentage of the tender involved as the tenders had not been evaluated as yet.

Asked to comment on the possibility of using bartering mechanisms to counter sanctions, Klopper said "Sanctions

● To Page 2

Eskom's R50m barter move

● From Page 1

could play a role in the future but they are not a factor for us at the moment."

Eskom's move is in line with the Department of Trade and Industry (DTI) instructions to parastatals that they should countertrade imports of more than R5m

Off-set, barter, buy-back and other countertade deals were hitherto legal but not official policy in SA.

The DTI's directive has been circulated on an apparently confidential basis to public sector companies such as Eskom — SA's biggest importer — and state steelmaker Iscor

The electricity giant has not adopted government's R5m benchmark to countertrade imports

"There's no limit We are prepared to consider any tender with countertrade and barter possiblities," said Klopper

The DTI has, however, laid down four clauses to the private and public sector on its countertrade and barter deals They must not:

- ☐ Violate the Reserve Bank's foreign exchange control regulations,
- ☐ Be used as a covert means of evading import duties;
- ☐ Exchange a product that would be "injurious" to local industry, and
- ☐ Enter an an export market that has already been established by a parastatal (Steel, for instance, cannot be countertraded in a market where Iscor already has a foothold)

So far, it is believed only Eskom has taken up the directive to countertrade its imports.

Drought devastated farmers

By Paul Olivier

The whole of the western Transvaal was a disaster area and the South African Agricultural Union would be asked to look into the welfare of maize farmers devastated by drought, Mr Wilko Beukes, a member of the Transvaal Agricultural Union's executive committee, said last night

He said at a press conference in Pretoria that farmers in some parts had difficulty feeding and clothing their families.

"The morale of many of the farmers is low

"All measures must be taken to stabilise them and give them peace of mind"

He said that in the Lichtenburg area three schools had been closed during the drought of the past few years, resulting in the loss of more than 11 000 scholars.

● See Page 4.

Eskom pragmatism reaches to equator

By Michael Chester

Eskom, the state electricity network giant, yesterday proposed a round-table conference with neighbouring countries as far north as the equator to discuss the creation of a power grid to cover the sub-continent

The Eskom chief executive, Mr Ian McRae, said the object was to harness the energy and technology resources of the whole region. The master plan was to use the multi-national grid as the foundation to economic unity outside the political sphere.

He said there had already been positive responses to proposals of new co-operation and mutual assistance from six neighbours, several of which had entered into formal agreements over two-way export and import deals on energy supplies.

The next aim was to arrange round-table discussions with the nine member nations of the Southern African Development Co-ordination Conference.

Undaunted by political conflicts, Mr McRae, as an engineer, views the chances of success in pragmatic rather than ideological terms

"The sub-continent has a simple choice — economic stagnation caused by political division with growing unemployment and worsening poverty, or economic dynamism stemming from co-operation in the non-political sphere

"If there is stalemate among the politicians, it should not mean that everything else must stay at a standstill"

Mr McRae said it would be stressed that Eskom had no ambition to act as Big Brother and dictate the terms of the exercise

● See Page 15.

(260) B/day 18/2/88

Eskom stock on agenda

CHRIS CAIRNCROSS

CAPE TOWN — The current and future status of Eskom stock as a prescribed asset was apparently high on yesterday's agenda of the special committee set up by Eskom to work out the mechanics of its privatisation

No final decision was arrived at yesterday and none is expected for some time,

An announcement is promised as soon as possible, however, in order to eliminate the uncertainties the situation poses for institutional investors.

It is understood that whatever decision is taken over Eskom's status as a prescribed asset once the stock is listed on the JSE, it will have an impact on the structure or nature of the entire prescribed asset system.

This was indicated as a distinct possibility by Finance Department Director General Chris Stals this week

He told Business Day that Eskom's status was a matter for the utility to decide But it also made sense that whatever Eskom did was not isolated from the rest of government's privatisation programme

This suggests that this will set the pace for changes to major elements of the prescribed asset system.

This could presage a major loosening up of the investment requirements of pensions funds and other institutional investors, whose investment portfolios have to consist of at least 53% of in value of one or more prescribed assets usually dealt with in the gilt market.

These include bills, bonds or securities of institutions in SA approved by the Registrar, and bills, bonds or securities issued by the government, local authority approved by the Registrar.

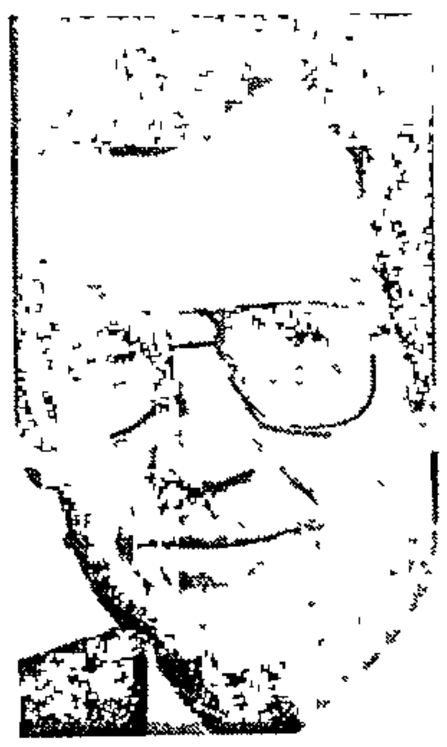
Eskom currently has some R13bn in registered stock issued to the gilt market.

It is generally expected that these will be unaffected by any change in the status of new stock issues — unless there happens to be a total relaxation, which is thought to be unlikely at this stage

Cape Times 20/2/88 260

No free enterprise — no privatization says Syfrets

Brian Robinson has added the title deputy chairman of Syfrets Trust to MD and chief executive. At a youthful 58, he is into running and has competed in five JSE marathons — the latest in 1986. In addition to holding a "Green No." as proof of his participation in the marathons; he has won the veterans and Stock Exchange section. He was interviewed by LAWRENCE TOTHILL.



BRIAN ROBINSON
"There are too many regulations"

"SOUTH AFRICA doesn't have a free enterprise system — there are far too many regulations," states Brian Robinson, chief executive of Syfrets, on government's privatization moves and promises of a more free economy.

"I am, of course, completely in favour of a free enterprise or capitalist system," he emphasized in an interview yesterday, "but it must be handled correctly and afford everyone the opportunity to put something into the economy.

"At Syfrets we do have a problem with over-regulation but importers, exporters and manufacturers have a much rougher time, while those I feel really sorry for are the small businesses who have to cope with a whole plethora of forms and red tape."

Having got that off his chest, Robinson then expressed his delight that at last the State President has come out in support of bringing the country's economy to the fore and not plugging the defence and security issue again.

He sees this as a fundamental shift in Government attitude and welcomes the promises of deregulation and privatization.

But Robinson is not starry-eyed about privatization — he's very much a pragmatist and only sees a future for the whole programme if it's done properly.

"There is no future in it if the Government is going to keep control. If that's the case then private enterprise will show very little interest and it will not be the success which privatization has been in the UK

"If the State keeps control then privatization is a misnomer — the whole exercise would be a matter of getting investors to put more money into Government coffers.

"Of course, we know little more than the early comments by the State President and it is difficult to judge right now."

Apart from being a CA (SA) and FCIS, Robinson has been a stockbroker and the stock exchange is still a love in his life. What does he recommend right now? Has he a tip?

Those are the questions he

☐ To Page 17

Cape Times 20/2/88 260

From page 15

No free enterprise . . .

doesn't answer. "We have portfolio managers and there are stockbrokers whose job it is to advise."

But he is convinced that everyone should be invested in the JSE in one way or another whether through a unit trust or through a limited selected portfolio.

"In spite of the crash, history has shown that share investments are better and more flexible than anything else. Investment must, however, only be made with unborrowed money."

Robinson feels the industrial market is now giving fair value with good results flowing through and recommends a steady investment pattern so that shares are picked up at the bottom of the market — whenever that will be.

"Rand cost averaging is all-important; the only thing that bothers me a little is the rising interest rate.

"I can't believe that prime will go to 20% as some people forecast, that could kill the market. A rise of 1% or 1,5% by the end of the year is more what I expect."

Regarding the development capital market, Robinson confesses that perhaps some of the companies granted a listing had little right to it as it merely allowed the original owners to sell shares to a gullible public in a buoyant market.

"I'm not tarring them all with the same brush — there are, in fact, some very good shares in the DCM and our bright young men here in Syfrets are constantly watching and searching this sector to find the bargains and the companies which will become meaningful in the years ahead."

A self-confessed "gold enthusiast" ("sooner or later the debt scenario Africa/Latin America/Eastern Europe will have to be sorted out"), Robinson believes the gold market is very fragile and not to be rushed into lightly since gold shares are well ahead of the bullion price.

He doesn't see the US dollar down by more than 10% and he doesn't see the gold price up by more than about 10% to around $500 in the short term.

"I do see the rand going down and would not be surprised to see it at the the $0,40/$0,42 level in a year or two. It must go down because our inflation rate is way above the level of nearly every one of our major trading partners.

"We monitor all these financial and economic statistics internally and we also monitor the political and socio-economic trends before making decisions. We don't just go on hunches or thoughts.

"The balance of payments is worsening once more and this should push both the commercial and financial rands down — but the financial rand remains strong.

"Why the narrowing of the gap between the financial and the commercial rand? Somewhere there is more demand than is generally known."

Capital news on Eskom

260

2/2/88

Tuesday

8/Business

NEWS that Eskom stock would not lose its prescribed asset status was bullish for the capital market

The gap between long-term RSA 124 stock and Eskom 168 stock nearly halved the previous day's discrepancy, which had developed as a result of speculation that Eskom stock might lose its status as a prescribed asset

It was Finance Minister Barend du Plessis's assurances that this would not occur once Eskom was privatised that swung the market

Eskom's local capital market manager Gerard Ramage said the corporation "was pleased that the uncertainty has been dispelled" He said Eskom

HELOISE HENNING

would continue to make a market in the Eskom 168 2008 stock

Eskom rates closed at 16,8%, a point below the previous day's closing. The rates on RSA 124 edged higher to close at 16,62% — closing the gap between the two stocks to 18 points. On Thursday the gap had reached 30 points

One trader said during the day nervous jobbers who had not anticipated the announcement started to cover their short positions Call options were in demand and became more expensive, going up by 15% Some people with short positions tried to cover by buying stock

CAPE TIMES 23/2/88 (260) BRIT

'Adultery' scandal: SABC axes Jimmy Swaggart

Own Correspondent

DURBAN. — The SABC will axe any future television programmes featuring fiery TV evangelist Jimmy Swaggart, who has stepped down from his ministry amid allegations of adultery

Responding to written questions on how the scandal would affect the corporation's decision to screen further programmes featuring Mr Swaggart, SABC director of religious programmes, Dr J S Potgieter, said yesterday "In the present circumstances, there will be no more broadcasts"

Dr Potgieter confirmed that the SABC had been considering screening a Jimmy Swaggart programme in April

Mr Swaggart — who tearfully confessed before 7 000 worshippers in Louisiana — to sinning against God and his family has often been featured on SABC's religious programmes

It was reported at the weekend that church leaders had been given photographs that allegedly showed Mr Swaggart entering a hotel room with a prostitute

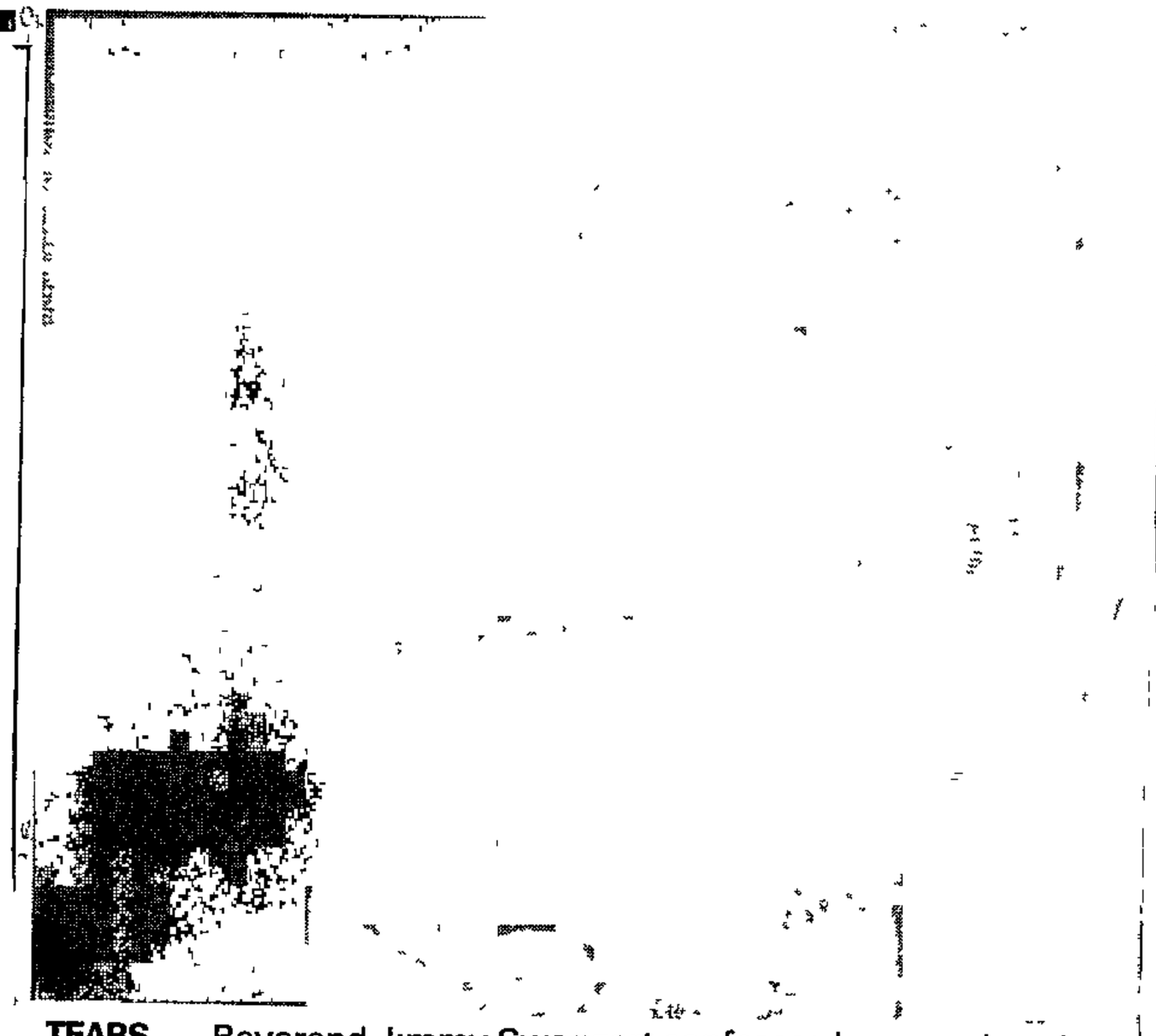
Meanwhile, the pastor in charge of the newly-opened Jimmy Swaggart Video Chapel in Durban Pastor Ray Monroe, reacted with shock at the news yesterday morning

The chapel opened three weeks ago on the corner of Pine and Aliwal Streets, and has daily video shows of Mr Swaggart's ministry

"I think it is still too early to say how this news will affect our activities — but we will all be praying for him (Mr Swaggart) and his family at this time," said Pastor Monroe

Mr "Kokkie" Lock, head of the Jimmy Swaggart Ministries in South Africa, said: "We are all alarmed by what has happened and are still taking stock of the position

"I think we will have to re-evaluate our position, but it would be a sad day if we had to close down our child feeding and educational operations"



TEARS . . Reverend Jimmy Swaggart confesses he sinned against God and his family. He resigned amid allegations of adultery.
Picture REUTER

First candidate in govt's package

Alusaf to be privatized

Cape Times 23/2/88 260

Own Correspondent

JOHANNESBURG. — Government's Industrial Development Corporation (IDC) is to privatize Alusaf, its giant R500m aluminium smelting facility at Richards Bay

The surprise announcement makes Alusaf, the first candidate in government's privatization drive, ahead of other IDC holdings or parastatals like Eskom or Iscor

It follows hard on the heels of State President P W Botha's new economic package for SA in which he specifically referred to certain IDC holdings (Foskor) which would be privatized

While this focused attention on Foskor, IDC CE P J "Koos" van Rooy said yesterday that top level, secret talks about Alusaf were held with the private sector early in December 1987

"We asked private parties to come and talk. These included some quoted companies We invited bids and all we are waiting for now is to see what shape some of these offers take"

He said no official date had been set for the privatization

Asked if the privatization move would automatically mean a listing on the Johannesburg Stock Exchange, senior IDC GM Malcolm Macdonald said the listing could take a little more time as the market was depressed

"It could also be in some other form (merger) but this would would be our intention".

"Alusaf will definitely be the first of our companies to be listed Initially, we may hand over to the private sector and delay the listing but it will eventually happen"

Alusaf, which has a staff complement of 2 800, exports about 50% of its annual production of 170 000 tons of aluminium

The IDC has controlling interest in four major companies — Atlantis Diesel Engines, Alusaf, Foskor and tea producer Sapekoe

Since its formation in 1940 and up to 1983, it has received R924m in new share capital from government but is mainly self-funding

Although established as an ordinary private company, control of its share capital, both "A" and "B" class, has always remained with government

The Industrial Development Act of 1940 provides that the "A" shares will always be held by government and will have a veto right to ensure State control

However, at the time of its inception, provision was made for the "B" shares to be sold to the public when considered practicable

Although the IDC has been successful and has built up an impressive profit history, up to now the "B" shares have not been sold to the public because "of the negative impact this could have on its development role"

English simulcast in pipeline

DD 25/2/88

Great Debate a minefield

DD 25/2/88

260

Daily Dispatch Correspondent

PORT ELIZABETH — Mounting its first big television debate is proving to be a minefield for SABC TV's public affairs department

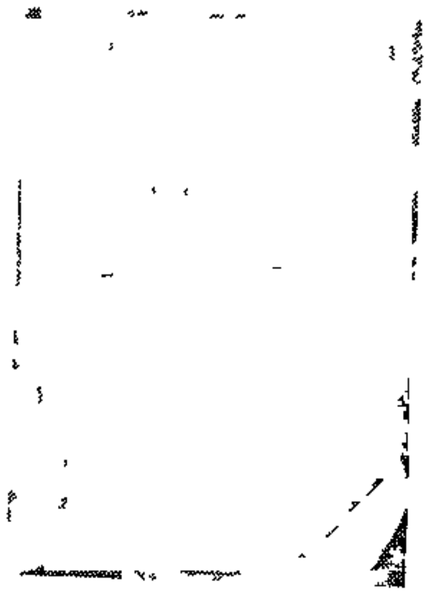
SABC TV is hoping for nearly five million viewers for Monday evening's programme featuring the leader of the National Party in the Transvaal, Mr F W de Klerk, and the leader of the Opposition, Dr Andries Treurnicht

In view of the tremendous public interest in the debate, which is in Afrikaans, the SABC is investigating the possibility of providing an instantaneous English translation on radio

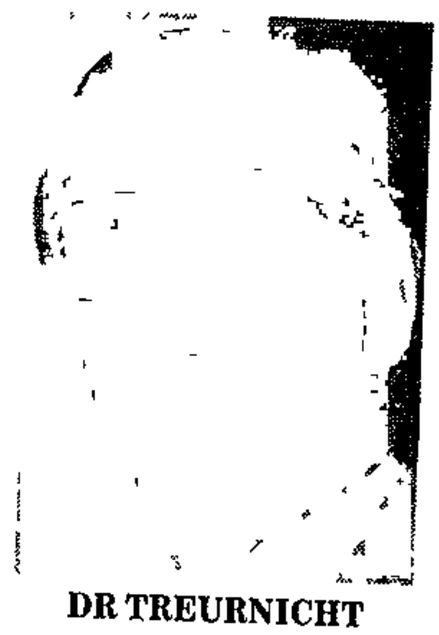
Even this, in itself an enormous logistical exercise, is fraught with problems

Every arrangement, ranging from the day and the time, to who gets the first and last word in each of the three portions of the debate, has had to be approved by both speakers

Other than the technical crew, not a single SABC staff member will be involved in the transmission



MR DE KLERK



DR TREURNICHT

Dr Treurnicht suggested that the Chairman of the President's Council and former Speaker of the House of Assembly, Mr Johan Greeff, chair the debate Dr De Klerk agreed

The debate will be recorded in Johannesburg on Monday morning and will not be edited in any way before it is screened at 8.30 pm — after both participants' approval

Should the SABC decide to attempt a simulcast translation, the entire debate must be transcribed and then translated for approval by both speakers

Then the translation must be read, carefully synchronised so that the English accentuation is exactly the same as that of the original Afrikaans — and approved by the speakers

Even the readers must be approved by both men

The debate will consist of three carefully timed sections totalling 50 minutes

The speakers will put their points of view on different subjects in the first two sections of 16 minutes each, Mr Greeff keeping a close watch on exactly how long each man speaks

The third and final section has been set aside for an uninterrupted debate lasting 18 minutes

approach to engineering education.

Jimmy Swaggart . . . "I have sinned."

SWABC acts on Swaggart

WINDHOEK — SWABC-TV has pulled the plug on further transmissions of programmes featuring fallen American evangelist Jimmy Swaggart.

The head of the corporation's religious programming, Dr Andre Potgieter, said he did not think it would be appropriate, in the light of current circumstances, to continue broadcasting Jimmy Swaggart programmes, which have been very popular in this country.

He said the decision was not against Mr Swaggart personally, but he felt that to continue with the programmes would threaten the credibility of other preachers.

Mr Swaggart this week stepped down as a minister after revealing he had "sinned". — The Star's Africa News Service.

Interim dividend maintained

Sasol profits drop by 28%

JOHANNESBURG — Sasol's net profits in the six months to December dropped by R82m — or 28% — compared same period of 1986, but the giant fuels and petro-chemicals supplier has maintained its interim dividend at the previous level.

The interim report shows attributable earnings of R207,1m, compared with R288,9m in the comparable period, equivalent to earnings per share of 36,8c (51,4c).

Interim dividend

The interim dividend has been maintained at 22,5c a share

The directors explain that virtually unchanged product prices combined with domestic production cost increases had a detrimental effect on the profits of Sasol's synfuel activities

"In addition, an increase of 30% in rand crude oil prices compared with the corresponding six months of the previous year, reduced our oil-refining profits.

"Since production cost increases at Sasol in the past few years were kept well below the inflation rate, there was less room for further cost rationalization in the six months under review."

However, good production was achieved by the main operations

"The negative developments in the fuel industry were partially offset by benefits derived from the group's policy of increased diversification for the purpose of adding value to existing products," they state.

"The most important of these benefits were higher prices in the international markets for chemical products and the improved operating results of the fertilizer division"

Debt was further significantly reduced, they add

"It is clear that the synthetic fuels industry is temporarily in an unfavourable position.

"For this reason government has been requested to increase the protection for the indigenous industry against products derived from the refining of Imported crude oil," the directors say

The prospects for higher petroleum product prices in the foreseeable future were not encouraging.

They say however that they expect to be able to maintain the total dividend for the full financial year at the same level as previously.

"In the first three months of the second half of the financial year the rand prices of our main products are more than 5% lower than those of the first half

"This is due to a stronger rand and a further fall in the average dollar prices of petroleum products," they point out

Chemical products

"Favourable international prices of chemical products as well as expected higher production at Sasol II should, however, have a positive effect on the results for the second half of the year."

At Sasol I increased attention was being given to the upgrading and modernization of the plant. Sasol III's profit before tax in the period under review amounted to R96,7m and the after-tax profit was R50m, the same as that for the half-year to December 1986.

Sasol's turnover (including excise duty and levies) was 13,8% up at R1,7-bn, while net operating income was down 29,6% at R354,4m (R503,7m). — Sapa

CSIR gets greater autonomy

2/3/88 260 B/day

CHRIS CAIRNCROSS

CAPE TOWN — Legislation paving the way for the Council for Scientific and Industrial Research (CSIR) to adopt a more market-oriented approach, and giving it greater autonomy, was tabled in Parliament yesterday.

The Scientific Research Council Bill follows the considerable measures already taken to rationalise the CSIR's activities and functions.

In terms of the Bill, the CSIR's functions and objectivees are defined in such a manner as to more clearly illustrate the market-related approach to be adopted in future.

It further makes a clear distinction between the CSIR's functions as a business entity and its role as a policy-making institution.

Provision is made for the separation of the offices of chairman of the CSIR board and its president — the latter acting as CE

Sasol's profit down R82m

JOHANNESBURG — Sasol's net profits in the six months to December dropped by R82-million — or 28 per cent — compared with same period of 1986, but the giant fuels and petro-chemicals supplier has maintained its interim dividend at the previous level

The interim report released yesterday showed attributable earnings of R207,1-million, compared with R288,9-million in the comparable period, equivalent to earnings per share of 36,8c (51,4c)

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"Since production cost increases at Sasol during the past few years were kept well below the inflation rate, there was less room for further cost rationalisation during the six months under review"

However, good production was achieved by the main operations

"The negative developments in the fuel industry were partially offset by benefits derived from the group's policy of increased diversification for the purpose of adding value to existing products," they state

"The most important of these benefits were higher prices in the international markets for chemical products and the improved operating results of the fertiliser division"

Debt was further significantly reduced, they add.

"It is clear that the synthetic fuel industry is temporarily in an unfavourable position. For this reason government has been requested to increase the protection for the indigenous industry against products derived from the refining of imported crude oil," the directors state

The prospects for higher petroleum product prices in the foreseeable future were not encouraging

They say however that they expect to be able to maintain the total dividend for the full financial year at the same level as previously

"During the first three months of the second half of the financial year the rand prices of our main products are more than 5 per cent lower than those of the first half. This is due to a stronger rand and a further fall in the average dollar prices of petroleum products," they point out

"Favourable international prices of chemical products as well as expected higher production at Sasol Two should, however, have a positive effect on the results for the second half of the year"

At Sasol One increased attention was being given to the upgrading and modernisation of the plant. Sasol Three's profit before tax during the period under review amounted to R96,7-million and the after-tax profit was R50-million, the same as that for the half-year to December 1986

Sasol's turnover (including excise duty and levies) during the review period was 13,8 per cent up at R1,7-billion, while net operating income was down 29,6 per cent at R354,4-million (R503,7-million) — Sapa

salary to the ... month's

Vote-catching teacher 'rewarded with a job'

Star 1/3/85

An unemployed woman teacher had been given a permanent teaching job in Phoenix after helping to garner 15 votes from her family for the National People's Party during the recent Tongaat by-election, **Mr Pat Poovalingam (PRP, Reservoir Hills)** said yesterday.

In the second reading debate on the Additional Appropriation Bill for the House of Delegates he said a female temporary teacher who was laid off in November last year had been recruited by a senior official in the education department to assist in the election campaign.

The senior official was named as Mr A K Mohammed.

REWARDED

Mr Poovalingam said the woman had garnered 15 votes from her family for the NPP and, soon afterwards, was rewarded with a permanent job at

Mr Pat Poovalingam

the Phoenix College of Education.

"I want to know whether this is proper and decent conduct," he said.

The Minister of Education and Culture, Mr Kassie Ramduth, said teachers were employed on a permanent basis according to the needs of the department at the time.

Sometimes these teachers would be recruited from outside the administration if they fitted the requirements of the job. — Sapa.

SABC 'asks too much' for educational programmes

Star 1/3/85 (260)

The SABC's price for providing a more intensive series of black educational radio and television programmes was too high, although negotiations by the education Ministers concerned were continuing, the **Minister of Education and Development Aid, Dr Gerrit Viljoen**, said in the Assembly yesterday.

Replying to committee stage additional-appropriation debate on his portfolio, he said part of the reason for a R2,8 million decrease in expenditure on educational radio and TV was that negotiations with the SABC on a contract had not been finalised.

The Minister added that measures were going ahead to provide more black schools with TV sets and video machines. — Sapa.

DD 3/3/88

Concern over abuse of coastline

MPEKWENI — Exploitation of the Transkei and Ciskei coastlines was causing concern, and the coastline could suffer permanent damage unless strict control measures were enforced.

This was said in a joint statement issued yesterday by the Secretariat for Multi-lateral Co-operation in Southern Africa and the South African National Committee for Oceanographic Research (Sancor).

It added that research is needed to identify the main problem areas and it is necessary for "planned coastal utilisation for the realisation of the area's tourist potential, while securing the stablitiy and maintenance of this marine resource".

Marine scientists and coastal zone managers from Ciskei, South Africa and Transkei are to meet today at the Mpekweni marine resort to discuss, plans and research data "to identify future research needs". — DDR

Concern over power bills

Daily Dispatch Reporter

BEACON BAY — Ratepayers here have expressed concern at their January electricity bills which reflect a 10 per cent increase for power consumed in December when Eskom's tariff increase only became effective on January 1.

The matter was raised at the last meeting of the Beacon Bay Ratepayers' and Civic Association meeting last month. Two councillors present at the meeting said they would investigate the matter.

The chairman of the association, Dr A. J. Slabbert, said that the association had not received any reply from the municipality.

The town clerk, Mr Bernie Aucamp, said that the issue was raised by the two councillors at this week's council meeting and a letter explaining the situation was on its way to Dr Slabbert.

The town treasurer, Mr A. J. Dijkers, said: "When Eskom announced its increase on January 1, this year, council decided to review the whole electricity service for Beacon Bay.

"Council, as an independent local authority, was only bound by its undertaking to keep its tariffs on a par with Eskom for three years after taking over in 1985

"As from January 1, this year, the Beacon Bay municipality was no longer bound to keep its electricity tariffs in line with those of Eskom.

"In the past, whenever Eskom has increased its tariffs, council tried to absorb the increase.

"Last year in July, Eskom announced a 12 per cent increase and council approved only a 10 per cent increase. For six months consumers paid less for their electricity than the Eskom tariff," Mr Dijkers said.

He also said that on an earlier occasion, the municipality had also absorbed an Eskom increase for about two months.

He said that when council had reviewed the financial position of the electricity service, it was found necessary to increase the tariff

Mr Dijkers said it had been council's decision that the increase would be effective from "the January accounts rendered" and not from the consumption of electricity from January 1.

He said that "tremendous benefits" had been derived from having the electricity service maintained by the municipality instead of by Eskom and said advantages included having local staff and the ability to upgrade the service, particularly street lighting.

Four vehicle manufacturers opt for local supply

Iscor grabs chunk of imports market

A MAJOR technology beakthrough by Iscor has resulted in the steel giant luring four vehicle manufacturers away from imports and a deal for 20 000 tons of local high-tech galvanised steel is expected to be signed shortly.

No details of the cash value are available, but the prospect of the deal has fuelled hope that the recession-hit industry is on the mend.

"This provides a much-needed boost at a time when steel manufacturing is entering a critical growth phase," an industry source said.

An Iscor spokesman confirmed negotiations were taking place but refused to comment further.

The motor industry has traditionally relied on imports from West Germany and Japan for most of its steel for vehicle bodywork, but the new development of the lighter corrosion-resisting steel would mean the business would stay in SA.

The National Association of Automobile Manufacturers (Naamsa) expects a 10% increase over last year's 201 000 car and 137 000 commercial vehicles sales, which also bodes well for the local steel industry.

MICK COLLINS

A steel industry spokesmen said. "Although choppy waters still lie ahead, SA's steel-makers are entering 1988 on a more positive note than has been the case for several years.

"Prospects for steel sales have been lifted despite the effects of trade sanctions, erosion of import earnings through a firmer rand and inflation which is still fuelling input costs."

Take up slack

In a report back from its 3 000-strong member companies, Steel and Engineering Industries Federation (Seifsa) says volumes are expected to climb by more than 3% in the next 10 months.

"Things are looking brighter than they have for the past few years. All of our steel-makers should be able to take up their capacity slack and plan for capex in 1989," says Seisfa economist Michael McDonald.

Local demand for finished steel products is expected to be about 4-million tons this year.

Last year's expectations that local steel consumption would rise failed to materialise, but Seifsa members still managed a 7% increase in total sales — but from a "very low" base.

On the export markets, steel makers are reluctant to disclose sales but estimates put 40% of Iscor's 5,4-million tons of finished steel products as going overseas last year with the remainder bought on the local market.

Last year, SA's total liquid steel output was of the order of 7-million tons with 6,9-million tons being output from Iscor's three integrated plants and the balance coming from Highveld, Davsteel and Scaw Metals

An Iscor spokesman said "The improvement is the result of better agricultural conditions, inflation coming down, motor sales picking up and, as a result of government's fiscal and monetary policies, business confidence is on the up."

But the price of success has been high Industry spokesmen point to drastic rationalisation within Iscor which has seen the steel giant slash 1 350 jobs at its Pretoria plant, with a further 2 000 positions at other steel works to go over the next few months.

Iscor's R500m capex for last year is thought to have been spent on modernisation and replacement projects

SASOL

Seeking protection

Indications are that Sasol's prospects for recovery in earnings will have to depend mainly on a weaker rand and a favourable response to its plea to government for increased protection Improved product prices would help too but that does not seem likely

Results for the six months to end-December may have disappointed many investors given that average crude oil prices have firmed since the low levels reached during the first quarter of 1986 But other factors intervened, dealing severe blows to the operating margin and caused attributable profits to fall by 28% The slide emphasises Sasol's profits are linked to more than just synfuel operations — although these are under pressure anyway

Essentially, profits were hurt by accelerating cost escalations and falling or constant product prices in rand terms Turnover rose only 18,4% and the net operating income fell by 30%, so that the operating margin buckled from 34,7% to 20,6%

During the year to end-June 1987, cost escalations rose sharply above the levels of the previous few years, when they had been contained well below inflation In the annual report this was blamed partly on the need to carry out cyclical maintenance work at the coal mines MD Paul Kruger says that some of this work was carried over into the six months to end-December He says the longwall system is being refurbished, and the work is not yet complete

"Recently we seem to have hit a plateau in our ability to improve cost efficiencies," he says "But I am confident that overall escalations will reduce again"

These escalations, with constant product prices — were the major reason for the severity of the fall in the group operating margin. Another was that the rand firmed, rising from an average US41c in the six months to end-December 1986 to around US49c for the half-year to December 1987. This largely offset the rise in dollar prices of petroleum products, and meant the synfuel plants effectively enjoyed no improvement in rand prices

The refining operation, Natref, was also affected adversely Although crude oil prices have moved considerably from the levels of October 1986, international prices of refined petroleum products have not risen in line. This depressed refining margins and the profitability of the oil refining division Kruger says volume throughput at Natref improved in the first half as demand rose — and this contributed to the higher group turnover — but the squeeze on refining margins had a "very significant" effect on group profits.

At present there is no indication of when — and whether — international prices of petroleum products might catch up with prices of crude oil, nor is there much sign that oil prices will gain strength After rising above $US18/barrel, crude prices fell during January to around $US15 "Purely from a supply and demand point of view there is no reason to expect a higher oil price in the immediate future," Kruger says

Continued weakness in the gold price, which fell close to $420/oz this week must increase prospects of a markedly lower rand, but that will not be enough "The real factor we are looking at that should help our profits is increased protection for the synfuel industry," says Kruger.

The group has formally applied to government for greater protection. What form this could take is unclear Kruger seems hopeful that this could help profits considerably. It seems probable that what is being sought is more than a simple reinstatement of the levy of about 4,5c, which was removed several years ago Also unclear is the means of financing any protection granted, although a levy at the petrol pumps must be a possibility

Thanks partly to conservative policies of the past, the directors say the total dividend for the full year should be maintained That is clearly the best that investors can hope for in 1988 The group has yet to draw on the substantial equalisation reserve, and positive effects are also expected from firmer international prices of chemical products and higher output at Sasol 2 But, with interest-bearing debt run down to R401,1m (R790,5m), there may not be much more help from a falling interest bill, and cover on the dividend from Sasol 3 has been reduced to 1 1

Longer-term, the group is working towards restoring the balance in the profit contributions from fuel production and chemicals that was lost when Sasol 2 was built

Fertiliser is making a positive contribution, production is expanding at the new explosives plant, whose capacity could be increased when needed, and management wants to take advantage of strong international chemical prices. A polypropylene plant is to be built to start production in 1990 with initial capacity of 120 000 t, of which more than 50% will be exported, and there are plans to invest in other chemical plants of similar size

"It is important to realise we are broadening the base of Sasol We are following a highly focused approach to diversification downstream, with emphasis on value-added products that will use the feedstocks generated as co-products in our synfuel plants," Kruger says

There is no intention at present to take over from government the 50% which Sasol does not already own in Sasol 3 The plant is primarily a synfuel producer, and hence has been particularly hard hit by weak fuel prices. Although Sasol has run down its borrowings, it is unlikely that a price could be set that would be acceptable to government based on Sasol 3's current profits, and, even if a compromise price could be struck, Sasol would not be keen to see the poor returns from the synfuel producer dilute its own earnings

Andrew McNulty

SASOL SINKS

Six months to	Dec 27 '86	June 27 '87	Dec 26 '87
Turnover (Rm)	1 452	1 657	1 719
Net operating income (Rm)	504	367	354
Attributable (Rm)	289	237	207
Earnings (c)	51,4	42,1	36,8
Dividends (c)	- 22,5	25,0	22,5

AVI

Propitious results

Anglovaal Industries (AVI) looks set for a large surge in earnings per share for the six months to end-December even after the 9% share dilution Equally importantly, AVI is building in greater resilience for long-term profits Compared with year-ago figures, results already released show that the group's largest consumer-based businesses performed well in the interim and the construction and engineering interests improved in a dour market

Major contributor **Consol** lifted earnings 73% to R24,8m (R14,3m), though after such a large increase the growth rate could slacken in the second half The company's new Ciskei-based rigid plastic plant is operating profitably, as are the two previously loss-making flexibles plants acquired from Gundle But bottom-line growth remains largely tied to bottle sales, which are expected to remain buoyant

Irvin & Johnson's (I & J) frozen food operations — AVI's second largest earnings component — fared even better and, provided consumer spending keeps at present levels, could well improve further in the second half I & J is now operating at former margins and, helped by a 21% turnover rise, earnings nearly doubled to R19,9m (R10,3m)

Growth in AVI's other smaller businesses has been less inspiring and short-term im-

Committee 'unable to visit' test range

By BARRY STREEK

FOR the second successive year, the Council for the Environment has reported that it has been unable to find out whether the development of Armscor's missile-testing range near the De Hoop nature reserve was being developed in accordance with the Hey report

The council's Overberg committee is meant to determine if the development of the testing range is in accordance with the Hey report, which investigated the environmental impact of the project on the area

In its 1987 report, which was tabled in Parliament yesterday, the council said no meetings of the Overberg committee were held during the year under review

"The committee received no documentation and was unable to visit the range

"The committee established that it was unable to determine whether the Overberg Test Range is being developed in accordance with the Hey Committee's report."

In its 1986 report, the council said it had tried to satisfy itself that the development of the Overberg test range was in accordance with the Hey report, but it had been unable to do this because the oral and written evidence was "deemed insufficient".

In 1983 Armscor made a number of public undertakings to minimize the environmental impact of the missile range.

After environmental bodies called for an independent monitoring body, the Minister of Defence, General Magnus Malan, said in May 1984 that Cape provincial environment officials would be permanently on the site to help monitor the environmental impact

In October 1984, an environmental committee was appointed by the then Minister of Environment Affairs, Mr John Wiley, to monitor activities at the missile range and report on the implementation of the Hey report

Iscor to spend R250m on coal mine project

ISCOR will spend R250-million on expansion of its Tshikondeni coal mine on the border of the Kruger National Park and Venda.

By Don Robertson

The project, which will start in the middle of this year, will involve construction of a 123km rail link between the mine and the Messina line near Huntleigh in the Northern Transvaal.

The mine is north of Punda Maria in the Kruger National Park near the Zimbabwe border

The mine was established as an experimental operation in 1983 to obtain information about underground conditions This was necessary because of the many faults in the area and the sloping nature of the coal seam

Blast furnaces

Additional tests were made to establish whether the coking coal from Tshikondeni could be successfully blended with other types for use in Iscor's blast furnaces

The studies were so successful that the original production rate of 1 000 tons a week was lifted to 2 000, to 3 000 and finally to 4 000 However, with the present infrastructure, production increases could not be achieved

The project will include construction of a beneficiation plant, additional shafts, the purchase of equipment, construction of the rail link and development of residential areas and sports facilities

The project will be financed partly by Iscor The rail line will be funded through loans from the Development Bank of Southern Africa

Grootegeluk

When at full production in 1991, the mine will employ 900 people

Because the mine is close to the game reserve, Iscor says it has ensured that the environment will be disturbed as little as possible

An environmental study was conducted by consultants as well as the corporation's specialists Development will comply with their recommendations

Iscor has established an environmental council Habitat rehabilitation plans for nine of the 10 Iscor mines have been completed and six of them have been approved by the chief inspector of mines. The plans for Tshikondeni and Glen Douglas are under consideration

Iscor, likely to be one of the first Government operations to be privatised, used 5,2-million tons of coking coal last year A total of 1,2-million tons were bought from outside sources

Most of Iscor's coal needs are supplied by the giant Grootegeluk mine which is being expanded at a cost of R438-million to lift output from 4-million tons a year to 12-million The additional coal will be supplied to Eskom's Matimba power station

The upgrading of Tshikondeni mine is part of Iscor's continuing exploration programme

A deposit which may be suitable as a source of direct-reduction and Corex coal is being examined in the Eastern Transvaal, and an anthracite deposit in Kangwane is also being looked at Full-scale tests with this anthracite in the direct-reduction process are planned.

There are fears, however, that Iscor could end with considerable spare capacity

Sanctions have severely hit steel exports and domestic demand has fallen.

Last year, Iscor sold 5,4-million tons of steel However, domestic demand fell by 1% because of declines in plate and sheet metal (9%), rail transport equipment (50%), industrial, mining and construction equipment, motor vehicles (18%) and construction (14%)

These declines were countered by improved demand from the iron and steel industries (2%), metal pipe and fittings (10%), container manufacture (16%) and the canning industry (16%)

Export prospects

In the current year, Iscor can expect a modest improvement in SA demand because of the Mossel Bay gas project. Iscor will supply about 60 000 tons of specialised steels for the offshore platform

Although the numbers are small, production of this speciality steel will make Iscor one of only six producers in the world with this technology It could lead to export orders

Negotiations are taking place with SA vehicle manufacturers for the supply of up to 26 000 tons of galvanised steel which has previously been imported from Germany and Japan

Iscor to buy R100m plant

PRETORIA — In a top-secret deal, Iscor is to buy a R100m hi-tech steel plant from Japan which will make South Africa self-sufficient in certain types of coated steels.

The investment will enable the steel giant to supply motor manufacturers with special materials previously not locally available and will save them R50m a year in foreign exchange.

The deal is expected to place further strain on relations between Japan's foreign ministry and its Ministry of International Trade and Industry (Miti), which have clashed recently over increased trade with South Africa.

The project had been kept under wraps in an attempt to protect Miti, whose primary interest is in securing trade for Japan.

Japan's foreign ministry has been attempting to sever trading ties with South Africa because of political pressure. — DDC

US boycott could block deal

Iscor to buy R100m plant from Japan

IN A top-secret deal, Iscor is to buy a R100m hi-tech steel plant from Japan which will make SA self-sufficient in certain types of coated steels.

The investment will enable the steel giant to supply local motor manufacturers with special materials previously not available in SA.

The deal is expected to place further strain on relations between Japan's Foreign Ministry and its Ministry of International Trade and Industry (Miti), which have clashed recently over Japan's growing trade with SA.

Details of the project, which were leaked to Business Day at the weekend, have been kept under wraps in an attempt to protect Miti, whose primary interest is in securing trade for Japan.

Japan's Foreign Ministry has been attempting to sever trading ties with SA after pressure from the US anti-apartheid lobby and black African states.

However, highly placed sources said the Iscor move could be placed in jeopardy by black American congressional caucus chairman Mervyn Dymally, who has warned Japan's Prime Minister Noboru Takeshita of a boycott of Japanese goods by black Americans if Japan persisted in trading with SA.

The motor industry stands to save

MICK COLLINS

about R50m a year in foreign exchange if the deal goes through, as Iscor would be able to supply it with the 25 000 tons of special steel needed each year

Highly placed sources said at the weekend that the deal, which is about to be signed, had the support of all but a few the of major local motor manufacturers The dissenters are said to be Mercedes and BMW, who want German technology involved.

Iscor spokesman Piet Du Plessis said he could not confirm details of the R100m deal.

But, he said, discussions with the motor industry on the local manufacture of certain types of imported steel were still ongoing and nothing had been finalised

If and when a decision was made on the issue, Iscor would go out on tender for a deal in line with its normal policy, he said.

The hi-tech plant — an Electro Galv (EG) line — will ensure supplies of special corrosive-resistant steel for body-parts previously imported from West Germany and Japan.

Meetings between Iscor officials and

● To Page 2

Iscor to buy R100m steel plant

local motor manufacturers — Volkswagen SA, Toyota, Nissan, Mercedes, BMW and Delta — have already been held

Due to come on line only in 1990, the plant will supply top-class coated steel products and is considered one of SA's most significant import-replacement projects

"Up to now Iscor products have not been good enough for the job They are susceptible to corrosion. The new product will have better formability and durability," said one source

● From Page 1

A Toyota spokesman confirmed that talks had been held with Iscor and said his company imported between 800 tons and 1 000 tons of the coated steel a month

A Volkswagen SA spokesman declined to stipulate what VW paid in rand terms for its overseas steel purchases "We won't divulge this because of competitors but, in general terms, our company imports between 450 tons and 500 tons of coated steel every month"

Faith fuels Iscor's new venture

R250m mining investment for north Tvl

260 ~~280~~

Bldg 7/3/88

FAITH is the essential ingredient behind Iscor's R250m mining investment in the north-east corner of Venda in the northern Transvaal, Iscor MD Willem van Wyk says.

International sanctions on SA steel products have had a severe effect on Iscor's export market. Nevertheless, the quasi-government steel producer has decided to provide for its coking coal needs for at least the next 20 years by spending R250m on the expansion of its Tshikondeni coal mine on the border of the Kruger National Park and Venda.

Van Wyk says: "You have to have faith when you go into a big project of this nature. You have to believe there will be stability and growth in the economy, otherwise you're a lame duck."

The Tshikondeni mine is a long-term project designed to meet Iscor's coking-coal requirements after the gradual phasing out of the company's two northern Natal coal-mines.

REINIE BOOYSEN

The Durnacol and Hlobane mines are between seven and 10 years from the end of their productive lives, as the decreasing yields are becoming less economical.

Iscor estimates that costs on the mine and beneficiation plant at Tshikondeni will be recouped between four and five years after full production comes on stream in 1991.

The planned production rate at Tshikondeni is 25 000 tons of unprocessed coal a month (300 000 tons a year), yielding 18 000 tons of coking coal a month.

The R150m railway line from Tshikondeni to Huntleigh (123km) in the northern Transvaal is being financed by a loan from the Development Bank of SA, which will be repaid over 20 years.

Van Wyk says: "You can never have a guarantee a project like this is going to be viable. But if you do not believe in the future of our country, Venda and Iscor, you cannot do anything."

Iscor denies deal for Japanese plant

260 BLDay 8/3/88

ISCOR yesterday denied it had had secret negotiations with Japan for the purchase of a hi-tech, multi-million rand electrolytic galvanising (EG) steel plant.

But Iscor public relations manager Piet du Plessis, reacting to a report in Business Day, confirmed to Sapa the steel giant is to establish a plant at its Vanderbijlpark works.

In a tersely worded statement to Business Day, Du Plessis said: "There is no question of a secret transaction soon to be signed."

By the end of March Iscor would issue an open inquiry for the construction of a R60m EG plant to produce materials for use, among others, in the motor industry, which imports this material.

MICK COLLINS

"There are companies in a number of countries which have the necessary technology and at this stage it is not known which concerns would be interested in tendering for the contract."

However, motor industry sources yesterday again reaffirmed that Japanese technology would be bought.

"If Iscor was not involved directly, then someone — government — definitely was," said one highly placed motor industry source.

He also confirmed that opposition from locally based German vehicle manufacturers was one of the reasons for Iscor's reticence in announcing the deal.

GRAB A DOG

Illegal strikes: workers charged/convicted

463 Mr J B DE R VAN GEND asked the Minister of Justice

How many workers in each race group were (a) charged with and (b) convicted of illegal strikes and related conduct for the period 1 July 1986 to 30 June 1987?

The MINISTER OF JUSTICE

The information is not readily available in the Department In an effort to be of assistance to the hon member, the following information was obtained from the Central Statistical Services

(a)	Whites	0
	Coloureds	1
	Asiatics	0
	Blacks	126
	Total	127
(b)	Whites	0
	Coloureds	1
	Asiatics	0
	Blacks	19
	Total	20

Public violence: persons charged

465 Mrs H SUZMAN asked the Minister of Justice

(1) (a) What total number of persons in each magisterial district was charged with public violence in 1987 and (b) how many of them were (i) under the age of 18, (ii) between the ages of 18 and 21 and (iii) over the age of 21 years,

(2) whether any of these persons were convicted on these charges, if so, (a) how many in each age category and (b) how many of those convicted were sentenced to terms of imprisonment without the option of a fine,

(3) whether any of the persons so charged had the charges against them withdrawn, if so, how many in each of these age categories?

The MINISTER OF JUSTICE

The hon member is referred to my reply to Written Question No 458 of 1988

Males/females executed

469 Mrs H SUZMAN asked the Minister of Justice

(a) How many (i) males and (ii) females of each race group were executed in the Republic in 1987 and (b) for what crime or crimes had each death sentence been imposed?

The MINISTER OF JUSTICE

(a) (i) *Males*

Black	102
Coloured	53
White	9
Total	164

(ii) No females were executed during 1987

(b)

Murder	Black men	86
	Coloured men	51
	White men	9
Rape	Black men	2
	Coloured man	1

Robbery with aggravating circumstances

Black men	3
Coloured man	1

More than one offence

(i) Murder and robbery with aggravating circumstances
Black men 5

(ii) Murder and rape
Black men 3

(iii) Murder, housebreaking with the intent to rob and robbery with aggravating circumstances
Black men 3

Companies placed under compulsory liquidation

476 Mr H H SCHWARZ asked the Minister of Justice

How many companies were placed under compulsory liquidation in the area of each Master of the Supreme Court in 1987?

The MINISTER OF JUSTICE

Cape of Good Hope	198
Northern Cape	14
Eastern Cape	43
Orange Free State	17
Natal	123
Transvaal	946
	1 341

Persons declared bankrupt

477 Mr H H SCHWARZ asked the Minister of Justice

How many persons were declared bankrupt in each Division of the Supreme Court in 1987?

The MINISTER OF JUSTICE

Cape of Good Hope	538
Northern Cape	92
Eastern Cape	195
Orange Free State	446
Natal	289
Transvaal	2 533
	4 093

Human Sciences Research Council research directives by Government

499 Mr P G SOAL asked the Minister of National Education

Whether the Government has given any research directives to the Human Sciences Research Council since 1 January 1987, if so, (a)(i) how many and (ii) what is the nature of each of these directives and (b) in respect of what date is this information furnished?

The MINISTER OF NATIONAL EDUCATION

Yes

(a) (i) 27

(ii) 1 American public opinion towards South Africa
2 Developing a procedure to evaluate clerical counter services in government departments
3 An enquiry into the attitude of Indians and Coloureds regarding a career/work in the SADF
4 Demand for and supply of manpower
5 Survey of the income and expenditure patterns of households in Ciskei and Transkei
6 The development of a selection battery for illiterates and semi-literates
7 The qualitative evaluation of management training in South Africa
8 Investigation into the development concept and the development of suitable training inputs
9 Estimation of under-enumeration during the census of 1985
10 A follow-up study among family planning workers in respect of attitudes towards occupational activities
11 Determining contraceptive continuation rates
12 Preventive health needs of men in the PWV-area
13 Perceptions of the public concerning aspects of the family-planning programme
14 The development of a crisis-intervention programme for victims of sexual crimes
15 Investigation into foster care
16 An assessment of the impact of intensive agricultural development on the inhabitants of the Makathini Flats
17 The monitoring of perceptions of socio-political change among Whites Coloureds, Asians and Blacks in South Africa
18 The experience of members of Gay organisations in Southern Africa regarding the Acquired Immune Deficiency Syndrome (AIDS) in South Africa
19 The development of a training course in communication for senior officers (SA Defence Force)
20 Identification of the needs for negotiations skills among staff of the Department of Post and Telecommunications and the implementation of the findings in a newly designed training course
21 Optimalization of communication on nature conservation for Blacks
22 Evaluation of career education in the schools of the Department of Education and Training
23 Job opportunities for the disabled
24 The informal sector and zoning in Black areas
25 The value of training in prisons as seen by the prisoners them-

selves and the training personnel
26 Labour-intensive projects
27 Non-accredited skills training

(b) 26 February 1988

Foreign students at South African universities

531 Mr C J DERBY-LEWIS asked the Minister of National Education

(1) Whether his Department keeps a record of the number of foreign students who attended South African universities in each of the latest specified five years for which figures are available, if not, why not, if so, (a) how many were there in each such year and (b) what were their countries of origin,

(2) whether subsidies were paid in respect of these students by the South African Government, if so, what subsidies?

The MINISTER OF NATIONAL EDUCATION

(1) Yes, where "foreign students" mean non-resident aliens (i e persons who are in this country on a temporary basis and who do not have the right to remain indefinitely) and foreigners (i e persons who are not South African citizens, and who are not living in this country while studying)

(a) 1982 9 485
1983 12 053
1984 12 782
1985 15 007
1986 16 546

(b) See attached table

(2) Yes The subsidy paid to universities as per the approved subsidy formula

Number of foreign students at South African Universities for the years 1982 to 1986 (Res = Residential Universities)

Country of permanent residence	1982		1983		1984		1985		1986	
	Res	Unisa	Res	Unisa	Res	Unisa	Res	Unisa	Res	Unisa
Transkei	92	562	98	1 202	220	1 509	263	2 096	372	1 943
Bophuthatswana	33	365	18	1 016	95	1 232	287	1 613	537	2 061
Venda	2	182	13	435	52	487	173	641	316	812
Ciskei	1	19	21	347	69	374	76	472	126	636
South West Africa	591	184	652	783	819	909	917	1 126	943	891
Zimbabwe	1 617	1 076	1 446	1 084	1 326	1 066	1 062	1 191	1 188	1 318
Lesotho	18	33	18	57	32	62	37	64	49	80
Botswana	21	34	17	47	28	37	31	39	21	37
Swaziland	30	50	26	91	43	27	52	87	64	85
Mozambique	3	0	3	0	5	0	3	0	3	16
Angola	2	0	3	0	4	0	4	0	5	0
Zambia	46	22	39	25	52	30	41	29	38	29
Malawi	14	32	8	0	17	0	23	20	31	22
Other African Countries	58	49	73	94	106	99	134	124	147	102
Countries in Europe	1 036	2 734	1 074	2 781	569	2 938	470	3 335	618	3 373
Countries in Asia	72	102	42	104	36	119	30	151	88	168
Countries in North America	69	123	90	125	68	149	52	185	91	171
Countries in South America	15	31	17	28	15	32	9	41	11	43
Countries in Australasia & Oceania	76	91	69	107	36	120	29	100	15	96
TOTAL	3 796	5 689	3 727	8 326	3 592	9 190	3 693	11 314	4 663	11 883

Overseas visits

573 Mr P G SOAL asked the Minister of Justice

(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 the (a) Department of Justice and (b) Prisons Service as a result, if so, what total amount in that year in each case?

The MINISTER OF JUSTICE

(1) No

(2) and (3) Fall away

260 B/dow 10/3/88.

First stage in operation by June

Kendal power station comes on line soon

THE first stage of the world's largest indirect dry-cooled power station — Eskom's R6bn Kendal site in the Transvaal — is due to come on stream shortly.

Originally scheduled for start-up later this year, sources said yesterday the first of six R1bn generating sets could be set to go on line as early as June.

Eskom said yesterday its schedule for the generating plant was "on line" and should go into commercial operation by June.

"In all, there will be six generating sets with the last set to come on stream by 1993," an Eskom spokesman said.

The project, which will eventually deliver 3 780 MW into the national grid, will take its coal from the Khutala mine.

The spokesman said water savings on the project, once it was fully operational, would be a massive 100-million cubic metres a day.

"The station will work on a closed cooling system — like a car radiator. Our studies show that it will use a third of normal usage in a wet cooled station of similar size. Kendal won't have the normal cooling towers seen

MICK COLLINS

at other power stations, where evaporation accounts for 150-million cubic metres of water daily."

One of the major design and engineering companies engaged on the project, Clivemech, said yesterday the last of about 1 200 drawings in the design of reinforced concrete structures for six boiler houses on the project had been handed over to the civil contractor Gillis-Mason

The design work for each of the six units comprises foundations for steel superstructure, mill and fan bases, blowdown water and ash handling sumps, cable tunnel, coal and ash conveyor foundations and ground floor slab

The design contract was awarded to Clivemech by Gillis-Mason, which was successful in its design and construction tender to main boiler contractor Ce International Inc.

Although Eskom's present generation capacity is sufficient to meet SA's electricity needs, a yearly 5% increase in demand on its services in the medium-term has been forcast

New stations to come on line will be Lethabo and Tutuka (1990), Matimba (1991) and Kendal (1993).

REGIONAL DEVELOPMENT

Banking on Iscor

The Development Bank of Southern Africa (DBSA) has approved its biggest loan ever in agreeing to help finance a R250m project centred on expansion of Iscor's Tshikondeni coal mine near the Kruger National Park

Iscor itself is spending about R70m at the northern Venda mine on a coal beneficiation plant, developing shaft systems and installing new equipment DBSA has loaned the Venda government R149m for the construc-

FINANCIAL MAIL MARCH 11 1988

tion of a 123 km railway line linking the mine with the main northern Transvaal line at Huntleigh, near Louis Trichardt

It will help the homeland find a further R30m from the private sector for residential, business and social developments at Tshikondeni, which will eventually employ 900 people DBSA operations GM Deon Richter says when roads, telecommunications and other infrastructure is complete, the final bill will total R360m, spread over seven years

The R149m loan, to be repaid over 23 years, is nearly 50% more than the bank has committed to a single project before Although the deal was signed with Venda, it is effectively Iscor that will service the loan

Under a contract between Iscor and Venda, the loan will be channelled to Iscor to build and maintain the railway line Iscor will provide the cash for loan repayments through royalties and other payments on its Venda operations

Iscor is expanding production of coking coal at Tshikondeni to 14 000 t/week The mine was commissioned five years ago in an experiment to learn more about local mining conditions and to test Tshikondeni coal in coke blends for Iscor blast furnaces Tests were so successful that production at the mine has already risen to 4 000 t/week

Extensions to the Tshikondeni mine will begin in June and Iscor expects to reach full production in 1991 The extra coal is needed to compensate for Iscor's northern Natal mines, which are approaching the end of their useful life At 14 000 t/week, Tshikondeni has an expected life of about 20 years ■

REGIONAL DEVELOPMENT

Banking on Iscor

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Iscor itself is spending about R70m at the northern Venda mine on a coal beneficiation plant, developing shaft systems and installing new equipment DBSA has loaned the Venda government R149m for the construction of a 123 km railway line linking the mine with the main northern Transvaal line at Huntleigh, near Louis Trichardt

It will help the homeland find a further R30m from the private sector for residential, business and social developments at Tshikondeni, which will eventually employ 900 people DBSA operations GM Deon Richter says when roads, telecommunications and other infrastructure is complete, the final bill will total R360m, spread over seven years.

The R149m loan, to be repaid over 23 years, is nearly 50% more than the bank has committed to a single project before Although the deal was signed with Venda, it is effectively Iscor that will service the loan

Under a contract between Iscor and Venda, the loan will be channelled to Iscor to build and maintain the railway line Iscor will provide the cash for loan repayments through royalties and other payments on its Venda operations

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Sowetan 11/3/88

THERE is still hope, say the Sacwu workers dismissed by Sasol

SCARRED . . . THEY WAIT IN POVERTY

FOCUS

By THEMBA MOLEFE

ON October 1 1987 about 2 000 workers at Sasol in the Free State went on strike over wages The next day they were dismissed Six months later — and still out of work — many bear the scars dating back to the day they made their demands

Mr Clean Gungubele (38) walks with the aid of crutches Although he broke his right ankle on October 2 last year he still needs those crutches His doctor says the ankle will take a long time to heal

Mr Gungubele, a soft-spoken man who started working for Sasol in 1976 told the story as it happened on October 2 when about 20 armed men attacked him and his comrades at Hostel 4 at Zamdela township in Sasolburg

"They came there armed with an assortment of weapons and we formed a human wall to defend ourselves We had to retreat and run for it as a shot was heard

"I saw Ngotto Sexabaswa fall He was shot in the eye He has since lost sight of the eye

"They trampled on my body as I fell and I broke my leg, Mr Gungubele said

Mr Gungubele is perhaps one of the lucky few who escaped with *minor* injuries

One of the 2 000 members of the South African Chemical Workers Union (Sacwu) at Sasol, Mr Ndiko Marune, died inside a police van at the height of vigilante activity which followed the strike action

The police confirmed that he collapsed and died while being transported to the Sasolburg police station The cause of death was unknown they said

Sacwu shop stewards interviewed in Zamdela said the vigilantes who were bent on "hounding Sacwu out of the township," were stopped when the union's lawyers intervened and the South African Police took action

Sacwu officials said the events which led up to the violence which also saw ordinary Zamdela residents caught in the middle as petrol-bomb attacks escalated and houses were destroyed because they accommodated dismissed workers, began with a 2 pm return-to-work deadline issued by management on October 2

The workers had downed tools after deadlock was reached over wage demands

Bail

The workers demanded a R200 across-the-board increase after moving down from R300 Management's offer was R100 across-the-board Workers said they earned a minimum R470 a month

A dispute was declared and the workers went out on strike

Since that day many union members were detained, others were arrested and charged with intimidation and later released on bail

The union, an affiliate of the National Council of Trade Unions, said it paid R1 200 to secure the release of four of its members One of them is a widow Mrs Florina Nketu

On February 3 this year two shop stewards, Mr Michael Magazi and Mr Edward Kau were released from state of emergency detention They were detained on November 10 and November 7 respectively

Meanwhile the workers still hoping that all channels to have their jobs back have not been exhausted, wait as Sasol continues with recruiting new workers

MR CLEAN Gungubele broken ankle

They say they have since been evicted from the two hostels owned by the company and had to move into the squalor of the accommodation rented from the council of Zamdela

On January 27 the workers say, they received letters from Sasol inviting them to reapply for their jobs "Those with experience and who had worked for the company before would be given preference

Hope

This was not to be as many of them who bothered to apply were replied by telegrams They would regretfully not be given jobs However their interest in the company was appreciated the telegrams said

On March 16 and 17 a conciliation board appointed by the Minister of Manpower will sit to hear the dispute

This is one thread of hope which many of the 2 000 Sacwu members are clinging to

Meanwhile many had had to return to their homes in the homelands and wait in poverty there

The *Sowetan* found others at a bar in Zamdela drinking their sorrow away

As one of the workers put it "Our sin was to demand better living wages Now we live like helpless humans with nothing to depend on except handouts

• Sasol management yesterday confirmed a conciliation board meeting with Sacwu was scheduled for later this month

A spokesman said it was committed to resolving the matter but said the company expressed its dismay at Sacwu's "steadfast refusal to accept the Sasol offer to fill some vacancies at their plants with dismissed Sacwu members "

"Some of the vacancies had therefore of necessity been filled by recruiting from sources other than dismissed workers

"The union throughout these negotiations not only rejected all the proposals for the employment of dismissed workers but also insisted that Sasol fire newly-recruited workers," management said

The company said the demand was unrealistic and would have been grossly unfair to the new employees

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

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(260) (92)

BUSINESS DAY, Friday, March 11, 1988

ISCOR, NUMSA SETTLE WAGE ISSUE OUT OF COURT

ALAN FINE

ISCOR and the National Union of Metalworkers of SA (Numsa) yesterday reached an out-of-court wage settlement arising out of a three-week strike by 7 000 Vanderbijlpark plant employees last July, according to Iscor's Piet du Plessis.

The strike was precipitated by a deadlock between the union's demand for a 75c an hour increase and Iscor's 34c offer.

The strike was suspended pending mediation. This failed and Numsa launched an industrial court application — claiming among other things that Iscor had negotiated in bad faith — which began earlier this week and which led to the settlement.

The settlement involves no change to Iscor's wage offer, but incorporates improvements in fringe benefits. The present R48,50 monthly deduction from wages for board and lodging will be reduced to R14,50 for lodging only, and workers will supply their own meals.

In addition, the corporation is to introduce a R13,50 housing allowance payable to each employee.

The union suggested during the strike that workers supply their own food, as they felt they could do it for less than the company was charging them.

Numsa could not be reached for comment.

Iscor plant is plagued by hitches

Bldow 11/3/88 260

MICK COLLINS

IN a major setback for SA steel production, the opening of Iscor's R110m revolutionary Corex plant in Pretoria has been delayed following numerous technical problems.

Main consortium leader Korf Engineering of West Germany, which developed the the coal-based iron manufacturing process, said repairs to the plant had halted production and it was not certain how soon it would work again.

The 300 000-tons-a-year plant was to have been the first in the world to go into commercial operation and is being closely watched by Japanese, American, Brazilian, Indian and East European steelmakers.

A delegation of top officials from the consortium set up to commission the plant, Korf of West Germany and Voest Alpine of Austria, are understood to be trying to sort out the problems

A Korf statement, reported in yesterday's Metal Bulletin, said the Pretoria plant was heated up on November 21 last year and went into operation as scheduled on December 13

It said that while the process worked very well, the plant was hit by a number of shutdowns resulting from temporary stoppages in nitrogen and oxygen supplies, and materials handling failures.

"As a result of the multiple shutdowns, it was not possible to tap successfully, and so the melter gasifier cooled down too much. Consequently it was necessary to stop the plant and empty the melter gasifier. It is difficult to estimate the time needed to carry out repairs as this depends to a large extent on the availability of spares."

The coal reduction process (KR) is used in the manufacture of liquid iron, which offers a revolutionary alternative to conventional blast furnaces.

The use of high-quality coking coal, expensive and scarce in SA, is eliminated by the KR plant, which is said to be capable of using a wider and cheaper variety of coals.

Sasol under fire as it hurts plastic industry

By Don Robertson

PLASTIC producers have criticised Sasol for yet another increase in the price of ethylene and have approached the authorities for assistance.

The Association of Plastic Producers of SA (APPSA) says the third increase in the price of ethylene in the past six months has pushed up the cost of polyethylene, which is made from ethylene, by 30%

The price of polyethylene is determined by AECI and Safripol

But in a hard-hitting statement, Trevor Evans, chairman of APPSA says Sasol's actions are short-sighted, profiteering and destabilising at a time when plastic processors are trying desperately to keep increases below the inflation rate

Mr Evans says the reasons for the price increase can have little to do with cost rises and are probably based on import parity with foreign materials

"Sasol is running at full capacity In the knowledge that we cannot import more cheaply, they are maximising the opportunity to make profits without due regard for the implications in the converting industry," he says

Sasol, however, says that although it provides the feedstock for polyethylene, its own higher ethylene prices are not responsible for the rise in polyethylene costs

Mr Evans disagrees and says higher ethylene prices are the main cause of the price jumps.

Sasol says ethylene price increases in the past 10 years have been well below the inflation rate and in real terms the current price is almost 20% lower than in 1981

The company says large quantities of polyethylene are being imported at prices which are about 10% above those in SA

"We happily accept that the higher price of imported polyethylene is averaged out with local price, but this would be responsible for increases of only about 5% in the past six months."

But Mr Evans says the 30% price rise will affect the competitiveness of plastics against other materials If the price of polyethylene rises in the next nine months, as seems likely, some converters will fold

The R3,5-billion industry is competitive and vital to the economy It employs about 34 000 people and consists of 1 000 companies

The plastic industry will not be able to absorb these increases and in a competitive market, profit margins will be trimmed

The APPSA has approached the Deputy Minister of Economic Affairs and Technology, Theo Alant, for assistance. Mr Evans says Dr Alant has expressed sympathy.

"Ultimately it is up to Sasol. If it cannot see that its short-sighted attitude is undermining the converting industry, then it can see nothing," says Mr Evans

Eskom officials to hold privatisation talks in UK

Daily Dispatch Correspondent

LONDON — Top Eskom executives are due to fly into Britain early this week for meetings with the Central Electricity Generating Board for talks on privatisation.

According to a report in the Sunday Telegraph, the discussions will anticipate the South African budget on Wednesday which is expected to confirm President P. W. Botha's drive to put privatisation at the top of the country's agenda.

Leading the delegation to London will be the chief general manager of Eskom, Mr Ian McRae.

It is not known when the meetings will take place or at what level.

However, the newspaper cautions that even partial flotation of Eskom could "be stymied" because of the continuing boycott of South Africa by overseas institutional buyers.

"Attracting overseas buyers for a share issue of any side is certain to prove a major hurdle," it predicts.

President Botha has already said that Eskom, with assets of R28-billion and annual revenue of R7-billion should have completed a privatisation study by the autumn and the checklist already runs to 30 key items.

A partial flotation raising up to R1-billion is already being rumoured in Johannesburg financial circles, but no figure has yet been determined.

New advertising deal for sponsors

Daily Dispatch Correspondent

JOHANNESBURG — The SABC yesterday confirmed it would approach advertisers to sponsor the screening of major sporting events, other than the event sponsor, as a means to recoup the costs of broadcasting

Several sponsors said if the SABC allowed this they would withdraw their event sponsorship

SABC's TopSport sponsorship head, Mr Arno Kotze, said yesterday the corporation was offering sponsors additional advertising opportunities

Sponsors raised the possibility that if a different company was given the broadcast sponsorship, the situation could arise when announcers would be saying, for example "This Benson & Hedges cricket match is brought to you by First National Bank"

However, Mr Kotze said he did not think drawing in other broadcast sponsors would clutter branded events

The senior general manager of First National Bank, Mr Jimmie MacKenzie, said "We would not permit our name to be shared with another sponsor and would have to withdraw if no other option was available

"If we were satisfied with the broadcast package, we would be delighted to sponsor the broadcast"

The managing director of Sun International, Mr Ken Rosevere, said he did not believe broadcast sponsorhips posed problems for event sponsors

"A variety of ads are screened during sporting events, and it is unlikely another sponsor would want to be associated with a well-branded event"

Technological self-sufficiency 'a must' for SA

(260) Bldg 1/3/88

Major changes are in the pipeline at CSIR

INTERNATIONAL hostility, isolation and sanctions had made technological self-sufficiency imperative, CSIR president Chris Garbers said yesterday.

Outlining major changes due to be implemented in the CSIR from April 1, Garbers said: "In the past imported technology was relatively cheap and easy to get. That time has passed These technological challenges put the spotlight squarely on the CSIR."

He said the CSIR would have to depend more on industry to provide research funds and that the needs of SA's rapidly growing population had also been a pressure for change

"People need food, water, air to breathe, houses and work now. Through technology, the wealth to afford it all is created This is part of the CSIR's commitment."

Another reason for the changes was

MICK COLLINS

SA's reassessment of the international marketplace which was growing more competitive. Any country which lost its place would find it impossible to catch up.

"Many of our traditional primary product markets overseas have been eroded through technological developments placing a major responsibility on the CSIR's shoulders to carve new niches for SA products."

Restructured

Strengthening the SA economy meant the acceleration of the transfer of technology to the public and private sectors in order to stimulate new growth.

In order to achieve its goal of being a partner to public and private sectors in search of solutions to SA's major development challenges, the CSIR would be restructured into four groups These were:

- ☐ Research, development and implementation group consisting of 11 divisions addressing building, water technology, micro-electronics, food, energy and transport research;
- ☐ Foundation for research development group to provide advanced research expertise in science and engineering and the high-level manpower needed to stimulate strategic research and international scientific collaboration,
- ☐ Corporate Support Services group to provide a support service to the CSIR and outside organisations, and
- ☐ Corporate financial management group to provide strategic financial planning for the organisation to ensure cost-effectiveness.

Sanctions put pressure on Iscor's profits

Finance Staff and Sapa

Iscor's net profit for the 1986/87 financial year declined by 23 percent to R71 million, chairman Marius de Waal said in his chairman's review in the 1987 annual report, tabled in Parliament yesterday

While higher raw material costs certainly played a role in the decline, analysts ascribe the drop in profits largely to sanctions, which hit iron ore export dramatically

Exports of iron ore dropped by 14,4 percent from nine million tons exported last year to only 7,7 million tons during 1987

The Iscor Group made a consolidated profit of R101 million before tax and extraordinary items, compared with R172 million the year before

Net profit after tax was R93 million (R163 million)

The profit was adequate for payment of the dividend to the Government for 1986/87

Extraordinary items amounted to R150 million

Group turnover increased from R3,902 billion in 1986 to R4,136 billion for the year under review

Trading profit, calculated in accordance with the Group's accounting policy to ensure assets were maintained at replacement value, was R193 million, (1986 — R310 million).

On the conventional historical basis, trading profit was R560 million (R563 million)

Iscor's sales in the domestic market were detrimentally affected by one percent

Conditions in the foreign steel markets were also less favourable, as regards product mix and prices, while a stronger rand against foreign monetary units had a further adverse effect on export earnings.

Operational problems resulted in liquid steel production being 2,1 percent lower than the previous year

Sales of 5,42 million tons of steel products were 268 000 tons less than in 1985/86

Capital expenditure was limited to projects that would enhance efficiency and quality and bring about costs savings, but would keep pace with improved technology

The R650 million required to finance the investment of R475 million in capital projects and R175 million for the net redemption of loans was obtained entirely from cash and other internal sources

The shareholders equity in the Iscor Group showed an increase from R3,126 billion on June 30 1986 to R3,606 billion on June 30, 1987

LOANS DOWN

At the same time, the Group's period loans declined from R998 million to R791 million

An expected revival in the local economy did not materialise in 1986/87

Local demand for steel dropped by about one per cent on the previous financial year

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Blow to privatisation hopes

Sanction-hit Iscor reports fall in profits

260 B/day 16/3/88

ISCOR'S iron ore exports from Sishen through Saldanha declined dramatically last year and amounted to only 7,7-million tons — a 14,4% decrease compared with the 9-million tons exported the previous year.

Economic sanctions applied by traditional trading partners would now necessitate the development of alternative markets, said Iscor chairman Marius de Waal in the corporation's annual report tabled in Parliament yesterday

The export decline also hit after-tax profits, which fell more than 23% from R93m to R71m for the year to end-June 1987. Market sources said the results dealt a blow to privatisation hopes for the steel giant which declared its profit level inadequate to provide for the payment of a dividend.

This was in line with the parastatal's policy on dividend cover

It said the profit drop was mainly the result of unfavourable conditions in both the domestic and foreign steel markets, and sharply rising costs.

Market reaction to the news was negative. Confidence in government's declared intention of privatising the steel conglomerate dropped

"There is no way they can list (privatise) Iscor without a good track record. On a declining income, investors just would not be interested," said a source

Another said the original market perception of Iscor had been one of growing confidence, which was now obviously affected by the poor results.

MICK COLLINS and CHRIS CAIRNCROSS

"Iscor will have to swing to the route taken by Eskom — cut its capex and get into good financial shape."

Capex for the year — limited to projects designed to enhance efficiency and make cost savings — totalled R650m, R475m going to capital projects and R175m to the net redemption of loans

Group turnover increased marginally from R3,9bn in 1986 to R4,1bn in 1987, enabling trading profit to be maintained at R560m (1986 — R563m), calculated on a historical cost basis. On an asset replacement basis, trading profit for the year was calculated at R193m, compared with R310m the previous year.

Shareholders' equity in Iscor increased further during the year from R3,1bn to R3,6bn. At the same time, Iscor's period loans declined from R998m to R791m

During the review year, Iscor supplied 5,42-million tons of steel products and 0,41-million tons of pool and pig iron to the domestic and export markets, compared with 5,67-million tons and 0,51-million tons respectively in the previous year.

According to Iscor's operational review this was due to the prevailing slackness in domestic economic conditions which caused a concomitant further decline in steel consumption in most of the major steel-consuming sectors.

Iscor's profits decline by 23pc

CAPE TOWN — Iscor's after tax profits declined by more than 23 per cent from R93 million to R71 million in the year to the end of June 1987.

This was mainly as a result of unfavourable conditions in both the domestic and foreign steel markets and sharply rising costs.

In Iscor's annual report tabled in Parliament yesterday, the chairman, Mr Marius de Waal, said this profit level was inadequate to provide for the payment of a dividend in line with the policy regarding dividend cover.

Group turnover increased marginally from R3,9 billion in 1986 to R4,1 billion in 1987, enabling trading profit to be maintained at R560m (1986-R563m), calculated on an historical cost basis.

Capital expenditure over the year on projects to enhance efficiency totalled R650m.

Shareholders' equity in Iscor increased further during the year from R3,1bn to R3,6bn. At the same time Iscor's period loans declined from R998m to R791m.

Decreases occurred in the areas of plate and sheet metal work (9 per cent), rail tranport equipment (50 per cent), motor vehicles (18 per cent), and construction (14 per cent).

Iscor's iron ore exports from Sishen through Saldanha declined during the review year, amounting to only 7,7m tons.— DDC

Iscor's profits slump

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Iscor's iron ore exports from Sishen through Saldanha declined dramatically during the review year, amounting to only 7,7m tons This represents a 14,4% decrease compared with the 9m tons exported in the previous year

CSIR

Breaking through

While the annual expenditure of the Council for Scientific and Industrial Research (CSIR) is approaching R300m a year, significant efforts are being made to make research and development pay for itself.

According to CSIR president Chris Garbers, contracts between the recently revamped organisation and research customers in both the public and private sectors have earned the organisation R108m over the past year, compared with the R162m voted by parliament for the financial year to March 31 1987.

The CSIR is now in the final stages of a restructuring that has seen 21 national research institutes reorganised into 15 divisions of the Research, Development and Implementation Group. All the divisions are involved in contract work to a greater of lesser degree, with two of them — Roads and Transport Technology and Aeronautical Systems Technology — already generating close to 100% of their revenues from this source.

While the results of expenditure on R&D cannot always be quantified, the CSIR's annual report details some instances of important cost savings. For instance, an agreed budget of R7m for a school in Namibia was slashed to R3m after the expert intervention of a team from the Building Technology division.

The divisions all report significant achievements in the financial year under review. Some of the highlights are:

- ☐ A technological breakthrough in solving "concrete plague," a major problem in many of the country's concrete structures;
- ☐ Publication of what is claimed to be the most comprehensive handbook ever on low-cost housing;
- ☐ Development of low-cost integrated circuits for surge protection of telephone systems during lightning strikes;
- ☐ Development of the first heavy-duty wood preservative, developed worldwide since 1937;
- ☐ Development of sophisticated technology for the bioproduction of essential amino-acids;
- ☐ Research in extending the storage period of fresh fish; and
- ☐ Taking out provisional patents for tough zirconia ceramics which show high potential in wear-resistant applications.

And for those who worry that pure research is losing out to the applied variety, the Astronomical Observatory at Sutherland obtained "a much more extensive set of observations of the light variations of Supernova 1987A (the brightest for nearly 400 years) at a wide range of optical and infrared wavelengths than has been possible anywhere else in the world."

According to Garbers, the CSIR is now "firmly positioned to play a major role in strengthening both the public and private sectors in their thrusts to meet the development challenges of the sub-continent" and to increase the competitiveness of industry. ■

TELECOMMUNICATIONS

Facts about fax

The advent of the facsimile (fax) transceiver, has revolutionised document communication. In seconds, a document can be transmitted between two points anywhere in the world. Understandably, then, the potential for these machines is enormous and the South African market for them is expected to be worth about R90m this year.

The fax has already made a big impact in SA, with the number of machines installed increasing from 3 500 in December 1986 to at least 16 000 in February this year. Between 800 and 1 000 machines a month were brought into the country last year and this figure is expected to increase to 1 600 a month by mid-1988

According to Dave Roberts, GM of fax supplier Mathieson & Ashley (M&A), the 1987 growth rate of 200% will be sustained through 1988.

There are now about 27 000 telex machines in SA — and fax machines follow where telexes have set the trend — and the range of applications for fax far exceeds that of telex.

Roberts sees a new market opening up as fax prices come down and smaller, portable machines make their presence felt. Fax is now within the means of even the smallest business and the age of hard copy desk-to-desk communications is just around the corner.

There is a real gap in the market for machines priced at under R3 000, he says, and it is against this background that M&A is offering the PN 2000, which is claimed to be the first portable fax machine to be launched in SA.

Says Roberts: "At a retail price of R2 995 and with rental options from as low as R60 a month, it is set to capture a considerable portion of the bottom-end of the fax market."

The PN 2000 is manufactured by TEC, a leading Japanese electronics company. It has all the features of a basic fax machine and, with a built-in carry handle, compact and lightweight at only 4 kg, it couples direct to any public telephone line and normal plug point.

"It is ideal for small businesses and first-time users, for the executive to take home or on business trips, as a desktop fax for the office or home, or for inter-executive and

CHIPPING OFF THE BLOCK

A new national property listing service has been launched based on the Beltel videotex service.

It incorporates a sophisticated search facility to allow users to narrow down their selection to properties which fit their specific requirements.

Interlink Data Systems has developed the service — to be known as Interlink Property Network (IPN) — but insists the service will strictly be driven by estate agents.

IPN is thus not setting itself up as a property seller, but a provider of a service to estate agents and the public. According to MD Paul Howard, the interests of estate agents will be protected as only the details of the properties will be listed. Potential buyers will have to contact the listing agent to arrange to view a listed property.

Howard says on-line banking and insurance services will allow users to arrange the details of a transaction instead of waiting for office hours. IPN will also provide information on property prices in particular areas and enable the user to perform mortgage-bond calculations to determine whether they can afford a particular property.

Furthermore, firms of estate agencies can restrict the access to the properties listed, allowing entry to only their own agents, other estate agents or the public. The system will also override duplicate listings.

Mike Mortimer, technical director of videotex consultancy Elmdene, says agents will be able to communicate with each other on the system, arranging deals such as split commissions. When canvassing an area, agents can enter new properties directly on to the system via a portable Beltel terminal.

ARLENE URGER
eports from ourt 2B

The 'secret assassins

VAN DER MERWE TELLS COURT OF CLANDESTINE POLICE OPERATION AGAINST ANC IN SWAZILAND

THREE ANC operatives shot dead in Swaziland last July and three PAC members killed in a shootout on Corlett Drive, Johannesburg, a month later were victims of clandestine SA Police operations, the Rand Supreme Court was told this week.

In dramatic evidence at the trial for murder of two top detectives, a former Brixton Murder and Robbery Squad officer said he had not hesitated to assassinate three men whom he believed had ANC connections "because I knew it had happened before"

Detective Sergeant Robert Edmundt van der Merwe, 30, was giving evidence in his own defence

He and the former head of the East Rand Murder and Robbery Squad, Captain Jack la Grange, 40, are charged with the murders of two Reef drug dealers and the attempted murder of a third

Referring to his pocket diary, Sgt van der Merwe said he had been on duty at the Oshoek border post on Wednesday July 8 last year

"When I arrived, shortly after 8pm, I chatted to four policemen from the Pretoria security police

"I asked them what they were doing there and they told me they were engaged in a clandestine operation

"This was the first time I had heard the term and I asked them what they meant

"They told me 'read about it in the newspapers in a day or two then you'll know what we are here for' "

Later that evening, he said, he had overheard two of the policemen talking in a toilet

"They were reasonably drunk and I heard one of them say the BMW and the weapons were already across the border One said 'We'll see the source tomorrow night and if the targets are right' "

Two days later, Sgt van der Merwe said, newspapers carried reports of three suspected ANC operatives being shot after three whites in a black BMW forced them off the road to the Manzini airport

"I definitely connected the incident with the conversation two nights before"

Robberies

A month later, he claimed, members of the Brixton Murder and Robbery Squad "hit" a gold Toyota Corolla after a wild chase on Corlett Drive in Bramley

"This was a joint operation with the security police," he said

The men — linked to the notorious Scorpion Gang suspected of several armed robberies — were later identified by the Pan African Congress as members of their military wing, the Azanian People's Liberation Army

Four cocked Czechoslovakian-made Scorpion machine pistols and four full magazines were found in the car

Sgt van der Merwe also told the court he and a colleague had met a Commandant John Vorster while on an official visit to Nelspruit

Renamo

"There was another [illegible]

Robert van der Merwe . . . killed 'ANC operatives' because he believed it had 'happened before'

Robert's 'a good policeman: I love him'

"HE must have had his reasons for doing what he did He's a good policeman I love him and of course I'm still proud of him"

As her young husband fights for his life in the Rand Supreme Court, a delicate-looking Mrs Amanda van der Merwe, 28, is conducting a battle of her own

Since his trial started two weeks ago, she has been in court each day, sitting close behind Detective-Sergeant Robert van der Merwe and spending every recess with him in the police cells below

Tears

This week, she left early and in tears, two days running

"The worst of it is to sit here and hear your husband being humiliated and torn to pieces," she said

"And at home, it's so hard to explain to the children My daughter, who's eight, knows more or less what has happened — but she's desperately longing to see her father

"She hasn't seen him since he was arrested on December band Jack sits next to Sgt van der Merwe in the dock.

As he enters court each morning, they smile at one another and Mrs La Grange reaches across to touch him briefly on the shoulder

● The tense atmosphere in court has been broken at times by laughter from spectators and officials alike

Judge Irving Steyn has been responsible for some lighter moments in the trial which he described on Friday as "a very serious case"

Before lunch on Friday, Capt la Grange's counsel, Advocate Eddie Bruwer, rose while Sgt van der Merwe was being questioned by Transvaal Attorney-General Mr Klaus von Lieres.

"If my friend wishes to raise an objection, perhaps time," Mr Bruwer replied

"That's the best objection of all," the judge said

There was also laughter when Sgt van der Merwe described the attitude of Brixton murder and robbery squad members towards operations normally carried out by the Security Branch

"With respect, Your Honour, we felt we were the men with the balls to do the job"

But perhaps the most poignant glimpse of the men behind the charges came during the tea recess on Friday

Standing on the stairs leading to the cells below, Capt La Grange was discussing Thursday morning s bomb blast at the Krugersdorp magistrate's court with SABC-TV reporter Mr Chris Olckers.

Robert's 'a good policeman: I love him'

HERO worship, respect for rank and a "close" friendship were torn to shreds in the Rand Supreme Court this week

Yet, despite a merciless grilling under cross-examination about his relationship with co-accused Captain Jack la Grange, Detective Sergeant Robert van der Merwe maintained "I still have the highest respect for him

"That man has many good points even though he misused me I would not just throw things in his face"

Charges

Sgt van der Merwe spent more than 13 hours in the witness box after taking the stand on Wednesday

He and Captain La Grange, 40, former head of the East Rand Murder and Robbery Squad, have pleaded not guilty to

● Murdering Mr Bernie Alex Ogle outside his Eldorado Park home on September 28 last year

● Attempting to murder Soweto construction mogul Mr Ernest Malokoane at his Diepkloof home three hours later

● Murdering registered police informer Mr Peter Pillay near Riverlea on October 4

All three men have been identified in court as drug dealers with a taste for luxury homes and imported cars

In a statement made to a Roodepoort magistrate shortly after his arrest, Sgt Van der Merwe has admitted shooting th.. men

He believed they had to be eliminated in a clandestine operation ordered by SA Police headquarters because they had ANC connections, he said

When approached by Captain La Grange to perform the executions he had not hesitated

"I believed that what I was doing was in the national interest and it would never have occurred to me to question an order from an officer"

Only when Captain La Grange told him in November that "there are problems with the first three operations and now we have to take out Basie Smit" did he balk at the idea

"It's one thing to kill three drug dealers or ANC supporters It's something else to shoot a senior police officer," he told State Prosecutor Mr Klaus von Lieres

BRIGADIER BASIE SMIT
On the Captain's hit list?

Sgt van der Merwe described himself as a policeman who "never saw my work as work"

"I believed I had been called by a higher hand to be a policeman My work meant so much to me that it even interfered with my marriage at times

"My wife and my mother-in-law often spoke to me about this, but I had told them before we married that my work came first, then my wife, then my children," the young detective said

"I put Captain La Gr on a pedestal As a y policeman at Brixton, he the only officer we could proach with our pers problems, and he was doubtedly the best offic the squad

"If it was at all possi wanted to be like the ca I trusted him, and I doubted that he had bee dered by head office to e nate these three men"

Asked whether he v have acted as unques ingly if ordered to sh common criminal, Sgt der Merwe said he woul

Hatred

"I believed these ANC supporters, and why I did it"

His attitude towards ANC, he said, had been "open hatred" since he seen his colleagues b apart by the car bomb exploded in front of th hannesburg magistr court last year

"I believed that at stage, head office would er the whole investiga he said

But, Sgt van der M said, when shown a drawal slip for R30 000 Mr Peter Pillay's ac and a statement fro Ivor Bunting in which he had lent Mr Pillay on the day he died, he ised that "something wrong"

"At that moment I the only thing that coul me was the truth I ma been unethical at time ing my career but one have never been is a est policeman

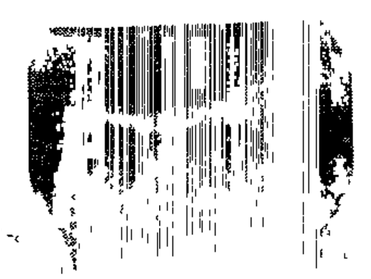
Duped

"When I was told was involved and that vestigating officers w ing to prove I had be to shoot these men, I had been used a

SABC man's offer to sergeant

SABC-TV crime reporter Chris Olckers offered Detective-Sergeant Robert van der Merwe a job shortly after he had shot three drug dealers

The Rand Supreme Court heard on Friday afternoon that Mr Olckers had set up a computerised register for domestic servants, with the sanction of the Police Commissioner, and that the business was set to "boom" within a few years



In one of two tape-recorded conversations between Sgt van der Merwe and Capt La Grange, Sgt van der Merwe said it was through Chris Olckers that "they have given me Article 61".

In terms of this regulation, he and Capt La Grange were refused permission to apply

ve
Mrs Tessa la Grange's hus-

ces ... The only objection I wish to raise is that it's lunch- both detectives were obviously hungry for details

sponsible for liaison between a certain organisation — which we understood to be Renamo — and the South African Government

"As far as we could gather, he was involved in supplying the Mozambique resistance movement with whatever they needed.

"I saw various weapons of communist origin in his garage and I made the inference that they were destined for this organisation"

Asked what he understood by "clandestine" operations, Sgt van der Merwe said "secret"

"As I understand, only the commanding officer and the one who carried out the operation should know about it.

"I realise that such actions are illegal in terms of the law, but I deem them lawful in terms of head office orders

"No notes would be kept about such operations," he said

Asked what the attitude of the Brixton detectives was in respect of security police operations, Sgt van der Merwe said

"We felt we were the men with the balls to do the job".

● At the time, spokesmen for the SA Police denied there had been any South African involvement in the Swaziland killings

They also said the Corlett Drive shootings had ended a prolonged search for suspected armed robbers, who had opened fire on the police.

CAPTAIN JACK LA GRANGE ... exerted a Machiavellian influence over his sergeant

Under re-examination by his *pro deo* representative, Advocate Bill Maritz, Sgt van der Merwe said his co-accused, Captain Jack la Grange, had gone with him to an interview with Mr Olckers

He had been looking for another job because he and his commanding officer at the Brixton Murder and Robbery Squad, Colonel "Staal" Burger, had a personality clash

"After the shootings, I asked Capt la Grange when he was going to keep his side of the bargain and have me transferred to the East Rand Murder and Robbery Squad

"He said we'd have to wait until things had quietened down I told him that could take six months or a year, so he said we should look for something else

"That's when we went to see Chris Olckers at the SABC and discussed the job"

The register, Sgt van der Merwe said, would assist the SA Police with inquiries if a domestic servant was suspected of committing a crime

CHRIS OLCKERS
Set up register

"Chris Olckers said you told them I had R7 000 to put into his business the next thing they got Chris Olckers's statement and said right, Article 61," Sgt van der Merwe told Capt La Grange on the tape

"He said when we went for the interview he told you he was starting with the business and needed money Then you apparently asked me how much I had and I said if my pension was paid out, I'd have about R7 000

"Then Chris Olckers came and said, well, seeing that I was also involved I must have got money — R7 000," Sgt van der Merwe replied

"Chris Olckers said you told them I had R7 000 to put into his business the next thing they got Chris Olckers's statement and said right, Article 61," Sgt van der Merwe told Capt La Grange on the tape

"He said when we went for the interview he told you he was starting with the business and needed money Then you apparently asked me how much I had and I said if my pension was paid out, I'd have about R7 000

"Then Chris Olckers came and said, well, seeing that I was also involved I must have got money — R7 000," Sgt van der Merwe replied

higher up"

After telling Cap Grange that he was terested" in killing B Smit, he had waite than a week to spea commanding officer dence because Capt Grange had threaten Sgt van der Merwe s

"He told me 'Rer Van der Merwe, if y I'll never see my w children again And happens, I'll make s never see your wi children again'

"When I told Col what had happened, h 'My God, Van der M couldn't you see he wa ing you?'"

Rozanne sings — and reassures cops

ROZANNE BOTHA
Would like showbiz career

By ALAN DUGGAN

BUBBLY Rozanne Botha picked up a mike this week and sang a curiously reassuring song Its title There's Got To Be A Morning After

The State President's daughter was asked to sing at a Cape Town garden party which formed part of the 75th birthday celebrations of the SAP

Her mother, Mrs Elize Botha, was among the 100 women who attended the gathering at the official residence of the Administrator, Mr Gene Louw.

Rozanne, 28, is an accomplished guitarist-singer who has often said she would like to make a name for herself in the world of showbiz.

She has appeared on TV, won awards in talent competitions and made many public appearances, being complimented for her easy style and sweet singing voice

In 1983 she appeared in the Jamie Uys film, Funny People II, in which she led unsuspecting victims into a variety of embarrassing situations

Last year a major row broke out over Miss Botha's interview in a CBS documentary, Children of Apartheid, which contrasted her white, privileged background with that of Miss Zinzi Mandela, the articulate and outspoken daughter of Nelson Mandela

Uncowed

Criticising the producers for a lack of objectivity, Miss Botha said it was a pity the TV team had not spoken to more moderate leaders "because not everyone is as bitter and vengeful towards the Government as those to whom they spoke"

But the party-loving President's daughter, a Stellenbosch graduate with majors in philosophy and sociology, was far from cowed by the fuss over her TV appearance

She said afterwards. "Even if my 'little voice' was perhaps just a voice in the wilderness, I believe it was good that I could have my say on the TV programme"

● There's Got To Be A Morning After is the theme song for the disaster movie, Poseidon Adventure, in which a luxury liner is hit by a massive tidal wave

Mother-to-be says dentist fondled her

By DE WET POTGIETER

A 19-YEAR-OLD mother-to-be burst into tears while telling how a dentist paralysed her with laughing gas and started fondling her private parts in the dentist's chair

Commandant Herman Grobler, a dentist for the SA Medical Services at 1 Military Hospital in Pretoria, denied that he kissed the girl with an open mouth and claimed he kissed her with tight lips to "calm her down"

This week he appeared on charges of improper and disgraceful conduct before the SA Medical and Dental Council in Pretoria

The woman testified before a disciplinary committee that she worked as a chair assistant at 1 Military Hospital on June 17 last year when Cmdt Grobler asked her to test the laughing-gas apparatus

She said Cmdt Grobler put the laughing gas mask over her face while she sat in the chair.

Although her hands and feet became numb after a while and her eyes felt heavy, she was still aware of her surroundings

When the dentist started fondling her, she started to cry He also kissed her with his mouth open

The girl initially laid a criminal charge against Cmdt Grobler, but withdrew it because she could not face the trauma of going through the incident again

Cmdt Grobler denied he fondled her, but admitted he held her and kissed her to calm her down

A Pretoria University anaesthetics professor, A J P Lessing, earlier this week testified he saw no reason for kissing a person to calm her down He said "Especially not in these days with the threat of AIDS"

A colleague of the dentist, Captain Lynette Albertyn, testified that she was never taught to kiss her patients to calm them down

The medical committee postponed the hearing until May 10 A military board of inquiry found Cmdt Grobler guilty of improper conduct on a previous occasion.

Induction of Chief Rabbi

By JANINE LAZARUS

JUST in time for Passover, South Africa's new Chief Rabbi, Rabbi Cyril Harris, takes up as spiritual leader of this country's Jewish community.

Rabbi Harris, who was born in Glasgow, and holds a Minister's and Rabbinical Diploma from the Jews' College in London, will be inducted tonight by Lord Jakobovits, Chief Rabbi of Great Britain and the Commonwealth, at Johannesburg's Wolmarans Street Synagogue

RABBI CYRIL HARRIS

"South African Jews are the most cohesive Jewish community in the world, but we must continue to solidify our resources," said Rabbi Harris.

Rabbi Harris also said he has set himself a list of priorities

"I want the Jewish community to exemplify the highest standard of Jewish values, particularly with regard to black employees

"I would also like to intensify Jewish education for both young and old. Although there are good Jewish day schools in this country, they

University of Fort Hare

Notice is hereby given of an election by the Convocation of the University of Fort Hare of two members from among their number to serve on the Council of the University of Fort Hare

The election date has been set for 17 August 1988

Membership of the University of Fort Hare Convocation

(1) All graduates of the University of Fort Hare who obtained their degrees after 1970 are members of the Fort Hare Convocation unless they notify the Secretary of the Convocation in writing that they do not wish to become or continue to be members upon receipt of such notice by the Council

(2) All persons who became graduates of the University of South Africa or of Rhodes University while they were students of the Fort Hare University College, who notify the Secretary of Convocation in writing that they desire to be members of the Convocation of the University of Fort Hare and who together with such notice produce proof that they have relinquished their membership of the Convocations of the University of South Africa or of Rhodes University whichever is applicable

(3) It is the responsibility of graduates to inform the Secretary of Convocation of their current postal addresses

Election 17 August 1988

All graduates of the University of Fort Hare ((1 above) and those who obtained their degrees while they were students at the University College ((2) above and who wish to be members of the University of Fort Hare Convocation are kindly requested to complete the coupon below and return it to the University before 29 March 1988

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The Achievement:

(260) letters controversial

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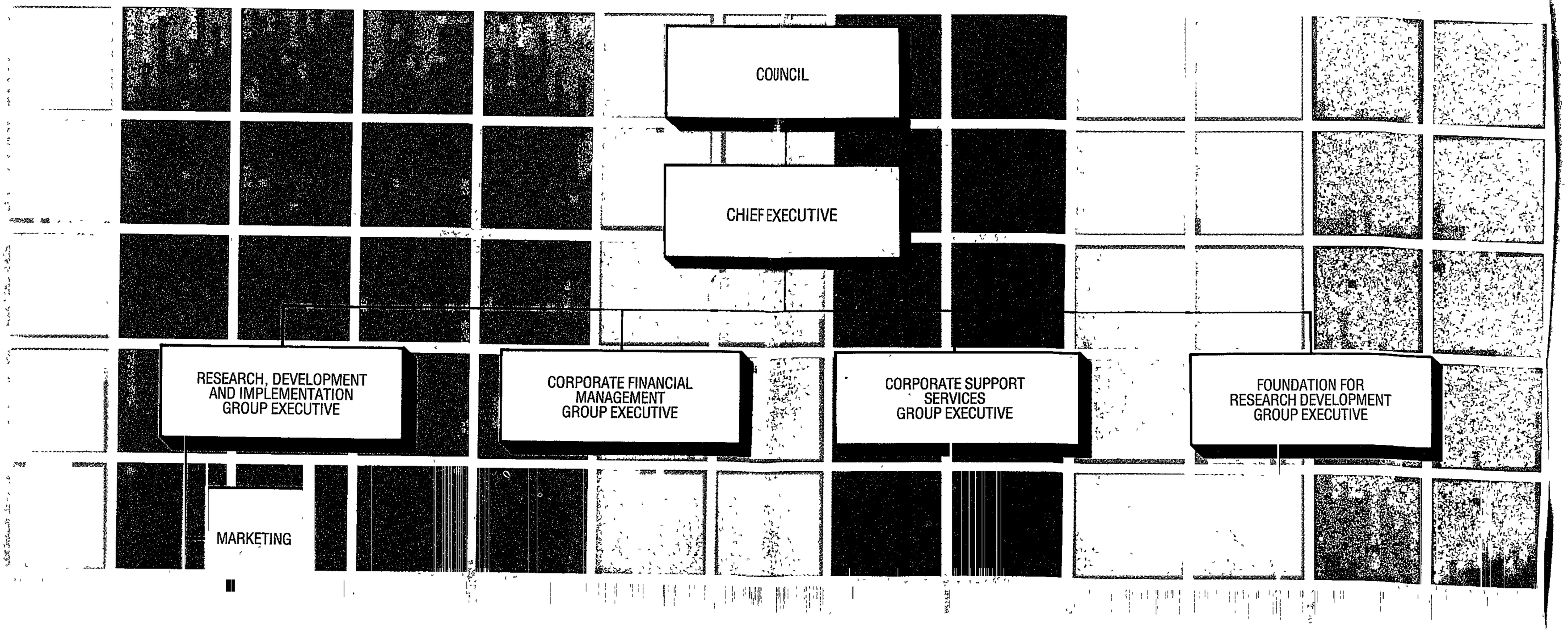

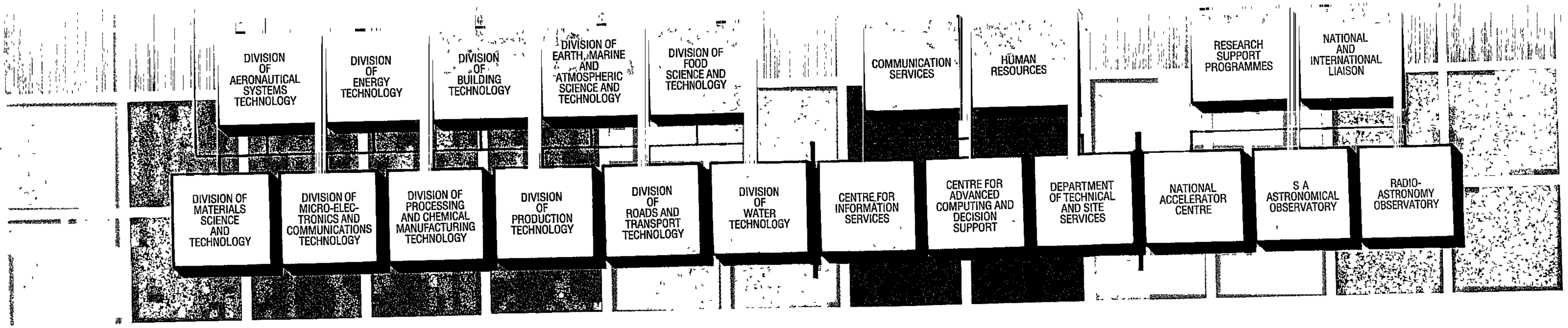

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SUNDAY TIMES, March 20 1988

SABC losing out

Sowetan

260

2213188

HOUSE of Assembly — The SABC was losing an estimated R5,58 million in unpaid television licence fees in white, coloured and Asian areas, the Minister in charge of broadcasting services, Mr Alwyn Schlebusch, said in a written reply to a question from Mr Dave Dalling.

He said that after an intensive investigation last year, the figure for pirate viewing in these areas had been compared well with what was experienced in comparable parts of the world

As a result of the "prevailing situation" in black areas, inspections there could be carried out on extremely limited scale and the number of unlicensed households in these areas could not be determined with certainty

Various alternative methods of collecting license fees, which would limit private viewing, were being investigated — Sapa

D/D 24/3/86

No to R600m deal

JOHANNESBURG — Giant Japanese industrial corporation, Mitsubishi, has declined to bid for a R600-million high-tech contract for the revamp of a major South African steel works

A Japanese source confirmed that a formal letter declining to tender had been sent to parastatal steel giant, Iscor, and Iscor's public relations manager, Mr Piet du Plessis, confirmed the letter had been received that Mitsubishi were withdrawing from the project

The Japanese source said Mitsubishi, which regarded the Iscor contract as a "plum", had been forced into the decision in a bid to stave off criticism of Japan's growing trade links with South Africa

"The whole South African trade issue is now politically sensitive While nothing formal has been signed between Iscor and Mitsubishi, the cancellation of intent by Mitsubishi now gives Japan leverage against anti-South Africa critics," he said.

Moves by the Japanese Foreign Ministry has seen it continue to apply pressure on the Ministry of International Trade and Industry (Miti) to cut down on South African trade

Steel industry sources said the Japanese technology would have been ideal for the Iscor application The contract is for the uprating of Iscor's hot-strip mill at its Vanderbijlpark works

Also understood to be under pressure are Iscor's iron ore contracts with Japan

Iscor exported a total of about 9-million tons of iron ore last year — over 50 per cent of its total production of 16,5-million tons — and earned R285-million in foreign exchange

The Japanese source said Iscor's iron ore contracts were still in place but the but there was the possibility that Japan could refuse to sign further contracts — Sapa

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) 21 September 1987

(2) No

(3) Yes, in accordance with applicable legislation

(4) No (a) and (b) fall away

Pensionable service: new conditions on buying back

656 Mr R M BURROWS asked the Minister of National Health and Population Development

(1) Whether, with reference to the imposition of new conditions on the buying back of pensionable service in the latter half of 1987, he is required to consult with any staff associations prior to altering the conditions of service of their members, if not, why not, if so, in terms of what statutory provisions,

(2) whether he has received any indication as to whether any staff associations intend to take legal action against him or his Department in connection with the alteration of buy-back conditions, if so, which staff associations are involved,

(3) whether he will make a statement on the matter?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) No Only those office-holders specified in,

(i) section 17(3) of the Government Service Pension Act, 1973 (Act 57 of 1973),

(ii) section 8(6) of the Temporary Employees Pension Fund Act, 1979, (Act 75 of 1979), and

(iii) section 2 of the Associated Institutions Pension Fund Act, 1963 (Act 41 of 1963),

are required to be consulted prior to alteration of the relevant pension fund provisions

(2) Yes, in a personal letter addressed to me I have no authority to divulge the contents thereof

(3) No

Buying back of pensionable service: applications

666 Mr M J ELLIS asked the Minister of National Health and Population Development

(1) How many applications for the buying back of pensionable service were received by his Department from members of the Natal Education Department after 21 September 1987,

(2) whether any of these applications had been lodged with the Natal Education Department prior to the above date but were not forwarded to his Department in time, if so, (a) how many applications and (b) what action was taken by his Department in respect of them,

(3) whether he has received any representations concerning the applications not so forwarded, if so, (a) from whom, (b) when and (c) what was the (i) purport of these representations and (ii) response thereto,

(4) whether he will make a statement on the matter?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) Not recorded

(2) (a) Not recorded

(b) falls away

(3) Yes, not recorded

(a) Falls away

(b) Falls away

(c) (i) Falls away

(ii) Falls away

(4) No

KwaZulu Natal Indaba Fund-raising Organization: activities

682 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

Whether, with reference to his reply to Question No 532 on 7 October 1987, the KwaZulu Natal Indaba Fund-raising Organization furnished his Department with a description of its activities in applying for a temporary fund-raising number to be issued to it, if not, why not, if so, what were these activities?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

Yes, in applying for a temporary authority to collect contributions, the KwaZulu Natal Indaba Fund-raising Organization furnished the Department with an application form and a constitution as required by the Fund-raising Act According to the constitution, the objects (activities) of the organization are to handle and supervise fund-raising for the KwaZulu Natal Indaba

East Rand hospitals: abortions

683 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

(1) With reference to his reply to Question No 537 on 7 October 1987, on what date did the Transvaal Director of Hospital Services become aware of a possible excessive number of abortions at certain East Rand hospitals,

(2) whether the investigation into this matter has been completed, if not, (a) why not and (b) when is it anticipated that the investigation will be completed, if so, when,

(3) whether any action has been taken in this regard, if not, why not, if so, (a) what action and (b) when?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

(1) June 1987

(2) Yes,

(a) falls away,

(b) November 1987

(3) No, all legal requirements have been adhered to

(a) and (b) fall away

SABC: control over programmes

735 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

Whether the Publications Control Board has any authority in respect of programmes televised by the SABC, if not, why not, if so, to what extent?

The MINISTER OF HOME AFFAIRS

The hon member's attention is drawn to the fact that no such body as a "Publications Control Board" exists in terms of the Publications Act, 1974 (Act 42 of 1974)

However, if with his question the hon member has meant whether programmes televised by the SABC are subject to the control provided for in the aforementioned act, the answer is in the affirmative All feature films televised have been examined by committees of publications and approved for screening The normal conditions applicable to screening in theatres plus any other that the Directorate of Publications may deem necessary for televising, must be strictly observed Because of logistical and other reasons, however, most of the other programmes of the corporation are handled on an exemption basis

Flood relief: applications

746 Mr R M BURROWS asked the Minister of National Health and Population Development

(1) (a) How many applications for flood relief have been received from (i) individuals and (ii) companies by the committee responsible for administering the Natal Flood Relief Fund, (b) how many claims have been settled and (c) in respect of what date is this information furnished,

(2) whether the application forms originally used in submitting claims have been altered, if so, (a) why and (b) when,

(3) whether any claims submitted on the original application forms have been returned to applicants for re-completion on the altered application forms, if so, (a) how many and (b) why;

(4) what amount had been contributed to the Natal Flood Relief Fund by the (a) public and (b) State as at the latest specified date for which figures are available,

(5) whether he will make a statement on the matter?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) (a) A total of approximately 82 000 Not possible to furnish particulars of individuals and companies separately

(i) Falls away

For amounts above R4 000 up to and including R70 000—20 per cent

For amounts above R70 000 no maximum is laid down

For the period 23 January 1987 to 3 December 1987, the two rates applicable were 23 per cent and 19 per cent respectively The ruling in respect of amounts above R70 000 was the same

The adjustment of the prescribed maximum rates ensures that they also reflected conditions in the financial markets prior to 23 January 1987 The highest limit in force in recent years was during the period 7 August 1984 to 11 February 1986, when a maximum rate of 32 per cent applied to certain transactions It is important to note that the prime overdraft rate, which is a broad indication of rates on credit transactions (although it applies only to prime clients), reached a maximum of 25 per cent during the period 4 August 1984 to 18 November 1987 and again from 8 January 1985 until 6 May 1985 It may be that contracts entered into at the high rates were still valid for a certain period thereafter

(2) No

Vito Roberto Palazzolo: luxury cars landed in RSA

671 Mr D J N MALCOMESS asked the Minister of Finance

(1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, landed any luxury cars in South Africa; if so, (a) when, (b) where, (c) how many, (d) what is the name of this person and (e) what total amount was paid by or on behalf of this person in respect of the importation of these cars,

(2) whether the amount so paid differed from the amount normally payable in respect of the importation of such cars, if so, (a) why and (b) what was the difference?

The MINISTER OF FINANCE

(1) Yes

(a) On 28 February 1987

(b) At East London

(c) One

(d) Vito Roberto Palazzolo

(e) The duty was fully rebated in terms of item 407 04/87 00/01 00 of Schedule No 4 to the Customs and Excise Act (Act 91 of 1964) This rebate is afforded in respect of motor vehicles imported by immigrants and according to information available at the time of importation, the importer complied in all respect with the conditions of the rebate item

(2) No, the aforementioned rebate provision is applicable in cases where the motor car is imported by an immigrant who complies with all the conditions specified in such provision

Human Sciences Research Council: percentage of budget paid

754 Mr C J DERBY-LEWIS asked the Minister of National Education

(1) (a) What percentage of the total budget of the Human Sciences Research Council was paid by his Department in each of the latest specified five financial years for which information is available and (b) what was the amount so paid over in each of these financial years,

(2) (a) who appoints the members of this council, (b) for what period is each member appointed and (c) what is the annual remuneration received by each such member,

(3) whether he will furnish a list of the present members of this council, if not, why not, if so, (a) what are their names and (b) in respect of what date is this information furnished?

The MINISTER OF NATIONAL EDUCATION

(1) (a) 1982/83—97,0%
1983/84—96,9%
1984/85—93,0%
1985/86—93,8%
1986/87—93,5%

(b) 1982/83—R17 895 610
1983/84—R24 399 092
1984/85—R35 206 043
1985/86—R38 777 000
1986/87—R48 088 092

(2) (a) The Minister of National Education

(b) A member of the council is appointed for period not exceeding two years, with the exception of the president of the HSRC The president's period of office as member of the council is the same as his time of service at the HSRC

(c) Members of the Council are not remunerated on an annual basis Each member of the council receives an amount of R193,82 per day for every meeting attended

(3) Yes

(a) The names of members of the council are as follows

Dr J G Garbers (Chairman)
Prof Francis J Bosman
Mr D E Cooper
Dr A B Fourie
Dr D J Gouws
Prof W L Nkuhlu
Prof H W Rossouw
Mr P Steyn
Prof K Tober
Prof T van der Walt
Prof R E van der Ross

(b) 14 March 1988

Persons with criminal records: permanent residence

808 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

(1) Whether any exceptions were made in the granting of permanent residence to persons with criminal records during the latest specified period of 10 years for which information is available, if so, how many,

(2) whether he will furnish particulars of the persons concerned, if not, why not, if so, what are their (a) names and (b) nationalities?

The MINISTER OF HOME AFFAIRS

(1) to (2) The hon member's attention is drawn to the fact that each application for permanent residence is submitted for consideration to the Immigrants Selection Board, which is an autonomous body established in terms of the Aliens Act, 1937 (Act 1 of 1937) The Board considers each application in accordance with the guidelines contained in section 4(3) of this Act No separate statistics of applicants with criminal records are being kept

Fishing industry: encouragement of competition

822 Mr C J DERBY-LEWIS asked the Minister of Environment Affairs

Whether any measures are being applied and/or envisaged to encourage competition in the fishing industry at present, if so, what measures are being (a) applied and (b) envisaged in this regard?

The MINISTER OF ENVIRONMENT AFFAIRS

Assuming that the question pertains to the catching of fish and not trading in fish, the reply is —

(a) Yes, the selective allocation of exploitation rights to interests outside the vested industry in cases where there is growth in the relevant resource

(b) A continuation of the policy as set out in (a) above

Printing contracts awarded to two companies

833 Mr D J DALLING asked the Minister of Environment Affairs

(1) Whether his Department awarded any printing contracts in 1987 to two companies, the names of which have been furnished to the Commission for Administration for the purpose of the Minister's reply, or to their associated companies and printing operations, if so, (a) in respect of what publications or printed matter, (b) how many copies of each publication or item were ordered from each company and (c) what are the names of the companies concerned,

(2) whether these contracts were put out to tender, if not, (a) why not and (b) what was the total amount paid by his Department in respect of each of these contracts, if so, what was the (i) tender price originally accepted, and (ii) total amount paid out, in respect of each contract,

(3) whether his Department subsidizes any publications published by the above com-

ISCOR

260

Steelworks blow

One of Japan's biggest industrial corporations has backed out of a R600m deal with Iscor

Mitsubishi Corporation is understood to have cited technical difficulties for its decision not to go ahead with the contract at

23/3/88 FM

Iscor's Vanderbijlpark steelworks in the Vaal Triangle.

However, industry sources say the intended deal is probably a victim of the Tokyo government's pressure on Japanese companies to reduce trade with SA

Japan is embarrassed by figures showing that it has become SA's biggest trading partner and is trying to reduce international pressure on it by being seen to be tough on trade with the Republic

Iscor confirms Mitsubishi has withdrawn from the deal to update the Vanderbijlpark steelworks. No contracts were signed, but sources say Iscor management was confident Mitsubishi would accept the project Work was expected to start late this year and be completed in 1990.

Iscor management now has to re-think its schedule The contract is likely to go out to tender again, with British, German and Asian companies the likely targets.

Meanwhile, Iscor's much-debated depreciation policy is one of the subjects being reviewed by an internal committee investigating the feasibility of privatisation.

The committee, due to report to Economic Affairs and Technology Minister Danie Steyn before his Budget debate in May, is concerned about the actual profitability of the steel manufacturing mammoth and its ability to pay sufficient dividends to attract private sector investors

Sources within the corporation admit that on the current basis, paying the kind of dividends investors are accustomed to would be difficult Iscor, like other State giants, is not constituted in terms of the Companies Act and has, therefore, made use — particularly in its depreciation policy — of what is euphemistically termed "State accounting"

A prerequisite for privatisation is that all assets to be sold be identified, disclosed and evaluated in line with private sector policies This is enormously difficult when assets have been written off (as in Iscor) in their first year, as opposed to the more common private practice of being written off over five to 10 years

■

Iscor lifts exports, laughs at sanctions

SANCTIONS against South Africa have had no effect on Iscor's steel exports.

By Don Robertson

In fact, exports have increased from 30% of total production four years ago to 40%.

Nols Olivier, senior general manager in charge of marketing, says in an interview in Iscor's house magazine — Iscorian — that the corporation knew it would lose the American market and others were developed.

Mr Olivier says: "At one stage we were exporting to 80 countries, but have conciously reduced this to about 60 selected markets. As long as we maintain our competitive edge in terms of quality and keen pricing, sanctions will not have much of a bite."

Iscor's work force is 57 000 compared with 70 000 before the rationalisation programme was instituted in 1984. Steel production was 7,2-million tons in 1982, but fell to 6-million tons in 1983 and 1984. It is now back to 7-million tons.

Iscor is not particularly worried about expanding steel production by Taiwan, Brazil and South Korea.

"It does not seriously affect Iscor's current position as the 16th-largest producer in the free world since our marketing policy differs from theirs."

However, Iscor does not see any increase in its production capacity in the next 10 to 15 years.

Whether or not Iscor retains its present ranking in production capacity is of no concern. What is more important is that Iscor produces high quality steel and performs competitively in domestic and foreign markets.

Mr Olivier says Iscor recently set a world record for the output of tinplate by producing 30 000 tons in one month. Studies are being undertaken to establish a R70-million plant for tin-free steel in 1990. Tin-free steel has a coating of chromium oxide which is a substitute for tinplate in various applications.

Only five

Iscor will supply 40 000 tons of ultra-high-grade steel for the offshore part of the Mossgas project and could supply 39 000 tons for the onshore development. Iscor is one of only five producers in the world able to produce this high-grade steel.

It is also discussing with motor manufacturers the possibility of producing electro-coated steel for use in cars. Mr Olivier says building of an electro-galvanising plant has been accepted in principle.

It has developed a low-alloy steel for car wheels. This has effectively replaced imports of this steel and about 50 000 wheels are exported each month.

Iscor is considering the production of stainless steel slabs and hot-rolled coils at its Vanderbijlpark plant for export.

Hindus, Muslims accuse SABC of religious bias

DURBAN — SABC-TV has been slammed by Hindu and Muslim cultural leaders who have accused it of furthering Christianity among the country's Indian community at the expense of their own religions DID 28/3/88 (20)

Their angry reaction follows a television broadcast on March 20 of a Christian programme in Tamil and English by a group of Benoni Indians

The leaders made it clear that they were not criticising the programme content Their objection was on the ground that Hindus and Muslims also paid television licences and should, therefore, have opportunities to air their religious teachings

They accused the SABC of making a mockery of the country's constitution which guaranteed freedom of religion

"The Indian preacher in that Sunday programme projected Christianity as the only religion capable of saving mankind

"But how do we, Hindus and Muslims, convince our children watching television during their impressionable years of the efficacy of our religions in the light of the TV bias?"

An incensed Mr Abdulla Deedat, the spokesman for the Islamic Propagation Centre, said the March 20 presentation made prejudice and discrimination in South Africa more pointed

"I watched the programme with interest, but what annoys me is that we are not given any break to project our vernacular and spiritual feelings in the same way

"The SABC is guilty of blatant favouritism," Mr Deedat said Adding that only 16 per cent of Indians were Christians, yet they were privileged to project their religion through SABC at the expense of Muslims and Hindus who formed the bulk of the Indian population

When approached for comment, the SABC replied in writing

"In accordance with the Constitution of the Republic of South Africa, the Broadcasting Act and the policy code of the SABC, religious freedom is upheld

"Accordingly the SABC does not prescribe in any way to any religion

"Furthermore, the non-broadcasting of a particular religion does not imply discrimination against certain religions".— Sapa

Advice on privatisation sought

UK banks snub Eskom delegation

LONDON — A top-level Eskom delegation seeking advice on privatisation has been given the cold shoulder by leading UK merchant bankers and stockbrokers.

The Eskom officials, led by GM manager Ian McRae, are expected to visit Europe and the Far East after their two-week London visit

● MCRAE

A report in the Sunday Telegraph yesterday said among those who had rejected Eskom as a client was Morgan Grenfell, which was understood to have declined even a meeting to discuss the issue.

And Kleinwort Benson, which was handling the UK electricity privatisation scheme on behalf of the government, had given the SA corporation the thumbs down, said the newspaper.

Top City stockbroker James Capel, which had a highly-regarded South African mining research team, had also turned Eskom down. Standard Chartered, despite its links with the Republic, denied any involvement. Other institutions were also believed to have been approached without success.

Eskom, with assets of about R28bn and a 1987 income of R3,7bn, not only supplied 95% of SA's electricity but was also a key supplier to neigbouring states such as Lesotho, Swaziland and Botswana.

Own Correspondent

It had been given a six-month deadline by President P W Botha to present a report on privatisation, which would be the biggest undertaken by SA and set the standard for future sell-offs.

The newspaper said international support for a privatisation of this magnitude was vital as the size of Eskom's cash requirements "would prove a severe test for the Johannesburg market on its own" Eskom officials had been hoping the strong recovery of the financial rand over the last year signalled a return of overseas confidence in South African investment.

"But it is clear that despite the major improvements the company has made on productivity and its own progressive record in upgrading pay for black workers, many in the City fear that the political repercussions of involvement in the Eskom issue would more than offset any financial advantages, a view likely to be shared by leading investment institutions," said the newspaper.

McRae and chairman John Maree are both aware what is ultimately more important than privatising Eskom to a timetable is getting the privatisation right.

"There is a lot of pressure on us to do it quickly It is taking about four years here in the UK. I think we may take it a little more quickly. Perhaps a couple of years," McRae said yesterday.

Eskom rejected by UK investors

LONDON — Top British merchant banks and stock brokers have given the cold shoulder to Eskom

Eskom officials are currently here seeking advice on privatisation They are also expected to visit Europe and the Far East

According to a report in the Sunday Telegraph yesterday, among those who have rejected Eskom as a client is Morgan Grenfell, which is understood to have declined even a meeting to discuss the issue in detail

The company which is handling the United Kingdom electricity privatisation scheme on behalf of the government, Kleinwort Benson, has given the South African corporation the thumbs down

Top City stockbroker, Mr James Capel, which has a highly-regarded South African mining research team, has also turned Eskom down and other institutions are also believed to have been approached.

Eskom, which has assets of about R27-billion and a 1987 income of R3 7 billion (figures quoted by the Sunday Telegraph), not only supplied 95 per cent of the Republic's electricity but is also a key supplier to neighbouring states such as Lesotho, Swaziland and Botswana

It has been given a six-month deadline by the State President, Mr P W Botha to present a report on privatisation, which would be the biggest yet undertaken by South Africa and set the standard for future sell-offs

International support for a privatisation of this magnitude was vital as the size of Eskom's cash requirements "would prove a severe test for the Johannesburg market on its own"

"Eskom officials had been hoping that the strong recovery of the financial rand over the last year signalled a return of overseas confidence in South African investment.

"But it is clear that despite the major improvements the company has made and its record in upgrading pay for black workers, many fear that the political repercussions of involvement in the Eskom issue would more than offset any financial advantages" — DDC

Iscor shrugs off sanctions

30/3/88

GERALD REILLY

PRETORIA — International sanctions against SA had not been too much of a problem in terms of Iscor's export volumes, the corporation's senior GM Nols Olivier said.

In the corporations house journal he said it was realised well in advance that the US market would be lost.

Consequently alternative markets were developed.

"At one stage we were exporting to 80 countries worldwide but we have consciously reduced the number to about 60 selected markets."

There was no doubt the Newly Industrialised Countries (NICs) — Taiwan, Brazil and South Korea among them — would continue their exceptional growth in steel production with highly advanced technology from the US, Europe and Japan.

This did not seriously affect Iscor's current position as the 16th largest steel producer in the free world.

Iscor, Olivier said, did not foresee expansion in its production capacity over the next 10 to 15 years, but rather an optimum utilisation of existing facilities.

Capital spending would be channeled into productivity improvement and technological development programmes rather than into increased capacity

The quality of Iscor steel compared well with the best that could be produced by the NICs.

The accent in the competitive international steel market was slowly shifting away from production of the well-known commercial grades to more sophisticated steels, such as those Iscor was now manufacturing for the Mossel Bay project, he said

"What is important is that we produce high quality steel and perform competitively on local and overseas markets."

On rationalisation Olivier said the corporate work force now totalled 57 000, compared with more than 70 000 before rationalisation.

Liquid steel production was 7,2-million tons in 1982.

It dropped below the 6-million ton level in 1983 and 1984 and had since shown a steady annual increase. Today it was back to the pre-rationalisation level of 7-million tons a year.

Eskom privatisation could take four to five years

3/3/88

By Ann Crotty

It is likely that the privatisation of Eskom, which should be something of a test case for other public utilities, will take four or five years to complete.

Announcing Eskom's results for financial 1987, chairman Mr John Maree said yesterday that an investigation of all the issues involved in privatisation should be completed towards year-end and a presentation then made to the Cabinet. Eskom chief executive Mr Ian McRae pointed out that completion of the UK electricity privatisation scheme was expected to take up to five years from the date of commencement, adding that "Eskom may be quicker"

If Eskom can maintain its recent strong performance throughout the intervening period, it should have little trouble in attracting support from the private sector. As Dr Maree said, the latest results showed that the corporation was now providing 15 percent more electricity than three years ago "and we are doing this with 14 percent fewer people".

For the 12 months to December, Eskom reported a 20,5 percent increase in revenue to R7 billion There were charges against this of R6,3 billion, leaving the corporation with net income of R702 million, compared with R780 million in financial 1986. Management said that, to a large extent, the 25 percent increase in the level of charges reflected the costs of the increased maintenance programmes This had resulted in higher operating costs, which were up 22,2 percent to R4,2 billion. In addition, as more plant was placed in commercial operation in 1987 than in 1986, the interest charge against revenue rose 31,2 percent to R2,1 billion.

Dr Maree said that of the total costs of R6,3 billion, approximately one-third related to finance charges, one-third to the cost of coal and the remainder to "other operating costs"

Given the extent of its exposure to finance charges, liability management techniques are crucial to the group's performance. In an attempt to reduce the effects of generally higher borrowing costs, management last year extended the period of its loans. This was achieved at a time when the market as a whole had tended toward shorter terms.

The balance sheet at year-end showed loans and other debt of R20,8 billion, of which R7,5 billion represented foreign debt. In financial 1987, some R3,5 billion in loans and facilities was raised, compared with R2,4 billion in 1986. In the later period, some R1,4 billion of the loans were foreign, against a low R375 million in 1986 after the debt standstill

Dr Maree said that much of last year's R1,4 billion came from the Public Investment Commission and therefore did not represent new funds entering South Africa However, he said that Eskom had no difficulty in attracting project-related finance from overseas sources

SABC cuts operating losses by half in 1987

By Ian Gray

The SABC cut its operating loss by half, from R27 million in both 1985 and 1986, to R13,2 million last year, according to the corporation's annual report tabled in Parliament today

The chairman of the board, Dr Brand Fourie, says in the report that the SABC budgeted for a loss of R42 million for 1987 but this was reduced by increased income from advertising, an increase in licence fees supplemented by an increase in the sale of TV sets, further rationalisation and the use of existing programme stock.

However, he indicated clearly that viewers can expect another increase in the cost of annual licence fees, currently R72 a year

Total income for the year was R485 million compared to R410 million in 1986 Net income from all advertising and sponsorships totalled R314 million, up 17,7 percent on 1986 (R260 million) and from licence fees, R126 million (R104 million).

Radio advertising income was R79 million, up nearly 33 percent on the previous year's R60 million.

Eskom records R7bn revenue

A TIGHTER ship and leaner corporate body saw Eskom reporting a 20,5% jump in revenue from R5,85bn in 1986 to R7,05bn in the year to December 1987.

The electricity utility sold a record 122 524 kW.h of power (up 4,4%) and expects to achieve the same percentage increase in sales for 1988.

However, expenses rose to R6,34bn which left a net income of R702m — down 10,1% (R781m) on 1986 but 7% higher than forecast.

The costs were made up of R4,21bn in operating expenditure (R3,45bn) — 22% up — and R2,14bn in finance charges (R1,62bn), up 31%. One of the main cost factors was the increase in coal prices which saw the commodity jump from R14 to R17 a ton during the year.

MICK COLLINS

Chairman John Maree said the declining trend in tariff increases was the clearest indication that Eskom was be-

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● To Page 2

B/day

Eskom reports record earnings of R7,05bn

● From Page 1

coming more efficient

He said price increases had been kept well below inflation rate and Eskom would make all attempts to continue with that policy for the forseeable future

Maree said progress had been made in transforming Eskom from a bureaucracy into a business undertaking, but said the goal of privatisation would not be reached in 1988

He said "We are now providing nearly 15% more electricity than three years ago and we are doing this with 14% fewer people"

CE Ian McRae said operating efficiency had improved, with Eskom's plant availability in 1987 at 79,2%, while overall customer growth was 4,8%.

The average price of electricity at 5,75c per kilowatt hour meant the price of Eskom electricity continued to be the lowest in the world

SA to join weapons fair in China

Own Correspondent

LONDON. — Armscor has accepted an invitation to exhibit its military hardware in Peking, China, Jane's Defence Weekly (JDW) reports in its latest edition.

Officials have also disclosed that Armscor has developed an embryo engine design for the development of high-speed aircraft, and hinted strongly that reports that engineers from Israel's ill-fated Lavi project are working in SA are true

Jane's reports that an Armscor official confirmed it had received an invitation to exhibit in Peking He said "We and the Israelis were both invited to Peking We accepted, but were later told that both South Africa and Israel could only exhibit after the show ended — and then only to the People's Republic Army, not to foreign delegations"

An Armscor spokesman in Pretoria said that they had no comment on the report

Largest exporter

Armscor is SA's largest exporter of manufactured goods Despite political constraints it has sold military equipment to 23 countries with a total value approaching R2 billion at 1987 prices

In an interview with JDW, Armscor chief executive Mr Johan van Vuuren said the firm was trying to identify future defence requirements 15 to 20 years in advance

"It's clear to me that conventional warfare is going to be the main thing for the future — not the fancy stuff People are just too scared to use it What we need are medium-range rockets, long-distance artillery

"You need to strike across the border, before the international political situation comes down on you too hard," he told JDW

Mr Van Vuuren predicted SA would display "two or three very exciting new products in the area of high mobility warfare" at the FIDA exhibition in Chile in 1990

SA, he said, aimed to be self-suffecient in weapons manufacture

He added "It doesn't take a genius to see that our biggest problem is going to be engines Unless the political situation changes, this is going to be priority, despite the cost of development"

Asked if engineers from the Lavi project had been hired by Armscor, Mr Van Vuuren said "One advantage is that there is a migrating work force in the aircraft world They go where there is work, and aircraft developments don't come by the bunch"

He said Arsmcor was developing and manufacturing products for the export market

While the FIDA exhibition is the only place SA can exhibit its military products without political constraints, Mr Van Vuuren said Armscor went to other shows

DJD 31/3/88

SABC trims its loss for '87 to R13,2 million

260

Daily Dispatch Correspondent

CAPE TOWN — The SABC posted an operational loss of R13,2 million in 1987, reflecting a considerable improvement on the R42m loss initially budgeted for, according to the annual report tabled in parliament yesterday

It also reflects an improvement on the corporation's previous track record, during which losses of more than R27m were chalked up in both 1985 and 1986

The chairman of the SABC, Mr Brand Fourie, attributes this better financial position to

- An increase in income from advertising, which climbed by 21,1 per cent to R314m
- An increase in licence fees, which shot up 21,3 per cent and brought in income of R12,5m, supplemented by an increase in the sale of television sets
- Savings on expenditure by means of further rationalisation programmes and stronger focus on current and capital spending
- Use of existing programme stock

The SABC's total income amounted to R485m, some 18,3 per cent higher than it was in 1986 In contrast, total operational expenditure rose by 13,7 per cent to R498m

Total income from direct advertising, excluding sponsorships, on television and radio amounted to R305,9m during 1987, after deductions of advertising agency commissions and the levy to the South African Advertising Research Foundation This reflects an increase of 17,7 per cent over the R259,8m obtained in 1986

Net income for TV1 amounted to R158,8m, while TV2—TV3 and TV4 accounted for R31,7m and R36m respectively

Total revenue from television advertising thus amounted to R226m, reflecting an increase of 13,7 per cent over the previous year It also accounts for 74,1 per cent of the SABC's total advertising income

Net advertising income from radio amounted to R79,2m, an increase of 32,8 per cent on the previous year

According to the SABC the increased advertising revenue also reflects in the number of new commercials accepted for broadcast and transmitted during the year A total of 5 273 new television commercials and 17 406 new radio spots were dealt with

Improved efficiency sees Eskom increase profits

Daily Dispatch Correspondent

JOHANNESBURG — A tighter ship and leaner corporate body saw Eskom reporting a 20,5 per cent jump in revenue from R5,845 billion in 1986 to R7,046 billion in the year to December 1987

The electricity utility sold a record 122 524 kilowatts, up 4,4 per cent The same percentage increase in sales for 1988 is also expected

However, expenses rose to R6,344 billion — partly caused by the increase in the price of coal — which left a nett income of R702 million, down 10,1 per cent, or R781 million on 1986, but 7 per cent higher than the forecast

The chairman of Eskom, Mr John Maree, said the declining trend in tariff increases was the clearest indication that Eskom was becoming more efficient

Price increases, he said, had been kept well below the inflation rate and Eskom would make an attempt to continue with this policy for the forseeable future

Mr Maree said that progress had been made in transforming Eskom from a bureaucracy into a business undertaking, but said the goal of privatisation would not be reached this year

Management was seeking greater clarification on how privatisation could best be implemented this year and would make recommendations to the cabinet probably early in 1989

He said that Eskom had continued to achieve greater efficiency and cost effectiveness in its operations, with all costs being within budget.

The higher operating costs had been planned to allow for increased maintenance programmes and loans, while the market as a whole had tended towards shorter terms, he added

"We are now providing nearly 15 per cent more electricity than three years ago and we are doing this with 14 per cent fewer people," Mr Maree said

SA making weapons 'for fast cross-border raids'

From MICHAEL MORRIS
The Argus Foreign Service

LONDON. — South Africa is developing weapons for fast cross-border strikes and speedy withdrawal "before the international political situation comes down on you too hard," says Armscor chief executive, Johan van Vuuren.

Speaking with a candour that reveals the contempt South Africa's military-political establishment has for international opinion, Mr van Vuuren says in a prominent interview in the latest Jane's Defence Weekly "You need to strike across the border and come back, before the international political situation comes down on you too hard What we need is medium range rockets, long-distance artillery"

And he said South Africa would unveil "two or three exciting new products in the area of high-mobility warfare" at the next international Fida arms fair in two years' time

Mr van Vuuren's comments come a day after South Africa's ambassador to Britain, Mr Rae Killen, was summoned to the Foreign Office over Pretoria's raid into Botswana Britain said the attack was a "flagrant breach of Botswana's sovereignty and territorial integrity"

Looking ahead by 15 to 20 years, Mr van Vuuren said Armscor's philosophy was to "develop systems with high-mobility, rapid, effective fire power, and stand-off capability".

"It's clear to me that conventional warfare is going to be the main thing of the future — not the fancy stuff. People are just too scared to use it."

But, while extolling Armscor's achievements, he admitted that "our biggest problem is (aircraft) engines" And developing engines would have to be a priority

"We have an embryo of an engine design We must at least have a capability of knowledge of design of engines. Unless the political situation changes, this is going to be a priority, despite the cost of development."

Asked by Jane's about laid-off Lavi project workers joining Armscor, Mr van Vuuren said "Our advantage is that there is a migrating workforce in the aircraft world They go where there is work"

Jane's reports that in spite of the political restraints, Armscor claims to have sold military equipment to 23 countries with a total value approaching one-billion US dollars at 1987 prices.

● In another report in this week's issue of Jane's, chairman of Armscor Commandant P Marais says the weapon which destroyed the Cuito river bridge in December was not Israeli-made and was not a drone.

He described it as an "all-South African 'clever' weapon". He said details were still classified

Jane's says "clever" or "smart" weapons are guided to the target by self-homing or external command, like the US Paveway family of laser-guided bombs.

DIAS HAS LANDED: Buffels Bay in the Cape Point Nature Reserve took a step back in time yesterday when "Bartolomeu Dias", played by actor Willem Pretorius, rediscovered the Cape in a colourful pageant attended by about 1 500 people. Crewmen from the Dias caravel, which is in Cape Town as part of the Cape Festival, planted a padrao (cross) at the Bay in a re-enactment of the discoverer's arrival at the Cape in 1488.

Picture: LEON MULLER, The Argus

Iscor to fire up troubled Corex plant in June

Star 2/4/88

(260)

Iscor's revolutionary multi-million-rand coal reduction (Corex) iron manufacturing plant in Pretoria, where production was halted because of technical problems soon after being started up towards the end of last year, is to re-open in June

This has been confirmed by Korf Engineering of West Germany, the leader of the consortium awarded the contract to build the plant

But Iscor — one of the State-owned corporations earmarked for privatisation by the State President during his opening address to Parliament earlier this year — is still refusing to give any details about the problems and subsequent repair costs

Nor will Iscor, Korf or consortium partner Voest Alpine of Austria answer a detailed list of questions about the plant

The construction of the Corex plant, developed by Korf Engineering, is a world first and will form the basis for

ROY COKAYNE

Iscor's steel-making operations in Pretoria

This high-tech plant replaces traditional blast furnaces and will enable Iscor to use local non-coking bituminous coal instead of coking coal The result is less air pollution Its construction has been closely watched by several overseas countries.

A Korf spokesman said the company could not issue Press statements without Iscor's permission

But, the spokesman added, it would not seek that approval

Iscor's personnel manager, Mr Piet du Plessis said teething problems occurred when new projects were launched and there was nothing strange about the problems with this particular project

He said the plant had not yet been handed over to Iscor and any further comment had to come from Korf Engineering or Voest Alpine

Production at the plant was halted because of nitrogen supply problems, which are believed to have been caused by the Corex plant requiring about double the quantity of nitrogen initially specified.

This meant two supply plants built by Afrox in a separate contract worth R100 million were unable to provide sufficient nitrogen for the new Corex plant — and a new and much larger nitrogen compressor will have to be installed

Although Korf Engineering is steadfastly maintaining it is not allowed to comment on the project without Iscor's permission, it issued the initial statement about problems at the Corex plant on March 10

It is reliably believed that this statement — published in London — was made without Iscor's knowledge and was an embarrassment to the Corporation

In the statement published in the *Metal Bulletin*, Korf Engineering said the opening of the plant had been delayed following many technical problems

Repairs to the plant had stopped production and it was not certain how soon it would work again, it said

The Korf statement said the Pretoria plant was heated up on November 21 last year and went into operation as scheduled on December 13

It added that while the process worked very well, the plant was hit by a number of shutdowns resulting from temporary stoppages in nitrogen and oxygen supplies, and materials handling failures

"As a result of the multiple shutdowns, it was not possible to tap successfully, and so the melter gasifier cooled down too much Consequently it was necessary to stop the plant and empty the melter gasifier It is difficult to estimate the time needed to carry our repairs as this depends to a large extent on the availability of spares"

Inflation threatens Eskom low-cost aim

By Ian Smith

ESKOM's voluntary contribution to SA's new economic order — its policy to keep tariff increases below the inflation rate — is in jeopardy.

The new-look corporation, which has produced annual figures showing a R1,2-billion jump in electricity sales to a record R7-billion, is on track to produce another tariff increase well below the inflation level next year

The signs are that the 1989 increase will be similar to this year's 10% But the chairman of the Electricity Council, John Maree, warns that Eskom cannot continue the campaign alone

Unrealistic

"I am confident that we can keep our promise again next year But we cannot continue indefinitely

"It is unrealistic to expect Eskom to peg its rate increases three or four points below the inflation rate when our costs are continually rising."

In 1986, Dr Maree made his inflation-busting promise when he unveiled Eskom's plans to move to a private enterprise philosophy That year the corporation increased the price of power by 20% compared with a national inflation rate of 18;6%

Last year the increase was limited to 12% and inflation ran at 16,1%. This year Eskom is committed to a single 10% increase which came into effect on January 1. Inflation is expected to be 14% or 15% this year, although there is some official confidence that it might be lower

Eskom chief executive Ian McRae says in his annual report that last year's results were "most satisfactory and consistent with the self-imposed constraints and financial goals"

New system

Net income was R702-million compared with the previous year's R781-million in Eskom's new depreciation accounting system. This was after sales of R7-billion, a 20,5% increase on the previous year.

But operating expenditure, excluding depreciation, was R3,2-billion — an increase of R610-million, or 23,1%

"The steady downward trend in the level of price increases during the past two years is the result of increased productivity in certain areas, strong financial controls and a substantial reduction in operating costs and capital expenditure," says Mr McRae

"Although Eskom kept the 1988 increase at the 10% level, it is unlikely that it will be able to continue indefinitely absorbing the effects of an inflation rate consistently well above increases in the price of electricity"

He says the economic reforms to curb the rate of inflation announced by President Botha in February should make a stable electricity price more readily attainable

"The effect that increases in the price of electricity have on the economy are well known and Eskom will continue to keep such increaseas as low as possible"

Dr Maree says last year's results show Eskom is achieving greater efficiency and cost effectiveness by managing its affairs professionally

All costs were within budget, and the higher operating costs were planned to allow for increased maintenance. The commissioning of plant last year also affected the interest charges.

Liability management techniques reduced the effects of higher borrowing costs and Eskom has been able to extend the period of its loans while the market as a whole has tended to move towards shorter terms.

"We are now providing nearly 15% more electricity than three years ago and we doing this with 14% fewer people," says Dr Maree.

The number of customers increased by 4,8% last year, industrial and commercial use rising by 7,1%

Rural sales jumped by 19,1%. Sales to neighbouring states increased by 13,7%.

Plans for repairs to Cahora Bassa electricity scheme in the pipeline

Daily Dispatch Correspondent

Attempts are being made to get repairs to the giant Cahora Bassa hydroelectric scheme underway

The move follows further tripartite talks between Mozambique, Portugal and South Africa, which were understood to have taken place last week

The chairman of Eskom, Mr John Maree, confirmed that positive moves were afoot to restore the power flow

"An ongoing evaluation of the situation is taking place I can't give you a time scale but certainly attempts will be made to get repairs to the downed powerlines started"

Mr Maree was referring to the 900 pylons blown up by the rebel movement Renamo

Eskom chief executive, Mr Ian McRae, said a sound relationship still existed between Eskom and Mozambique

"We supply about 60 per cent of that country's electricity needs Initially this arrangement was part of the Cahora Bassa agreement, whereby Eskom would buy power from this source

"When supplies were interrupted by sabotage in that country, we did not stop providing power to them, even though there were times when our own reserve margins were low

"At the moment we are participating in multinational efforts to bring Cahora Bassa and its power lines to South Africa back into operation."

The armed rebel movement has paralysed huge areas of Mozambique in 12 years of war, but has recently been offered an amnesty and a promise of reintegration into society, if it lays down arms.

The government, while seeking a way to end the military stalemate, is standing firm on its refusal to negotiate with Renamo

The Mozambican president, Mr Joaquim Chissano, was quoted as saying "This is a fight without a truce"

Without directly mentioning Renamo, he said the rebels were trying to present themselves as an organised political force and an alternative to Frelimo, which has ruled the country since independence from Portugal in 1975.

"There is no way we will legitimise the armed bandits as a political group,." Mr Chissano said

See also page 7

Eskom privatisation to be quicker than UK counterpart says chief executive

Daily Dispatch Correspondent

JOHANNESBURG — The privatisation of South Africa's R28 billion electricity giant, Eskom, is set to proceed faster than that of its British counterpart, the chief executive of Eskom, Mr Ian McRae, said.

Mr McRae returned to South Africa last week after leading an Eskom "privatisation" delegation to Britain

He said Eskom had already taken privatisation action, including structural changes, personnel rationalisation and the adaptation of financing procedures

"We hope to have our thoughts clarified for presentation to the State President, Mr P W Botha, soon but it won't be this year

"The British White Paper on the privatisation of its electricity board indicated that the project would take between four to five years

"They have already been at it for a year We have barely gotten off the ground but I think we can do it faster," he said

In the past 10 to 16 years state-owned concerns in Britain — about half the total number — have been privatised

The move has poured about R75 bn into state coffers

In almost all cases, privatisation in Britain has led to greater efficiency and bigger profits

More competition meant better quality commodities and services

Government sources said that, although privatisation has been an official policy in South Africa for three years, implementation had not been rapid

"There is good reason for this Privatisation must be smooth, responsible and in the public interest This requires detailed investigation and study," one source said

"With economic power in the private sector already concentrated in the hands of a few major corporations, there is also a need to ensure that privatisation does not result in the transfer of a monopoly from the state to the private sector

"This is particularly important in respect of utilities such as Eskom," one highly placed source said

He added that, despite the success of privatisation in Britain, there has been much consumer dissatisfaction with rising costs and deteriorating service from utility companies such as British Gas

"Apart from the partial privatisation of Sasol — the most important privatisation action to date — a government White Paper listed 35 examples of functions and activities that had already been partially or fully privatised by various government departments

"Privatisation action since then has included the decision for toll roads to be constructed by the private sector," he said

Mr McRae said that among the numerous issues to be investigated and identified was that of whether or not Eskom should be privatised as one or in several smaller undertakings

"We are also looking at the structure of the organisation, the question of control systems and if competition can be introduced," he said

Eskom's huge Southern African plan to go ahead

CAPE TIMES 7/4/88 260

Own Correspondent

JOHANNESBURG. — Disregarding political differences, electricity giant Eskom is to push ahead with a massive plan for the electrification of Southern Africa

Already, top-level talks have been held with most of the electricity utilities on the sub-continent in an attempt to achieve closer co-operation

Eskom's chief executive, Mr Ian McRae, said in Eskom's annual report "We have, on a number of occasions, been in touch with utilities outside our borders whose governments are not well disposed towards SA They share our enthusiasm and drive for development

"And financiers have already expressed an interest in joining us During the past few years we have created and built valuable relationships"

The move follows Eskom's success in speeding up its local electrification programme, which will bring power to a further three million people in 60 townships around SA by 1992

Broader vision

"Eskom's broader vision for Southern Africa is that economic development will solve many of the problems facing the region It believes that electricity has a key role to play in the transformation of the continent.

"This is a non-political initiative born out of the fact that geographically the states of Southern Africa are energy-interdependent Electricity supply is capital-intensive, and few countries have the funds or the expertise to upgrade their present, often inadequate, supply systems"

The report also said the basis of an electricity infrastructure linking the entire sub-continent already existed and was, to some extent, already operational

Eskom exports electricity to Namibia, Zimbabwe, Botswana, Mozambique, Swaziland and Lesotho, with the supply growing annually

Referring to the speeding up of its local programme, Eskom said it would halve installation costs by simplifying technical specifications which were too elaborate for the needs of the developing part of SA's population

Home power

It said safety standards would not be compromised and the whole electrification process would be speeded up considerably.

In SA, it is estimated that 13 million people, or less than 40% of SA's total population, have electricity in their homes

But the gap between the electricity haves and the have-nots in frontline states is even greater than in SA Out of a total population of 80 million, it is doubtful whether 18 million — less than 25% of the population — have access to electricity

This means that more than 60 million people in the sub-continent have to rely on alternative energy

"Eskom can play an important role in bringing the various authorities involved in electricity supply in the region together so that the electrification of the sub-continent can gain momentum," Mr McRae said

Eskom wants power spread

260 B/day 7/4/88

DISREGARDING political differences, electricity giant Eskom is to push ahead with a massive plan for the electrification of southern Africa.

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Eskom CE Ian McRae says "We have, on a number of occasions, been in touch with utilities outside our borders whose governments are not well disposed towards SA. They share our enthusiasm and drive for development.

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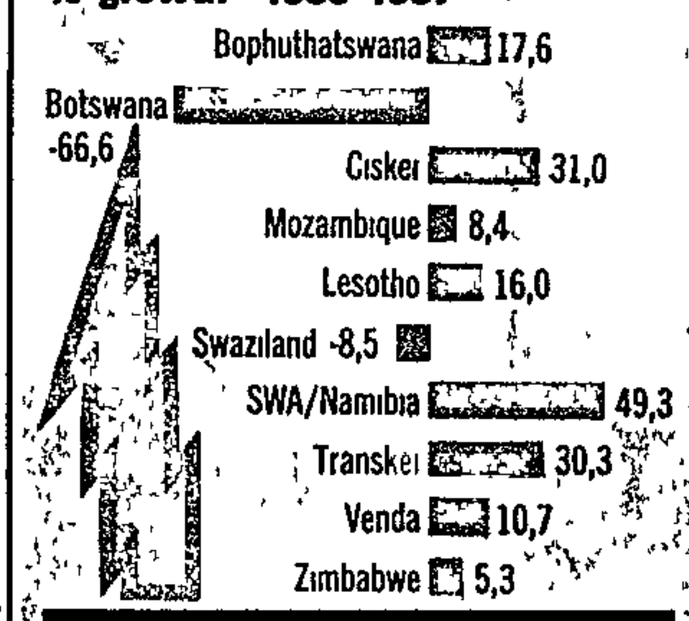
"Eskom's broader vision for southern

ELECTRICITY SALES TO UTILITIES IN SOUTHERN AFRICA
% growth 1986–1987



Source. ESKOM Graphic JOHN McCANN

MICK COLLINS

Africa is that economic development will solve many of the problems facing the region. It believes that electricity has a key role to play in the transformation of the continent.

"This is a non-political initiative born of the fact that geographically the states of southern Africa are energy-interdependent. Electricity supply is capital intensive and few countries have the funds or the expertise to upgrade their present, often inadequate, supply systems," Eskom says in its annual report.

Eskom has already taken the initiative in seeking closer links with neighbouring countries and says it is aware that the key to stability and prosperity in South and southern Africa is economic development. Electricity, it says, is a key factor spurring this development

"The basis of an electricity infrastructure linking the entire sub-continent already exists and is, to some extent, already operational."

Eskom exports electricity to Namibia, Zimbabwe, Botswana, Mozambique, Swaziland and Lesotho, with the supply growing annually (1987 13,4%)

"Eskom has the expertise and the capacity to supply much of the electricity required for further economic development in these countries. Once they are able to expand their own electricity infrastructures, they can export electri-

● To Page 2

Eskom drive for electrification beyond SA

city to SA by exploiting abundant and relatively inexpensive hydro resources, as at Cahora Bassa"

Referring to the speeding up of its local programme, Eskom says it will halve installation costs by simplifying technical specifications which are too elaborate for the needs of the developing part of SA's population

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● From Page 1

260 B/day 7/4/88

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New-look Eskom turns on power

By Ann Crotty

Three years ago Eskom management committed itself to changing the corporation from a bureaucracy to a professionally managed business undertaking. The most obvious result of that change in strategy is that Eskom succeeded in reporting profits for both 1986 and 1987

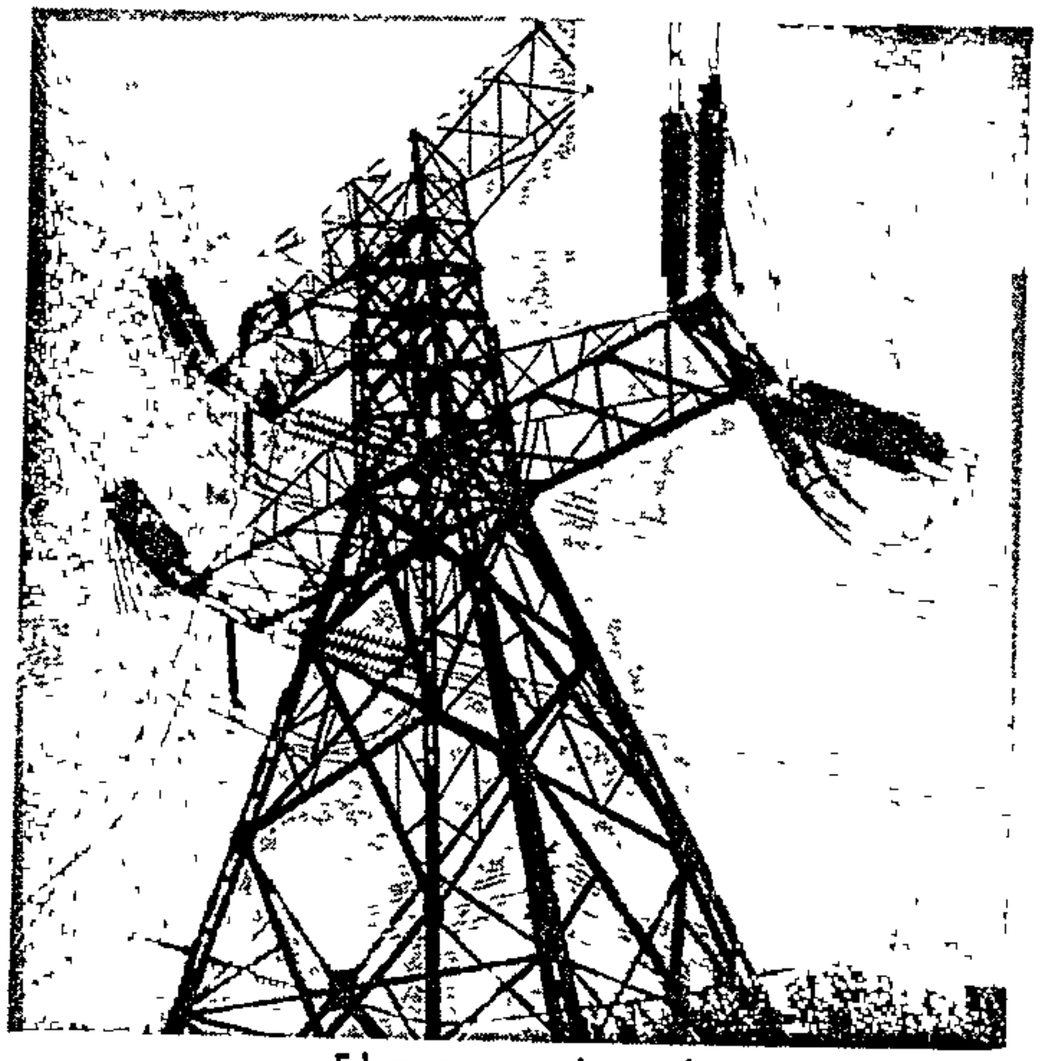
Because of a heavy maintenance programme in financial 1987, profit of R702 million was down on the previous year's R781 million But the important consideration is that management is now keenly profit-oriented and is continuing to develop strategies more appropriate to a profit-making organisation than a bureaucracy

It may be that three years ago Eskom management saw the writing on the wall and began to prepare for privatisation. Its current strategy is similar to that followed by New Zealand's public industries

Three years ago, New Zealand was ranked as one of the most regulated and distorted economies outside the communist bloc As part of an attempt to change this situation the Labour government decided to reduce the state's direct involvement in the economy At the beginning of last year major areas of activities such as electricity, transport and post were "corporatised" and although still state-owned are to be run like businesses by businessmen and not by civil servants

According to an *Economist* report on the New Zealand situation "Most of these public industries were in no state to be privatised straight away; they were losing money after years of overmanning Moreover, says Mr Douglas (the Labour Government's finance minister), it was vital to inject competition into their industries before floating them off Take Air New Zealand (ANZ) it is now up for sale, but only after the government has opened the domestic market to an Australian carrier, Ansett ANZ has been gingered into sprucing up its service, particularly its shabby airport facilities Other state firms in which shares have been sold, such as the Bank of New Zealand and Petrocorp, already faced competition

"Mr John Fernyhough's first step as chairman of Electricorp, the state-owned electricity utility, was to shake up the management in a most unbureaucratic way Everybody at the top was effectively sacked and then had to reapply for their jobs competitively. Of the top ten men, only three old hands remain. His next move was to create competition internally by splitting the industry into four separate divisions. production, transmission, marketing, and design and construction. Each will buy and sell from the others on a commercial basis and all will be free to turn elsewhere if they want to. For example, the generating division will be able to sell electricity directly to customers, by-passing the marketing division, distributors will be free to buy from private generating companies



Eskom power to the people

"Some of the early results of this corporatisation have been remarkable The Forestry Corporation has cut its labour force by two-thirds and hopes to transform a loss of NZ$70 million into a profit of NZ$30 million in financial 1987 The Coal Corporation has reduced its workforce by a similar amount, yet is producing 10-20 percent more coal."

Eskom certainly seems to be heading in the right direction According to Eskom chairman Dr John Maree, in 1987 the corporation produced 15 percent more electricty than it did three years earlier, with 14 percent fewer people It is unlikely, however, that "corporatisation" at Eskom will be taken quite as far as it was at its New Zealand counterpart, with everybody at the top being sacked and having to reapply for their jobs competitively

The corporation's latest annual report reads more like a listed company's report than that of a semi-state organisation It lists as its priorities for financial 1988 performance management; staffing, people development and quality circles, planning, budgeting and performance indicators; internal communication. Management is even talking about customer service

A move towards the development of a decentralised structure will help attain many of these goals And as Dr Maree says: "Our customers, too, are feeling the benefits of our decentralisation programme, which saw the creation of more than 50 strategic business units Improved service is being provided by our staff who now work closer to their customers and who have the authority to deal with problems on the spot."

The shorter lines of accountability implicit in decentralisation should also help tighten financial control and allow a reduction in operating costs This in turn will help to contain the cost of electricity

Dr Maree says "Perhaps the clearest indication of the effect that change in having on the efficiency of Eskom is the declining trend of price increases in 1987 and 1988 In 1986, the price of electricity increased twice by 10 percent in January and a further 10 percent in July Later that year Eskom committed itself to future price increases that would be kept at least 2 percent below the prevailing inflation rate" In 1987, Eskom's 12 percent increase was 4 percentage points below inflation In 1988, the 10 percent increase is also well below the expected 14-15 percent inflation rate

But Dr Maree cautions that in the longer-term is is unlikely that management will be able to keepincreases so far below the inflation rate

Perhaps with Eskom in obviously good hands as it moves down the road to privatisation, the spotlight will shift to SAA where customer service has gone the way of the Lockheed Constellation In the long run, unless customer service is at the focus of management's attention, it has little hope of profitable survival

Steely-eyed

British, German and American companies are eyeing up to R800m of contracts to modernise Iscor's Vanderbijlpark steelworks

The timing of the modernisation programme has been thrown out by a last-minute decision by Japan's Mitsubishi Corporation to withdraw from bidding for the bulk of the contract (*Business* March 25)

The project involves replacing equipment and technology at Vanderbijlpark's steel hot-strip mill Work was due to start in 1988 and take about two years However, Iscor officials believe the readiness of other foreign companies to work on the project means it will not be seriously delayed

"There are probably five companies who could undertake the main contract," says one

Sources say that although the steelmaker invited several overseas companies to tender, it wanted Mitsubishi to accept the main contract — worth an estimated R600m — because the Japanese helped build the existing mill in the early Seventies

Mitsubishi hasn't specified why it turned down the contract, but it is assumed to be the result of Japanese government pressure on companies to scale down dealings with SA. Tokyo is embarrassed by trade figures showing it to be SA's biggest trading partner. Speculation is that it is seeking to deflect criticism by being seen to be tough on Pretoria.

Japan is particularly conscious of US pressure and its actions are primarily aimed at reducing the threat of reprisals from that direction. US politicians accuse Japan of taking advantage of US companies' divestment from SA

The fact that US pressure may have played a part in the Mitsubishi decision makes it interesting that at least one US company stands to win a major part of the Iscor contract.

Iscor sources say General Electric (GE) supplied much of the technology for the existing plant and is a prime candidate for the modernisation programme. Rival companies say the Americans are likely to win up to R200m worth of contracts at Vanderbijlpark

GE executives won't say if they are bidding, or expect to be given the work. But a source in the company says "I'll be very surprised if we don't get it."

The existing Vanderbijlpark plant is about 14 years old Much of the technology is becoming dated and Iscor officials say they must modernise the plant in order to remain competitive. ■

Eksteen may be sacked in bid to step up propaganda onslaught

Knives out at SABC

By PETER FABRICIUS, Political Staff

THE position of Mr Riaan Eksteen as director-general of the SABC is in jeopardy today as the Government begins preparations for a major propaganda onslaught on the public.

Government sources confirm reports that Mr Eksteen may get the chop following a report on the SABC conducted by outside consultants which puts him in "a very unflattering light".

They said that if he was not fired, his job would become "difficult" in light of the report.

Seen as 'purely political'

They added that the report was based largely on the SABC's financial performance during the past year.

However, opposition politicians see the move on Mr Eksteen as "purely political".

They saw it as part of a move to refurbish the Government's propaganda effort to try to cope with the threat against the Government from [illegible].

Some saw, as part of this new initiative, the appointment of Dr Stoffel van der Merwe as full Minister of Information in charge of the SABC.

Mr Dave Dalling, the Progressive Federal Party's spokesman on the the media, said today that if Mr Eksteen was fired the decision would be aimed at getting even tighter control of the television medium to help to fight the growing threat from the right

Mr Riaan Eksteen

"This is not going to help them. The more slavish the SABC becomes the less people are going to believe it"

He said it was clear that President Botha was behind the decision

Speculation about Mr Eksteen being fired has been rife ever since August last year when President Botha telephoned him directly in the middle of a TV news broadcast to complain about a news report

Called direct

This was the report about Labour Party leader the Rev Allan Hendrickse leaving the Cabinet.

President Botha confirmed to Parliament that he had made the call to Mr Eksteen to ask him to correct the report which he believed gave an incomplete picture of the event.

Today Dr Stoffel van der Merwe, who took over the SABC this month, confirmed that an investigation had been conducted into the SABC and that a preliminary report had been submitted

"But it has not been discussed and it is premature to speculate on the future of any official at the SABC," he said, referring to a report in Die Burger, official mouthpiece of the Cape National Party

The report "speculated" that Mr Eksteen was to be fired and moved to the chairmanship of the Tourism Board, just vacated by Mr Danie Hough.

Power struggle

Die Burger speculated that Mr Eksteen's successor could be Dr Jamie Roux, secretary-general in the President's Office, or Dr Francois Jacobsz, a committee chairman in the President' Council, Mr Kobus Hamman, a deputy director-general at the SABC, or Mr Sakkie Burger, head of news and actuality at the SABC

Observers say that Mr Eksteen's demise could harm the position of Foreign Affairs Minister Mr Pik Botha in the power struggle for the presidency

Battle hots up for SABC's top spot

By DOUGLAS GORDON, DRIES VAN HEERDEN and LESTER VENTER

FRANCOIS JACOBSZ

THE PROCESS of choosing a man to occupy one of the most powerful offices in SA — the director-generalship of the SABC — has only just begun. The race is still open and the contest could be bruising.

Television and radio are potent media which play a major part in shaping public opinion

Choice

Government's choice To appoint a loyal party apparatchik or a skilled professional communicator who will restore credibility and balance to TV and radio services which are running into criticism — even from NP supporters

The present director-general and ex-diplomat, Riaan Eksteen, is likely to be moved sideways within a month

He will be shifted after a report by independent consultants that was sharply critical of his management and procedures which led to the SABC consistently losing money.

The full report will not be delivered until October, but the interim findings will dominate the SABC's board meeting on May 4

The posts of chairman and director-general may be combined

This would be in line with government policy which holds that all parastatal bodies, such as Sats, Eskom and the SABC, should be run along strict business lines by a powerful chief executive

Government, it was said yesterday, was now more anxious about the new man's aptitude in business than with his professional skills as a communicator Dedication to the political purposes of the NP was obviously also an essential requirement

So far only one name has been mentioned as a serious runner, that of Dr Francois Jacobsz, chairman of the economics committee of the President's Council.

Dr Jacobsz is a former chairman of Union Steel Corporation and ex-president of the Afrikaanse Handelsinstituut.

Outsider

However, sources said several other candidates were expected to emerge, with President P W Botha having the final say.

The name of Mr Joe Taylor, a former Santam Bank executive, managing director of the State-backed SA Housing Trust and an SABC board member since last year, was also mentioned — but as a rank outsider.

Yesterday, political and broadcasting circles were

□ To Page 2

Swapo kills 2 soldiers

TWO South African soldiers died after Swapo terrorists attacked a base in the operational area — presumably with mortars and RPG rockets

Lance-Corporal Carlos Thomas Moon, 20, leaves his grandmother, Mrs S Abrams of Postmasburg, and Rifleman Jaco Weyers, 17, his parents, Mr and Mrs H Weyers, of Oudtshoorn. They were wounded on Thursday and died the next day.

Battle for SABC post

□ From Page 1

abuzz with speculation.

It was said that Mr Eksteen would be shifted either to his former department, Foreign Affairs, or to a top post promoting tourism.

Since the SABC board was reshuffled in March 1987 a powerful group of Botha loyalists has emerged within it.

They are headed by Professor Christo Viljoen, vice-chairman and dean of the faculty of electrotechnical engineering at Stellenbosch University He has close links with the Cape NP and could also be a candidate for the post.

Others are General Koos van Zyl, former chaplain-general of the SADF, and Mr Henkie Schwartz, who serves on the head committee of the Cape NP.

Mr Eksteen's position has been tenuous since his much-publicised run-in with Mr Botha over the Hendrickse affair last August.

Bitter

The consultant's report seems to have provided the pretext for moving him out.

In the past year, Mr Eksteen has achieved modest success in controlling the SABC's finances.

The annual report, issued last week, showed that a budgeted loss for 1987 of R42-million had been cut to R13,2-million.

Other names which figured in speculation this week were Dr Jannie Roux, secretary-general in the State President's Office, Mr Cobus Hamman, deputy director-general (news), and Mr Sakkie Burger, the senior director of news and public affairs.

The succession question has led to bitter accusations from opposition parties about Mr Botha's determination to entrench the SABC as an arm of the NP.

Yesterday, PFP broadcasting spokesman Dave Dalling said: "I'm quite sure this is P W interfering personally."

CP spokesman Fanie Jacobs said: "The President aims to appoint someone who shares his whims and fancies."

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Battle hots up for SABC's top spot

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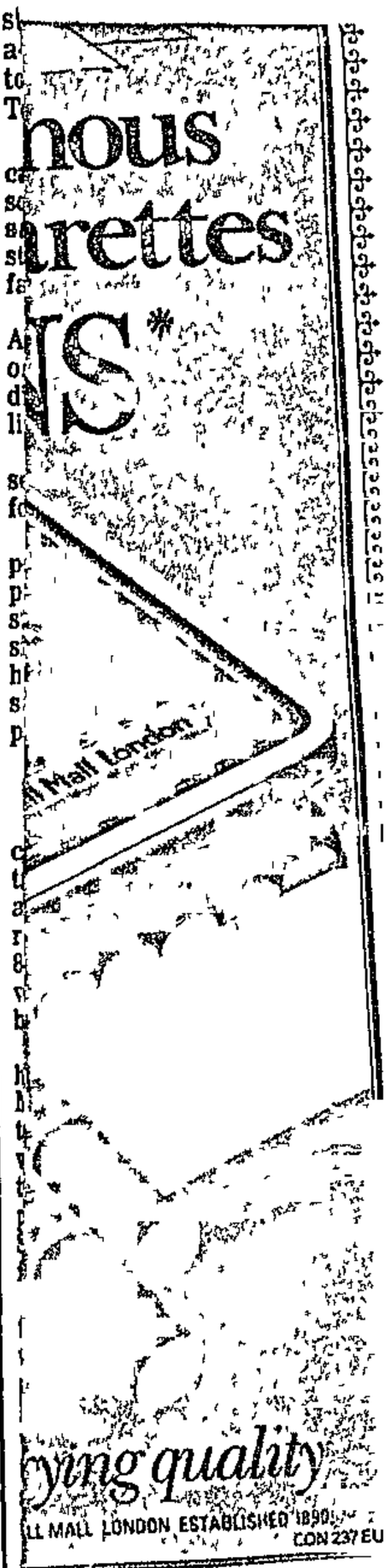
The annual report, issued last week, showed that a budgeted loss for 1987 of R42-million had been cut to R13,2-million.

Other names which figured in speculation this week were Dr Jannie Roux, secretary-general in the State President's Office, Mr Cobus Hamman, deputy director-general (news), and Mr Sakkie Burger, the senior director of news and public affairs.

The succession question has led to bitter accusations from opposition parties about Mr Botha's determination to entrench the SABC as an arm of the NP.

Yesterday, PFP broadcasting spokesman Dave Dalling said: "I'm quite sure this is P W interfering personally."

CP spokesman Fanie Jacobs said: "The President aims to appoint someone who shares his whims and fancies."



CBR Times 12/4/88

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Firebombing: Canberra to pay

MELBOURNE — The Australian government has offered to pay restitution for damage inflicted at the home of a South African diplomat whose car was written off in a firebomb attack on his Canberra home in the early hours of Sunday morning

With the local media playing down the incident in spite of having given great play to recent political incidents in Paris and Mozambique allegedly perpetrated by South African "hit" squads, the lack of official outrage in the nation's capital was conspicuous

Yesterday a visibly shaken South African Ambassador, Mr Cornelius Bastiaanse, visited the Department of Foreign Affairs for consultation after the incident, which occurred at the home of the third secretary, Mr Jan Hough

"We are continuing quite calmly and carrying out our duties in the usual way," Mr Bastiaanse told waiting newsmen after talks with the acting Foreign Minister, Mr Michael Duffy

Australia denied yesterday that its anti-apartheid stance was connected with the firebombing

No claims of responsibility have been made, but the Foreign Minister, Mr Pik Botha, said extremist language used by Australian government spokesmen had led to a climate in which such violence should come as no surprise to Canberra

"We have noted the comments by Mr Botha about what he calls our extremist language about events in South Africa," Mr Duffy told reporters "We do not accept such a linkage," he added

The exchange was meant to convey that Australia rejects the suggestion that the firebombing was caused by extremists taking advantage of the Foreign Affairs Department's earlier refusal to condemn violence if it is used to topple apartheid

Mr Bastiaanse sought increased security yesterday, and a senior Australian Foreign Affairs Department official said Australia is examining how to step up its security for South African diplomats

Police are treating the attack as arson, so far with no suggestion it may have been the work of political activists — Own Correspondent, Sapa-Reuter

Gilts depository advocated

12/4/88

B'day

GRETA STEYN 260

FRAUD involving Eskom stock certificates has highlighted the need for a central depository for gilts in SA, says Arthur Andersen manager Robin Crewe

Writing in the latest issue of The Securities Markets, Crewe says a "scrip bank" could prevent fraud from occurring in future

The essential functions of a central gilts depository are to keep scrip certificates safe, to keep records of depositors' scrip holdings and to administer the collection of coupon and marturity payments

He lists the benefits of a central gilts depository as lower risks, lower costs and improved efficiency The last he regards as the most important, saying a central depository's biggest advantage is greater efficiency both in settling transactions and in administering coupon and maturity payments

"By promoting efficiency, a central depository would help dealers cope with increased volumes without increasing their back-office staff"

Obstacles to a central "scrip bank" include the entrenched positions of agents already offering lucrative depository facilities Another is concern over confidentiality

However, this concern could be overcome by establishing a depository independent of any dealing organisation

Eskom reduces funding needs

GRETA STEYN

ESKOM has slashed its need of capital market funds for the year by half of the R1,8bn originally expected and will now go to the market for only R900m.

Eskom is traditionally very careful not to under-estimate its funding requirement leading to eventual upward pressure on capital market rates. This partly explains why it managed to reduce its need by half.

However, Eskom capital market manager Gerard Ramage does not expect the news that Eskom will need less from the market to be bullish for rates.

"The market has largely discounted the news already. But one positive effect felt so far is that Treasury was able to approach the market for a very large amount."

Eskom has cut its total domestic fund-

B/Day 13/4/88 ● To Page 2 260

Careful Eskom cuts funding requirements

● From Page 1 B/Day 13/4/88 260

ing requirement by R1,6bn, after a reduction in short-term loan requirements from R1bn to R300m is taken into account.

The reduction in the utility's domestic funding requirement is made up, among others, of a R400m expected improvement in foreign loan finance. However, substantial new foreign loans are not likely to be concluded this year, as the foreign loan finance is expected to come mainly from foreign funds caught in the standstill net and invested with the Public Investment Commissioners (PIC).

Ramage said that Eskom had not assumed that these funds would be available when its original budget estimates were drawn up.

The funding requirement was also reduced by a R400m actual reduction in funding requirements, and the fact that foreign exchange rates had moved in Eskom's favour. The latter had resulted in a sharp improvement in expected swap cash flows — from an original estimate of R400m to R1bn for the year.

Apart from this, another R200m would be gained from the cession of bonds to building societies under Eskom's home ownership scheme.

While Eskom's need for funds from the domestic market had dropped by R1,6bn, its actual financing requirement had dropped to R3,4bn from R3,8bn, Eskom Finance GM Larry Harper said yesterday.

Minister to meet SABC board

Cart Tops 14/4/88

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Own Correspondent

JOHANNESBURG — A meeting between the Minister of Home Affairs and Communication, Mr Stoffel van der Merwe, and members of the SABC board will be held on Saturday in Johannesburg.

The minister's office confirmed yesterday the interim reports on the SABC's financial, structural and management systems will be discussed at the meeting.

It is not known if SABC director-general Mr Riaan Eksteen will attend the meeting. However, Mr Eksteen's office said yesterday he was "out of town" for two weeks.

Meanwhile, press speculation about Mr Eksteen's future as SABC chief was the target of a joking comment made by Transvaal rugby boss Mr Louis Luyt on Tuesday at a reception held after the Yardley Gold Cup rugby matches.

Speaking at the reception at Ellis Park, Mr Luyt invited Mr Eksteen up to the podium, saying "I will now ask Mr Eksteen to give his last speech as head of the SABC."

Malan sticks to insinuation of Govt plot to oust Eksteen

By David Braun,
Political Correspondent

PARLIAMENT - Independent MP Mr Wynand Malan says he stands by his insinuations that the Office of the State President may have given instructions to the SABC board to show a deliberate loss so as to portray director-general Mr Riaan Eksteen in a poor light

Mr Malan made the claim in Parliament earlier this week

The Minister of Information, Dr Stoffel van der Merwe, who is in charge of the SABC, has said that Mr Malan's statements will be investigated

The Office of the State President told The Star yesterday it had nothing to add to Dr van der Merwe's comments.

The SABC board chairman, Dr Brand Fourie, and the director-general, Mr Riaan Eksteen, were not available for comment.

But the SABC has given prominence to Mr Malan's remarks in its radio and television news broadcasts

Here is the full text of Mr Malan's allegations in Parliament, as recorded by Hansard:

Mr Malan: I want to deal with a topical matter, namely the speculation in the press, not over the ending of the service contract of Mr Eksteen, the director-general of the SABC, but already on who his successor will be.

The newspapers are not writing about the issue of whether he really should go, and from a journalistic viewpoint it is to a certain extent upsetting that this matter is not being looked at more deeply

I think it is important to ask ourselves what is happening here.

Report finalised

It is known that an investigation committee, comprising two auditors, Messrs Loubser and Haasbroek, were appointed They had to investigate the financial management of the SABC. It is also known that the report was finalised and handed in somewhere

We were not certain whether it was handed in to Tuynhuys or to the board of the SABC.

We also know that the contents of the report apparently reflect negatively on the current director-general.

What is worse is that the newspapers are not only writing about this speculation, but they are confirming — they quote government sources which are made public — that the speculation is spot on. They do not then talk specifically about who Mr Eksteen's successor will be

I want to make my position clear I hold no brief for Mr Eksteen, the director-general I know him, as I believe most of us do, from his Foreign Affairs days and I have no ongoing contact with him

At one stage during his term I did have close contact with him. I then found that he could administer very positively and that he was really prepared to look at the problems of his employees and do something about them

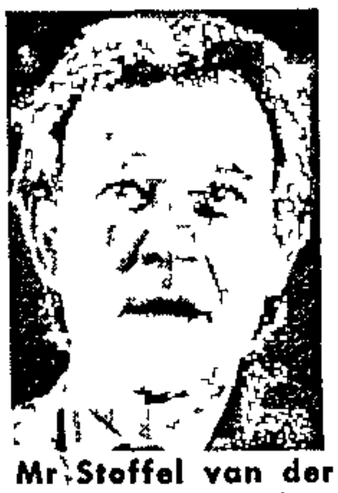
He is, in fact, prepared to do everything possible to reach a compromise

In my opinion, it is important to see what the SABC charter says In the first place it provides for a board which governs and manages the SABC It does not fall under anyone's control or direction, the board is responsible for the full control and management

The board is also responsible for the appointment, or the hiring and firing, of whoever it feels is necessary. This applies also specifically to the director-general.

It is also known that that report has been completed The board has not

Mr Wynand Malan ... wonders when a loss is not a loss.



Mr Stoffel van der Merwe ... promises an investigation.

Mr Riaan Eksteen ... has no knowledge of speculation.

met yet. The report has certainly not been laid before the board and, to the best of my knowledge, also not to the management committee of the SABC board.

The speculation is being confirmed as apparently correct according to Government sources and that, in the light of the report, Mr Eksteen would not be able to stay. It is being said that there would be big problems for him if he did stay

Let us look at the background against which the current director-general has been appointed It is common knowledge that Mr Eksteen's name was mentioned in 1983 in this connection At the time it was written about in the newspapers, and it was confirmed from here that his name had been sent forward to the then chairman of the board, Professor Mouton, and that it would be laid before the board The board decided it was a good suggestion, and he was appointed

(Interjections)

Public knowledge

It therefore carried out an instruction, but it was happy to do so That is common and public knowledge which is in no way in dispute

Mr Eksteen accepted his position in spite of great hostility from within the management cadre of the SABC. It took him four years to establish himself. I think it is recognised, at least within the SABC, that he has been reasonably successful

In the first place, he has been successful in the sense that he is generally accepted He had proposed a five-year plan which the board approved at the time and which is still being implemented He also moved from a more hierarchical and authoritarian management style to a more open management style, which was generally acceptable

People within the SABC were involved in the effort to improve the entire management in respect of all its facets Moreover, in keeping with what the Government expected, but also with what could be expected of a good manager, he decreased the number of employees from 7 200 to the present 5 000

The speculation does not refer to these aspects It is reported that the report concerns the financial incapabilities of the director-general. Let us look at the facts in this regard

In the 1987 financial year, a R42 million loss was budgeted This is also public knowledge, it stands in the newspapers It was approved but the SABC had plans to work it down so that it could break even This was also accepted by the board

Eventually the loss of R28 million in the 1986 financial year was reduced to an amount of R13,2 million The accounts were recently tabled here. I think they indicate good management but, if one analyses the accounts, there are two most interesting items

In this connection I refer to page 19 of the report where additional provision was made for depreciation in the amount of R10 million Note 4.3 to the accounts spells it out clearly

The additional amount referred to is the provision made for increased replaced costs of fixed assets.

Previously this was set at R8 million a year, but now it had been increased to R12 million The two amounts together totalled R14 million

If one sets off the R14 million against the current loss of R13,2 million one would show a working profit of R0,75 million.

The question again, then, is where did this come from

I am prepared to venture that the decision was not that of the management committee of the SABC In no ways would it, against the background of a directive or an authorisation of the board, have done business so as to specifically show a loss

It had hoped to show a profit That was the goal and I am convinced that, if that document is published or made public, that will emerge because the matter must have been discussed thoroughly

Where did it come from?

The board did have the authority — the auditors and the accounts confirm that — to make these provisions

The board made the provision for R14 million with the purpose of showing a loss of R13,2 million so that Mr Eksteen, the director-general, who is now on the way out, could be placed in a light that would make it easier to get rid of him because of his alleged financial management incapabilities

Interjection by Mr C P Hattingh. That is absolute speculation.

Mr Malan Sir, unfortunately it is not absolute speculation If that was the case, I would not have referred to it.

The further question is where indeed did it come from

Was the decision made by the board itself, or was it a decision made outside the board?

In other words, did the decision have a direct connection with Tuynhuys?

I did ask the responsible honourable Minister to be present today in the Assembly but, unfortunately, he had an appointment at 4 o'clock

According to my information, there is a meeting in Johannesburg this coming weekend between the honourable Minister and certain members of the SABC board

It has been practice previously to communicate with executive members of the board I would like to know who has been invited to this meeting Were all the members of the board and the executive committee invited, or were just certain members invited?

What is the purpose of the gathering and the discussion?

I want to know whether the director-general has been informed in this regard because, according to newspaper reports and also his own comments, he has no knowledge of any of the things being speculated about in the press and which have been confirmed publicly by Government sources.

I am not pleading for Mr Eksteen I am talking about the fact that the SABC has gone through a period of great shock with his appointment and attempt to set himself right and orientate himself

Mr Eksteen had to establish himself and he had to build new morale among the employees

Could not survive

I suggest that the SABC could not again survive another four-year period of similar shock.

The morale of the employees would be badly damaged, if not broken It is necessary that morale be built, rather than placing new shocks on the system

What is the actual purpose of such a new appointment? Nothing has been said in public as to why Mr Eksteen should relinquish his post so that a better person can be appointed in his place

The names that have been speculated are not bad ones, but I do not think one of them would fare better than the present director-general, especially when considered in the light that he has held the job for four years and that he has established his authority

It cannot concern the quality of news reporting either, because no one can expect the SABC news services to be more propagandistic than they are at the moment — not even the honourable State President could ask that

Reference has been made to the honourable Chairman of the Ministers' Council in the House of Representatives Honourable members will remember the dispute at the time when he appeared on television and the honourable State President phoned the SABC He confirmed that in this Chamber, although not even that can be the reason

What I am trying to say is that the Government is following an authoritarian management style and in no way is concerned with the interests of the general public of a large corporation such as the SABC

In the interests of the employees of the SABC I want to plead that the responsible Minister or the Government urgently make their position clear so that we may know what we are dealing with.

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Funding cut

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JOHANNESBURG — Eskom has announced that its funding requirements for the 1988 financial year had been reduced to R3,4 billion from R3,8 billion The general manager (finance), Mr Larry Harper, said the most important reason for the drop was a R300 million loan repayment which had been delayed

Mr Harper said major changes for 1988 included a 50 per cent reduction in Eskom's requirements from the local capital market, from R1,8 billion to R900 million, and a reduction in short-term loan requirements from R1 billion to R300 million —Sapa

IP slams Botha for misusing SABC

DP 14/4/88 (260)

JOHANNESBURG — The State President, Mr P W Botha and his government had so "misused" the South African Broadcasting Corporation (SABC) that the independence of the organisation had been all but destroyed, the Independent Party (IP) said yesterday.

Notwithstanding the efforts of individual SABC journalists of integrity and originality, "it (the SABC) is today a controversial and largely unpopular institution", the IP said in a statement yesterday.

"And this is because President Botha and his government have so misused the organisation."

The IP noted that when the SABC was orignally founded, "the promise was that, like the British Broadcasting Corporation on which it is modelled, it would be politically independent."

"Unfortunately, under the National Party and this government, that independence has all but been destroyed."

Turning to speculation that the Director-General, Mr Riaan Eksteen, might soon be replaced, the IP said that a change in management of the organisation could be used as an opportunity to remove the SABC from "political supervision".

"The last thing we want is another ministerial crony, time-server, or faithful Nationalist to set the tone at the SABC."

The IP said "What SABC viewers and listeners want to see is the appointment of an apolitical and independent minded person to take charge and to determine the role of the SABC regardless of the personal fancies and wishes of President Botha and his cabinet.

"Such an appointment would be in the interest of the SABC itself and we have no doubt it would also be welcomed by SABC personnel."

The National Party's official mouthpiece in the Cape, Die Burger, yesterday tipped a member of the Engineering faculty at the University of Stellenbosch and current vice-chairman of the SABC Board, Professor Christo Viljoen, as the front-runner to replace Mr Eksteen. — DDC

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SABC

The winds blow colder

The axe hanging over the neck of SABC Director General Riaan Eksteen is likely to move a few inches closer this weekend. Stoffel van der Merwe, the minister now responsible for Auckland Park, meets a small group of SABC Board members The secret meeting on Saturday morning — very few people at the SABC know about it — is to discuss the first of three interim reports on the corporation's financial, structural and management systems

It seems that Eksteen will not be at the meeting Normally, as an *ex officio* board member, he attends monthly meetings. The *FM* was told by his office that he will be out of town until April 25.

Reliable sources indicate that the investigation, which was undertaken by outside consultants on instruction from the new board, may finally seal Eksteen's fate. Rumours about his future in the top spot were rife since last year, when the *Netwerk* handling of the resignation of Labour Party leader Allan Hendrickse earned him the wrath of President P W Botha

Last week, the *FM* reported that new moves were under way to remove Eksteen. This was then confirmed by two government supporting newspapers *(Beeld* and *Die Burger)* on their front pages

Saturday's meeting between Van der Merwe, who flies to Johannesburg at the end of the week, and the selected board members will be the first to discuss the report. Apparently Van der Merwe's predecessor, Alwyn Schlebusch, left the report for the new man to handle.

Van der Merwe told the *FM* this week that the interim reports by the consultants have not yet been discussed. We understand that an announcement can be expected within the next week.

The names of the board members who will meet with Van der Merwe are not known. It's expected that those with business and financial experience will attend. Among them are former Tuynhuys economic adviser Joe Taylor, now MD of the South African Housing Trust, Saambou executive Hendrik Sloet and Norman Nossel of Adcock-Ingram. Cape Town businessman Henkie Schwartz, who was to have flown up, is ill and might not attend. It is expected that board chairman Brand Fourie and vice-chairman Christo Viljoen will also be present

Sources say it was Schwartz, a leading figure in the Cape Nat hierarchy, and Schlebusch himself who came to Eksteen's rescue when Botha threatened to have him sacked after the *Netwerk* performance Schlebusch is now gone from Tuynhuys and Schwartz may not be able to cope with any new onslaught against Eksteen.

Meanwhile, the names of Taylor, Tuynhuys administrator Jannie (JR) Roux and President's Council member Francois Jacobz have been circulating as possible successors to Eksteen. Taylor and Roux, who had worked together at Tuynhuys, are also good friends.

The beleaguered Eksteen must regard the latest speculations about his future as something of an irony. Financial figures in this

year's annual report show that the SABC has improved its financial position substantially during the last two years, under the guidance of Eksteen.

At the end of last year, the *FM* reported, from a very reliable source, that the huge expected deficit of R48m for 1987 could be brought down to R4m or less *(Current affairs* December 18). A deficit of R13,2m was announced in this year's annual report tabled in parliament

Independent MP Wynand Malan this week spoke about a Tuynhuys connection. In a speech prepared for parliament, Malan said the figures show there had been additional provision for depreciation and replacement costs of fixed assets to the value of R14m — figures which were not added to the calculation in previous years. This effectively means an operating profit of R76 800 before this provision, says Malan.

He added that he is convinced the additional provision was included by the SABC board on instruction from Tuynhuys "This was not put in by the management commitee of the SABC," says Malan

A senior board member, who wants to remain anonymous, admits that the R13,2m figure is much better than anticipated "The new board is adamant that the SABC will soon show a profit," he says He is infuriated by the recent speculations about Eksteen and possible successors. "It is the board and not the Cabinet which will decide on the future of the director general"

Eksteen could perhaps take heart from these words But the Hendrickse debacle and renewed rumours about Eksteen's future clearly show that P W Botha will not be challenged on this issue The board member may not be so forthcoming about the body's autonomy in the presence of Botha ■

CALLED TO ACCOUNT

260

Iscor has responded to accusations it indulges in "State accounting," particularly in its depreciation policy (*Business* March 25).

A spokesman says Iscor's audited annual financial statement points out that principal accounting policies conform in all material respects to generally accepted accounting standards.

He says depreciation is calculated on the useful life of an asset, which can be up to 25 years.

Private accounting and auditing firms still contend, however, that Iscor's accounts are not based on general accounting policies as understood under the Companies Act

Says an auditor involved with State corporations. "Because they are not bound by the Act, corporations such as Iscor cannot claim their accounts are comparable with those of private sector organisations. Depreciation is simply one heading where approaches differ."

FINANCIAL MAIL APRIL 15 1988

SABC security confiscate film

Staff Reporters

South African Broadcasting Corporation security personnel today confiscated news photographers' film showing banners protesting against the possible dismissal of SABC Director General Mr Riaan Eksteen

The posters had been put up at the SABC's Auckland Park, Johannesburg, headquarters

Mr Eksteen's axing is rumoured to be imminent.

Huge red and blue posters in support of him festooned the SABC's head office this morning.

The SABC security men confiscated film from photographers, including Etienne Rothbart of The Star

The Star complained to the communications manager of the SABC, Mr D Labuschagne, having been told that Mr Eksteen was not available.

After investigating The Star's complaint, Mr Labuschagne said the film confiscated would be developed and any pictures "not of a sensitive nature" would be returned

He said the film had been confiscated in terms of legislation which newspapers were not allowed to report

The Star's legal advisers have contacted the SABC's attorneys with a view to having the film returned

A security guard told The Star the posters were put up by a man at about 7 am today

Posters carried slogans including "We Want Eksteen to Stay", "Hands Off Eksteen" and "Eksteen is Our Man".

One poster was signed "From all SABC Staff"

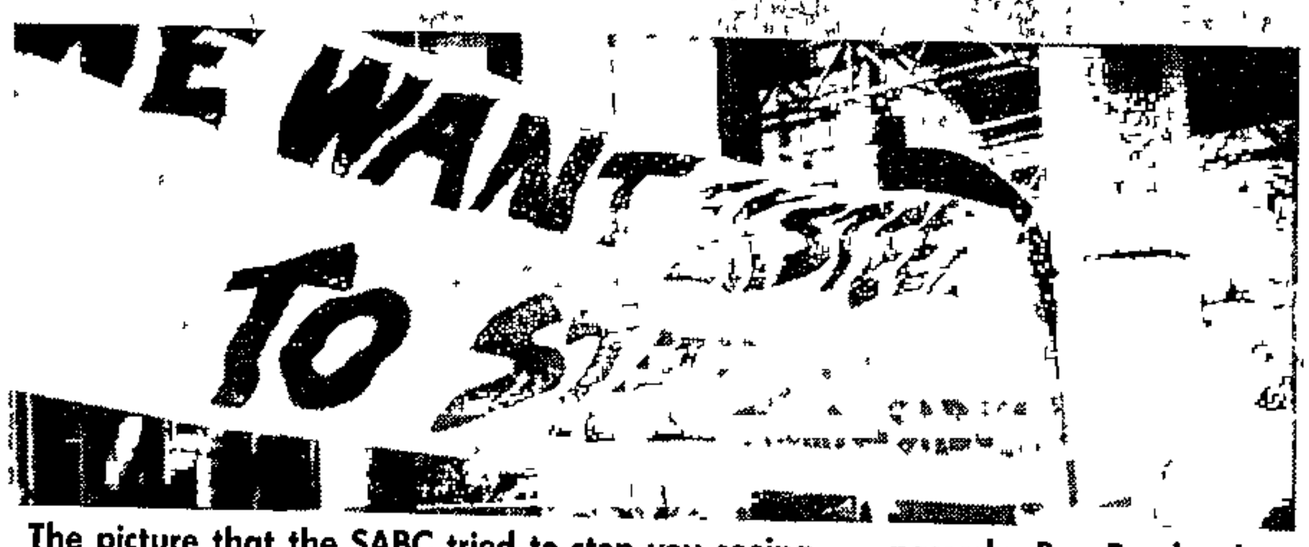
Shortly after 8 am security guards started to rip down the posters, acting on the order of Mr Johnny Morgan, security manager

Newsmen were ordered to enter the building, but were allowed to leave the premises after handing over their films

Mr Morgan said photographs not showing SABC property would be given back.

When asked how long that would take, he said that depended on the work load of the traffic department

At this stage, it is not clear who organised the campaign in support of Mr Eksteen



The picture that the SABC tried to stop you seeing . passerby Bea Reed, who retired from the SABC recently, looks at a poster protesting against the rumoured dismissal of SABC boss Mr Riaan Eksteen.

According to Rothbart, he was ordered to hand over his film by a security official who said no pictures were allowed to be taken in front of the SABC

"I told them I was in a public place and was allowed to take pictures but when they wanted to take me into the building, I decided to hand a film over," said Rothbart.

Rothbart said he was taking pictures of the banners and not of the building

SABC chairman criticises 'unfair' talk over future of Riaan Eksteen

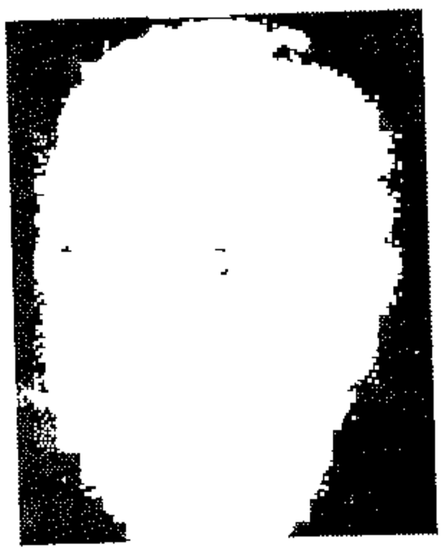
Political Staff

CAPE TOWN — The chairman of the board of the SABC, Dr Brand Fourie, yesterday dismissed speculation about the future of Mr Riaan Eksteen, the corporation's director-general as "premature and unfair".

At the same time Dr Fourie confirmed that a committee of the board would meet on Saturday to consider a further interim report by two outside consultants on the financial, structural and management systems of the SABC.

Dr Stoffel van der Merwe, the new Minister of Information in the office of the State President, would meet these board members but would not take part in their deliberations

It would be a courtesy meeting which was arranged some weeks ago to coincide with other appointments Dr van der Merwe had in the Transvaal



Dr Brand Fourie . . . 'premature and unfair'.

Dr Fourie said that, since October last year, a sub-committee of the board had considered interim reports from the consultants. He could not say when the work would be completed but, in his 1987 annual report, he expressed the hope that it would be within a year.

He said the usual meeting of the board would be held on May 4 as previously arranged.

The fact that the meeting was to take place was first disclosed in Parliament by Mr Wynand Malan, National Democratic Movement MP for Randburg

Mr Malan also insinuated that the Office of the State President might have pressed the SABC board to show losses so as to portray Mr Eksteen in a poor light

A spokesman for Dr van der Merwe's office said the Minister regarded these allegations in a very serious light and they would be investigated fully because he would not allow such practices.

260 SSM 19/4/88

DD 16/4/88

Placards supporting Eksteen taken down

260

Daily Dispatch Correspondent

JOHANNESBURG — Security staff yesterday removed a number of placards from the corporation's headquarters in Auckland Park, protesting against the possible dismissal of the SABC director general, Mr Riaan Ecksteen

It is just two weeks before a significant board meeting of the SABC

The SABC board, due to meet on May 4, is expected to announce certain major changes in the structure of the corporation

It has been widely speculated that Mr Eksteen and the chairman of the SABC, Dr Bram Fourie, are to go

A number of outside consultants recently appointed by the board to investigate and evaluate the corporation's activities, are also expected to present their recommendations at the meeting

Huge, colourful posters were strung outside the SABC's head office yesterday morning announcing support for Mr Eksteen

"We want Eksteen to Stay," announced one poster "from all SABC staff"

The posters, said a security guard at Auckland Park, were put up by a man at about 7 am

At 8 am the security manager, Mr Johnny Morgan, ordered them pulled down

Photographers who had taken pictures of the placards were ordered inside the corporation buildings, but were allowed to leave after their film had been taken

The photographs "were not confiscated", said a public relations officer for the SABC last night, "they were just handed over in terms of the National Keypoints Act" The act, he said, could not be reported by newspapers

Dr Bram Fourie, said action was not likely to be taken against the people who were responsible for the demonstration

On the rumours of the axings, Dr Fourie said "I have never indulged in speculation"

First 'official' step today in Eksteen affair

IAN GRAY

SABC Director-General Riaan Eksteen goes on trial "officially" today after nearly a fortnight of speculation about his future which has just stopped just short of naming the date his successor will take over

A sub-committee of the SABC board will meet today to discuss the first interim report of consultants who were appointed last October to examine the corporation's financial affairs.

It's this report, submitted last week to the Office of the State President, with some comment "leaked" to National Party newspapers, which has led to the latest crisis involving Mr Eksteen.

Rumours speak of "gross financial mismanagement" and even hint at corruption. There has been little solid information to back these claims.

But there is a definite political motive for wanting him removed

● TO PAGE 2

Eksteen drama

● FROM PAGE 1

Mr Eksteen, during his four-year tenure, has upset politicians in all parties He has come under fire for leaning too far towards the National Party, for giving too much or too little time to the Conservative Party and too little time to the Progressive Federal Party

However, today's meeting is simply a preliminary hearing before the full board itself goes on trial to prove either its so-called independence from the ruling party or to reveal publicly that it is there merely to rubber-stamp decisions made for it by the Cabinet or President Botha.

A hint of what is to come may be given in Cape Town today when Dr Stoffel van der Merwe, Minister in charge of broadcasting affairs in the State President's Office, holds a news conference

Yesterday he visited Johannesburg for meetings, on a social level, with the chairman of the SABC, Dr Brand Fourie, Mr Eksteen and members of the management committee.

Any decision on the future of Mr Eksteen lies, theoretically, not with the President or Dr van der Merwe, but with the board of the SABC, due to gather for its regular monthly meeting on May 4

The subject of the Director-General's future is not on the agenda for that meeting — at least it was not on the agenda before the latest storm blew up.

I understand the interim financial report will be discussed again on May 1, probably with recommendations from today's sub-committee meeting.

The subject of Mr Eksteen's future will come up — if it is to be discussed at all — only on June 1, the date of the next scheduled meeting of the board.

The strangest aspect of the latest storm, however, is that it is apparently financially based.

It comes at a time when the SABC, after three lean years, is about to enjoy a financial turnaround. This is clear from the latest annual report in which the SABC posted an operating deficit of R13 million when it had budgeted for a trading loss last year of more than R40 million

Mr Eksteen has strong support within the ranks of the SABC management — as was shown yesterday by the posters strung across the entrace to the Piet Meyer Building in Auckland Park urging "Hands Off Eksteen" and "We Want Eksteen to Stay". He took over the reins just before South Africa, and the rand, were plunged into the worst recession since 1929.

At that stage the SABC was committed to considerable capital expenditure, most of which was completed last year, and to upgrading equipment that was more than 10 years old

With equipment having to be purchased overseas, along with imported programmes which constitute half the SABC's output, the corporation, like all other South African businesses, was faced with suddenly escalating expenses as the rand collapsed

The story so far: The knives are out for Kudu Eksteen. Will he survive? Tune in next week

17/4/88 S Times 260

By LESTER VENTER, DRIES van HEERDEN and DOUGLAS GORDON

THE fate of SABC chief Riaan Eksteen will be decided at an extraordinary meeting of the board on Wednesday

The chairman, Dr Brand Fourie, announced yesterday that the date of a board meeting scheduled for May 4 would be advanced by a fortnight.

He did so after a discussion in Johannesburg with the Minister in charge of broadcasting, Dr Stoffel van der Merwe

The move suggests a new urgency in resolving Mr Eksteen's position, possibly because of deteriorating morale at Auckland Park

Mr Eksteen's job has now moved more precariously into the balance.

His primary line of defence is the dramatic cut he made in the SABC's losses.

But yesterday Dr Van der Merwe said the SABC board had to take a big slice of the credit for the reduced losses.

He said the board began soon after it was appointed last year — to "put pressure" on Mr Eksteen and his management committee for dramatic improvements

Dr Van der Merwe was speaking soon after a meeting of the board's special committee that is examining an interim (reportedly highly critical) report by outside consultants on the management of the SABC

Dr Van der Merwe is keen to clear the air of what the government has come to

Juggled

Dr Van der Merwe said he was "personally convinced" that the consultant's interim report had not been "used" to "get" Mr Eksteen — and that there had been no pressure from the State President on the board.

Continuing losses at the SABC — more than R27-million in 1985 and 1986, and R13,2-million last year — have caused speculation that Mr Eksteen will be replaced by a tough businessman

Mr Eksteen's supporters claim that the SABC's report was juggled to reflect badly on the Director-General and to provide an excuse for removing a man who is known to have lost support in high political circles.

Latest developments mean that the drama of Auckland Park, as intriguing as any corporate struggle depicted in the many soap operas broadcast from that lavish tower on Johannesburg's Brixton Hill, has yet to reach its final episode

So far the only notable thing about it has been the neglect of anybody in authority to say anything in defence of Mr Eksteen.

Since the leaks began 10 days ago that Mr Eksteen was to lose one of the most influential jobs in the country, nary a soul in Government or on the board of the SABC has stated categorically that there was no question of his being axed

Apart from a few "Save Eksteen" posters strung up outside the building this week, presumably the work of loyal staffers in sympathy with their embattled boss, all has been official silence

Dr Fourie lamented what he regarded as unseemly and uninformed speculation

CAPE TIMES 18/4/88

Eksteen may get sack this week

260

By ANTHONY JOHNSON
Political Correspondent

THE embattled director-general of the SABC, Mr Riaan Eksteen, could well have his marching orders by the time President P W Botha speaks during his budget vote in Parliament this week.

Mr Eksteen's position, to be decided at a special meeting of the SABC board on Wednesday, has been precarious since his run-in with President Botha last year over the SABC's handling of Mr Allan Hendrickse's resignation from the cabinet

A subsequent report by outside consultants, reportedly highly critical of SABC management, has fuelled speculation that Mr Eksteen's job is on the line

However, the Minister of Information in charge of broadcasting, Dr Stoffel van der Merwe, said at the weekend that he was "personally convinced" that insinuations that the report was "just a way to get right what the State President could not do in August" — when he clashed with Mr Eksteen — were groundless.

Pressure denied

While it was true the Mr Botha appointed the members of the SABC board which in turn appointed the director-general, neither Mr Botha nor anyone else on the "political side" had exerted pressure on the board for Mr Eksteen's resignation, Dr Van der Merwe said

While no one on the board could have been unaware of "differences" between Mr Botha and Mr Eksteen, he was satisfied that no command had been issued to design the report in such a manner that Mr Eksteen could be fired

Asked if possible successors to Mr Eksteen had been considered by the SABC Board, he said "no serious discussions" had been held on the subject

The interim report would not be made public, irrespective of its results, neither would Mr Eksteen have access to the report, Sapa reports

Urgency

The meeting had been brought forward because of the crisis which had developed over speculation regarding Mr Eksteen's future

It was now a matter of urgency to clear up the issue and this would be done by the committee

Mr Eksteen would not however be present or have representation at its deliberations on the report, Mr Van der Merwe said

The report could also not be published or made public as it was only an interim report which left a lot of matters unfinished

Eksteen's future at SABC to be decided on Wednesday

Political Correspondent

CAPE TOWN — The embattled director-general of the SABC, Mr Riaan Eksteen, could well have his marching orders by the time President P W Botha speaks during his budget vote in parliament this week

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While it was true that Mr Botha appointed the members of the SABC board which in turn appointed the director-general, no one had exerted pressure on the board for Mr Eksteen's resignation, Dr Van der Merwe said

He said he was satisfied that the report was not designed in such a manner that Mr Eksteen could be fired

Dr Van der Merwe said the report would not be made public, irrespective of its results

The interim report would be studied by a committee of the SABC board to which Mr Eksteen would not have access

Asked if possible successors to Mr Eksteen had been considered by the SABC board, he said there had been "no serious discussions" on the subject yet

● The chairman of the SABC board, Dr B G Fourie said in a statement that speculation and insinuation about the consultant's report was deplorable

In view of recent speculation about the interim report, he said he wished to emphasise that the matter belonged exclusively within the board's jurisdiction

The board would decide at a special meeting on April 20 on this report and supplementary matters "objectively, analytically, and in the interests of the SABC as well as South Africa", he said

Eskom bars politics

Highveld Bureau

Eskom has barred one of its senior Witbank employees from standing for the Conservative Party in the October municipal elections.

However, an Eskom spokesman said the ruling applied to all political parties "so that it can never be construed that Eskom supports a particular political party".

The decision has been criticised by the chairman of the Witbank CP, Mr Johan Lessing, who said that a second Eskom candidate — a power station worker — now had to withdraw as well.

High schools: Latin course offered for matriculation purposes

860 Mr D J DALLING asked the Minister of Education and Development Aid

(a) How many high schools in the Republic fall under his control and (b) (i) how many of these schools offer a Latin course for matriculation purposes and (ii) (aa) what are the names of these schools and (bb) where are they situated in each case?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(a) 368 as on 3 March 1987

(b) (i) one

(ii) (aa) St Mary Secondary Private School

(bb) Pietermaritzburg-South

Human Sciences Research Council: newsletter sent to schools in RSA

904 Mr A GERBER asked the Minister of National Education †

(1) Whether the Human Sciences Research Council sent Newsletter No 117 of 1987 to schools in the Republic, if so, (a) when, (b) to which schools and (c) what was the purport of this newsletter,

(2) whether the newsletter was made available to pupils, if so, why;

(3) whether his Department subscribes to the contents of the newsletter?

The MINISTER OF NATIONAL EDUCATION

(1) As far as could be ascertained the Human Sciences Research Council has not published a Newsletter No 117 of 1987

(2) Question falls away

(3) Question falls away

Universities: amounts paid in subsidies

930 Mr C J DERBY-LEWIS asked the Minister of National Education:

(1) What amounts were paid in subsidies to each specified university in the Republic in the 1980/81 and 1986/87 financial years, respectively,

(2) whether any reduction in these subsidies is being envisaged, if so, (a) when, and (b) to what extent, in respect of each university?

The MINISTER OF NATIONAL EDUCATION

(1) The following amounts were allocated in subsidies to each university in the financial years concerned

	1980/81 R'000	1986/87 R'000
University of South Africa	28 458	82 269
University of Pretoria	34 899	119 762
University of the Witwatersrand	32 342	105 308
Rand Afrikaans University	16 274	37 286
Potchefstroom University for Christian Higher Education	14 969	49 542
University of the Orange Free State	21 359	52 532
University of Port Elizabeth	14 054	26 688
Rhodes University	8 346	23 797
University of Stellenbosch	31 224	79 590
University of Cape Town	24 799	77 815
University of Natal	24 157	72 072
University of Durban-Westville	15 843	48 934
University of the Western Cape	11 842	42 666
Medical University of Southern Africa	12 290	32 150
University of the North	10 153	38 927
University of Zululand	9 578	29 716
Vista University		28 586
University of Fort Hare	11 531	28 262

(2) No

Primary/secondary schools: female teachers employed

949 Mr C J DERBY-LEWIS asked the Minister of National Education:

(1) How many (a) White, (b) Coloured, (c) Indian and (d) Black female teachers were employed in (i) primary and (ii) secondary schools in the Transvaal, Natal, the Orange Free State and the Cape Province, respectively, as at the latest specified date for which figures are available,

(2) how many of these female teachers were in receipt of salaries on a par with those of their male counterparts?

The MINISTER OF NATIONAL EDUCATION.

(1) The numbers of female teachers that were employed on 1 November 1987 in the public ordinary school education sector are as follows

(a) White 38 759

(b) Coloured 19 660

(c) Indian 5 167

(d) Black 71 887

These figures include female teachers in the self-governing national states The figures for the various provinces as well as for pre-primary, primary and secondary schools are not separately available

(i) and (ii) lapse

(2) Of these female teachers referred to in (1), about 16 000 received salaries on a par with those of their male counterparts on 1 November 1987

Human Sciences Research Council: new building provided

957 Mr C J DERBY-LEWIS asked the Minister of National Education

(1) Whether a new building has been provided for the Human Sciences Research Council, if so, (a) when, (b) where, (c) why and (d) at what total cost,

(2) whether his Department made a contribution towards the cost of this building, if so, (a) what was the amount involved and (b) from what source was it financed?

The MINISTER OF NATIONAL EDUCATION

(1) Yes

(a) On 20 November 1979 approval in principle was given by Cabinet The building was completed during August 1987

(b) 134 Pretorius Street, Pretoria.

(c) The Human Sciences Research Council had to lease accommodation in four different buildings as a result of its growth It became imperative for the efficient functioning of the HSRC that its head office be accommodated in one building, and as no existing accommodation could fill the HSRC's needs, an own building was erected

(d) According to estimates the cost amounts to R49 902 000 The final account is awaited

(2) Yes

(a) This project has been financed by means of a private loan guaranteed by the Government The Government underook to defray the interest and capital amortization in full The Department paid an amount of R23 386 660 to the HSRC for this purpose from the 1982/83 financial year to the 1987/88 financial year

(b) From the budget of the Department

Courses of study at technikons: measures to encourage persons

958 Mr C J DERBY-LEWIS asked the Minister of National Education

Whether his Department is taking any measures to encourage Whites, Coloureds, Indians and Blacks to pursue courses of study at technikons, if not, why not, if so, what measures in each case?

The MINISTER OF NATIONAL EDUCATION

Yes The Minister of National Education's general policy for the financing of technikons was designed to make it possible to offer

DDP 19/4/88

No assurances for SABC head before board meets

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Daily Dispatch Correspondent

JOHANNESBURG — The director-general of the SABC, Mr Riaan Eksteen, goes into tomorrow's special SABC board meeting without the public support he was given by the board last year when he appeared similarly threatened with losing his job

The question of why his job is on the line has still to be answered officially — in spite of speculation that he will be dismissed

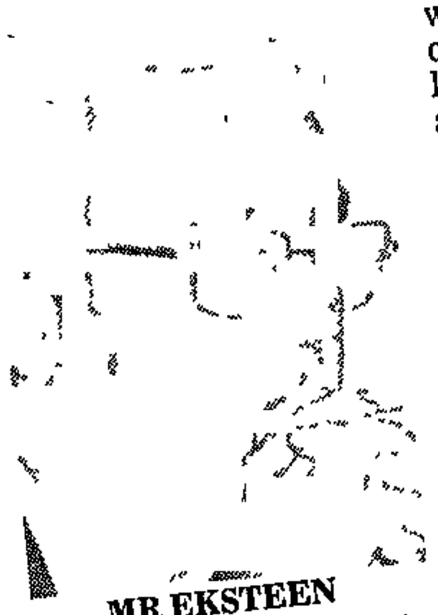
When rumours were reported last year that the State President, Mr P W Botha, wanted to dismiss Mr Eksteen (over the SABC's handling of the Rev Allan Hendrickse's resignation), the SABC board supported Mr Eksteen by saying his resignation was not on the agenda of their next meeting and he was continuing normally with his duties

In stark contrast, there have been no such assurances this time

In a statement at the weekend, the chairman of the board, Mr Brand Fourie, deplored speculation on a consultant's interim report on the SABC to be discussed at tomorrow's special board meeting, without indicating the implications for Mr Eksteen

The report has been claimed to reflect on Mr Eksteen's management of the SABC, and is the ostensible reason for speculation that he will be dismissed

The speculation was triggered by "government sources" who said



MR EKSTEEN

earlier this month that Mr Eksteen's position would be made "very difficult" by the report, which was said to be based largely on the SABC's financial position last year

However, the recently released 1987 SABC annual report makes it clear that the interim report to be considered tomorrow is not the first to have been submitted to the board by the consultants — the other reports having passed without fuss

Furthermore, the annual report shows the SABC's financial position has improved as a result of new financial policies implemented in line with the consultants' reports

It says that, compared with operational losses of more than R27 million in 1985 and 1986 and a budgeted loss of R40m in 1987, the loss for the year was R13,2m

This improvement is despite the fact that the annual report's financial statement reflects a change in accounting procedures to increase by 2,2 per cent the amount budgeted for depreciation — from 8,6 per cent in previous years to 10,8 per cent in 1987

The Minister in the President's office responsible for the SABC, Mr Stoffel van der Merwe, has said that credit for the improved financial position had also to be given to the board and could "not be attributed to the director-general and his management committee alone"

SABC board fails to back Eksteen

ROGER SMITH

SABC director-general Riaan Eksteen goes into tomorrow's special SABC board meeting without the public support he was given by the board during the fiasco last year when he appeared similarly threatened with losing his job.

The question why his job is on the line has still to be answered officially, in spite of speculation he will be fired.

When rumours were reported last year that President P W Botha wanted to fire Eksteen (over the SABC's handling of LP leader Allan Hendrickse's resignation from the Cabinet), the SABC board supported Eksteen by saying his resignation was not on the agenda and he was continuing normally with his duties.

In stark contrast, there have been no such assurances this time.

At the weekend, board chairman Brand Fourie deplored speculation on a consultants' interim report on the SABC to be discussed at tomorrow's special board meeting without indicating the implications for Eksteen.

The report has been claimed to reflect on Eksteen's management of the SABC and is the ostensible reason for speculation he will be dismissed.

The speculation was triggered by "government sources" who said earlier this month Eksteen's position would be made "very difficult" by the report, which was said to be based largely on the SABC's financial position last year.

However, the recently released 1987 SABC annual report makes it clear the interim report to be considered tomorrow is not the first to have been submitted to the board by the consultants — the other reports having passed without fuss.

Furthermore, the annual report shows the SABC's financial position has improved as a result of new financial policies implemented in line with the consultants' reports.

It said that compared with operational losses of more than R27m in 1985 and 1986, and a budgeted loss of R40m in 1987, the loss for the year was R13,2m.

This improvement is in spite of the fact the annual report's financial statement reflects a change in accounting procedures to increase by 2,2% the amount budgeted for depreciation, from 8,6% in previous years to 10,8% in 1987.

Minister in the President's Office responsible for the SABC, Stoffel van der Merwe has, however, made a point of saying credit for the improvement had to be given also to the board and could "not be attributed to the director-general and his management committee alone".

D/D20/4/88

Eksteen decision today

Political Correspondent

CAPE TOWN — Today is D-day for the Director-General of the SABC, Mr Riaan Eksteen, with the board of the SABC due to meet at noon to discuss his future

It seems virtually certain that the man who came under heavy fire from the State President, Mr P W Botha, for his handling of the resignation of the Reverend Allan Hendrickse, is going to be fired

A source disclosed yesterday that the situation at Auckland Park was tense and that the management committee of the corporation, which is headed by Mr Eksteen, was on the point of revolt

The source said that it was generally accepted that the new Minister of Information, Dr Stoffel van der Merwe, had travelled to Johannesburg to give the board the instruction to get rid of Mr Eksteen

This has been denied by Dr Van der Merwe who said yesterday that his trip to Johannesburg had been arranged some time before and that the meeting with the SABC board had been initiated by the chairman, Dr Brand Fourie

With regard to suggestions that he was acting on the instructions of the State President, Dr Van der Merwe said "I don't think he even knew I had a meeting with the board"

It is generally accepted, however, that Mr Eksteen's dismissal is only a matter of time and that his most likely replacement will be Professor C H Viljoen who is currently vice-president of the board

It is also being suggested that Prof Viljoen will succeed Dr Fourie at a later stage and hold both the position of chairman of the board and director-general of the corporation

Golden handshake for SABC head

Daily Dispatch Correspondents

JOHANNESBURG — The SABC director-general, Mr Riaan Eksteen, yesterday agreed to quit his post immediately in a huge settlement estimated well in excess of R600 000.

A joint statement by Mr Eksteen, 45, and the SABC board chairman, Mr Brand Fourie, after a special meeting of the board yesterday, said Mr Eksteen would receive five years' basic remuneration and a deferred pension

Mr Eksteen's existing basic salary is believed to be about R120 000 annually

The statement said the deputy director general, finance, Mr Wynand Harmse, would take over the post temporarily

It was reported from Cape Town that the settlement was necessary because Mr Eksteen could not be summarily fired, according to the Minister of Information Dr Stoffel van der Merwe

Dr Van der Merwe, recently appointed minister in charge of the SABC in the Office of the State President, told a press conference in Cape Town that Mr Eksteen's removal had been essential because his relationship with the SABC board had deteriorated to such an extent that the situation had become untenable.

He said Mr Eksteen's demise was foreshadowed as far back as August last year when his predecessor in the Office of the State President, Mr Alwyn Schlebusch, had referred to the SABC's unsatisfactory financial management during the Budget debate in parliament on the corporation's affairs

Dr Van der Merwe said the payment promised to Mr Eksteen was reasonable given that there was no likelihood he would be able to return to his previous profession in the diplomatic service and would not find it easy to find a similar position elsewhere

Dr Van der Merwe also confirmed that no decision has yet been made over Mr Eksteen's successor, indicating the new incumbent would not come from anybody on the SABC board.

Questioned by journalists on SABC's Netwerk last night, Dr Van der Merwe admitted there were some "political problems" but that these had originated not only from the NP, but also from the PFP and CP

Dr Van der Merwe said the board had come to Mr Eksteen's assistance during the "Hendrikse affair" when the State President was reported to have intervened over the coverage of the Labour Party leader's resignation from the cabinet and that his dismissal was therefore a "purely managerial issue"

He said it was not a lack of ability on Mr Eksteen's part, but that he "did not fit in"

Yesterday's special board meeting was called to consider an interim report on the SABC by independent consultants, which according to government sources quoted earlier this month would "make life difficult" for Mr Eksteen

However, some observers including PFP media spokesman Mr Dave Dalling and former SABC board member Professor Sampie Terreblanche have accused the government of setting up Mr Eksteen for dismissal, as a result of having incurred the wrath of President P W Botha

In the joint statement the board expressed appreciation for Mr Eksteen's "unselfish service" over five years, while Mr Eksteen thanked the board for the settlement and the spirit in which it was concluded.

Mr Eksteen will remain available to the SABC for consultation until the end of the year

Board members last night refused to say what had transpired at the meeting, although one said the parting of the ways had been a cordial one

Observers see Mr Harmse's acting appointment as significant in that he is junior to the deputy director-general (television), Mr T van Heerden, who has served as acting director-general in the past when Mr Eksteen was away on business or overseas

One said Mr Harmse's appointment could indicate government was intending to replace Mr Eksteen with somebody with a financial or business background

MR HARMSE — acting director-general

In another statement, Dr Fourie said the special meeting of the board had approved new delegated powers for the management committee to place the working relationship between the board and the management committee on a healthy footing

Sapa reports that the leader of the Labour Party, Mr Allan Hendrickse, said last night that he personally regretted Mr Eksteen had to pay the price for presenting news in its proper perspective

He said in a statement that the Labour Party condemned the dismissal

The Conservative Party spokesman on the SABC, Mr S C Jacobs, said that by resigning, Mr Eksteen became the victim of the autocratic style of government of the State President

He said the the big cash settlement was a waste of taxpayers' and licence holders' money which was "strongly condemned by the CP"

SABC called on to tell of changes

EAST LONDON — The SABC was called upon to tell local authorities timeously when it planned to withdraw or alter services in their areas by delegates to the Cape Province Municipal Association (CPMA) congress here yesterday.

The motion was submitted to congress by Riversdal and the issue was debated by delegates.

● A motion proposed by Great Brak River that the retirement age for municipal officials be lowered was unsuccessful

It was felt that this would be counter-productive in the current situation where difficulty was being experienced by some municipalities in employing suitably qualified people in certain positions

● A motion for municipalities to reassess their electricity tariffs in relation to Eskom tariffs direct to consumers was approved by congress.

Submitted by Bonnievale, the proposal called for the purchase price municipalities paid to Eskom be structured so that it be competitive with prices paid by consumers direct to Eskom.

The motivation behind the proposal was that Bonnievale provided electricity within and outside its borders to farmers and found that certain farmers who bought electricity directly from Eskom paid less than the municipality

It was further motivated that if the situation was not improved it was doubtful if affected municipalities would secure new consumers. — DDR

Office-bearers re-elected

EAST LONDON — Both the president and the vice-president of the Cape Province Municipal Association (CPMA) were re-elected for another term of office during the association's congress held here yesterday

Mr S Immelman, of De Aar, was unanimously re-elected president for another year's service as was the vice-president Dr D. E. W. Schumann, of Stellenbosch

Mr Immelman was first elected president in 1985 and has served as such since then

In thanking the 500 delegates for their support, Mr Immelman said he appreciated the trust they had placed in him.

Mr Schumann said it was an honour to serve the association for another term of office and to support it — DDR

Chinese official lauds twinning

EAST LONDON — A representative from the Republic of China yesterday told the Cape Province Municipal Association (CPMA) congress here that the twinning of cities between South Africa and China served to draw the countries closer together.

Mr David Wu thanked the president of the CPMA, Mr S Immelman, of De Aar, for the opportunity of being invited to attend congress.

He said "close ties existed" between the two countries.

He said that the Republic of China had six cities "twinned" with cities in the Cape Province, one of which was East London which is twinned with Taiwan's Keelung

He said the concept of twinning served as a vehicle for strengthening "very good friendships"

He said he shared the belief that in the future twinning would enforce the growing closeness between the Republic of China and South Africa

Congress splendid — Louw

EAST LONDON — The Administrator of the Cape, Mr Gene Louw, said yesterday that the Cape Province Municipal Association (CPMA) congress here had been "splendid".

In his farewell remarks Mr Louw said that the possibility existed to attempt to withhold planned political influences in the municipal council elections later this year

Mr Louw reflected on friendships made in past municipal service years and those renewed, and said that they were friendships which remained with one.

He thanked the mayor of East London, Mr Robert de Lange, and local councillors for their efforts in hosting a successful 81st CPMA congress and wished the city well

"May it go well with East London and ever better with congress," Mr Louw said.

During the course of yesterday's proceedings several delegates expressed their thanks to the city for their enjoyable stay and social events organised by the mayor and city council.

After yesterday morning's session, delegates were given the opportunity of taking part in sport and visiting a nearby casino, while 40 delegates chose to accompany naval vessels for a trip out to sea

The congress closes later today

MR LOUW

IDC considers firm offers

Groups vie for Alusaf control

Sunday Times 21/4/88

From MICK COLLINS

MAJOR private sector conglomerates are vying for control of government's R500m aluminium concern Alusaf

Firm offers for the giant Richards Bay facility are currently under consideration by Alusaf's major shareholder, the Industrial Development Corporation (IDC)

'Sensitive'

Confirmation that the bids for one of SA's main strategic industries had been received was given yesterday by IDC MD Koos van Rooy

However, Van Rooy said the issue was "sensitive" and would not be drawn on which private sector companies were involved

"Yes, we have received concrete offers and are talking to various parties

"It is awkward to speak about who is involved as we are still evaluating the situation We are also having discussions with our Swiss partners"

Asked if the Swiss would retain an interest in the business once it had been sold, Van Rooy said "They will have to evaluate their own position It is very difficult to say how they will react, which direction they will take"

Van Rooy said a formal announcement on who would take over could be expected soon

The development follows top-level secret talks held with private sector concerns as early as December last year, when bids were invited

Alusaf, which has an annual turnover of R600m, has been described by Van Rooy as being ripe for privatization

The privatization move is in line with President P W Botha's economic package for SA announced in February, in which he specifically referred to certain IDC holdings which would be privatized

IDC sources said the privatization would not automatically mean an immediate listing on the JSE, due to the current depressed state of the market

Expansion

Recent major expansion at the Richards Bay plant has seen Alusaf's capacity doubled

The company has a staff complement of 2 800 and exports 50% of its annual production of 170 000 tons of aluminium

Industry sources said the retention of the Swiss interest in the company was vital due to its world-wide contacts and its technological know-how

The IDC has a controlling interest in four major industrial concerns — Atlantis Diesel Engines, Alusaf, Foskor and tea producer Sapekoe

Eksteen to receive a huge payout

Staff Reporters

Mr Riaan Eksteen, who parted ways with the SABC yesterday, will receive a "golden handshake" estimated to be at least R650 000 plus a handsome pension.

Mr Eksteen's resignation is effective from today In terms of an agreement between the ousted director-general and the SABC board, he has apparently made a verbal undertaking not to make public the details of the circumstances surrounding his dismissal.

Mr Wynand Harmse, deputy director-general in charge of finances of the SABC, is to be the acting director-general, according to a statement released by the SABC board yesterday.

An emotional Mr Eksteen told members of his staff that he was not cross with anyone, nor was he unhappy.

He said "Perhaps it is an unsatisfactory way to leave — I won't be able to come and visit you tomorrow (today) and say goodbye to all of you — but life must go on The SABC must go on. The SABC is more important than individual persons"

PFP spokesman on the media Mr David Dalling said the huge financial settlement to get rid of Mr Eksteen was the price the South African taxpayers had to pay for the political control of the SABC.

He said he would be asking questions in Parliament as to the full terms and costs of terminating Mr Eksteen's employment.

"It was clear over the past few weeks that Mr Eksteen had been set up by the Government and the SABC board for dismissal, and now finally the board and the State President have succeeded in getting rid of him," said Mr Dalling

By resigning, Mr Eksteen had become the victim of the autocratic style of government of the State President, the Conservative Party's spokesman on the SABC, Mr Cas Jacobs, said.

"The immense financial benefits that Mr Eksteen receives for five years is typical of the golden handshakes given by the Government to people who resign or are forced to resign."

The leader of the Labour Party, Mr Allan Hendrickse, said last night that he regretted that Mr Eksteen had to pay the price for presenting news in its proper perspective.

The Minister in the State President's Office responsible for the SABC, Dr Stoffel van der Merwe, last night told a press conference in Cape Town that neither he nor the State President had brought pressure to bear on the board to get rid of Mr Eksteen. He would not say how much Mr Eksteen would receive.

However, as conditions of employment in the SABC are largely similar to those in the public service, it is presumed that Mr Eksteen earns the same as his counterparts in Government departments, R130 000 a year plus allowances and other perks

Dr van der Merwe said Mr Eksteen would be paid five times his basic annual salary — which means his severance pay is likely to be in the region of R650 000.

Dr van der Merwe said that with the five years' salary Mr Eksteen would qualify for another five years' service, bringing his pensionable service to 10 years and therefore qualifying him for a pension when he reached pensionable age.

Hendrickse affair was beginning of the end

... accused financial and inefficiency.

By Esmaré van der Merwe

Mr Riaan Eksteen (43) was axed as director-general of the SABC yesterday after four years in the hot seat

He was asked to resign by the 15-member SABC board apparently because of financial and management inefficiency.

Allegations have been made in Parliament by independent MP, Mr Wynand Malan, that President Botha had "rigged" a report of the SABC board which was said to be critical of Mr Eksteen The Government has denied the allegations, which are being probed by Parliament

Under Mr Eksteen's leadership the SABC's financial books improved strongly from a R27 million operating loss in 1986 to a loss of R13 million last year

However, the Minister in the State President's office responsible for the SABC, Dr Stoffel van der Merwe, said last week that Mr Eksteen and his management committee could not take sole credit for this as they had been put under pressure by the SABC board

Another reason for his forced resignation is Government dissatisfaction with Mr Eksteen's handling of contentious political issues.

His problems began when he angered President Botha by his handling of a TV news report on the Reverend Allan Hendrickse's resignation as Cabinet Minister in August last year.

During the broadcast Mr Botha telephoned Mr Eksteen to complain about the SABC's handling of the news item

There was speculation at the time that Mr Botha had in fact fired the SABC boss, although this was denied by the State President's office

Mr Eksteen was once a National Party insider and a respected professional diplomat

He began his political career at Foreign Affairs, where he excelled as a negotiator

Soon after joining the department he was transferred to the South West Africa desk where he helped to prepare the South African case before the International Court of Justice In 1968 he teamed up with Mr Pik Botha, then ambassador in Washington, as one of his senior advisers.

He had hardly been home three years when his transfer to the United Nations came through In 1976 he became head of the mission, while Mr Botha doubled as ambassador to the UN.

In 1979 he was appointed ambassador to the UN, where he was highly rated as a diplomat.

He gave up that position to take over the SABC's hot seat from Mr Steve de Villiers in 1984. Interviewed shortly after his appointment, Mr Eksteen said the ingredients for an effective and worthwhile TV and broadcasting service could be summed up in one word. credibility

"If you cannot have a service that is credible in an organisational sense or with regard to what it broadcasts, then you are going to run into problems The people — the viewers and listeners — must get that feeling"

Ironically, Mr Eksteen's credibility rose in the public eye after the Hendrickse affair.

government has delegated political [illegible]

He could not be fired — Minister

Eksteen gets a R600 000 handshake

SABC director-general Riaan Eksteen yesterday agreed to quit his post immediately in a settlement estimated well in excess of R600 000.

A joint statement by Eksteen and SABC board chairman Brand Fourie after a special meeting of the board yesterday, said Eksteen would receive five years' basic remuneration and a deferred pension

Eksteen's existing basic salary is believed to be about R120 000 annually.

● HARMSE

In a farewell to SABC staff, broadcast on SABC TV last night, Eksteen thanked "friends, pals and colleagues" for their support.

The statement said deputy director-general, finance, Wynand Harmse would take over the post temporarily.

CHRIS CAIRNCROSS reports from Cape Town that Information Minister Stoffel van der Merwe said the settlement was necessary because Eksteen could not be summarily fired.

Van der Merwe, recently appointed Minister in charge of the SABC in the Office of the State President, said Eksteen's removal had been essential because his relationship with the SABC board had deteriorated to such an extent that the situation had become untenable.

ROGER SMITH

He said Eksteen's demise was foreshadowed as far back as August 25 last year when his predecessor in the Office of the State President, Alwyn Schlebusch, had referred to the SABC's unsatisfactory financial management during a debate in Parliament on the corporation's affairs.

Van der Merwe said the payment promised to Eksteen was reasonable given that there was no likelihood he would be able to return to his previous profession in the diplomatic service and would not find it easy to find a similar position elsewhere.

Van der Merwe also confirmed that no decision had yet been made on Eksteen's successor, indicating the new incumbent would not come from anybody on the SABC board.

Questioned by journalists on SABC's Netwerk last night, van der Merwe admitted there were some "political problems" but that these had originated not

● To Page 2

Eksteen gets R600 000 handshake

● From Page 1

only from the NP, but also from the PFP and CP.

Van der Merwe said the board had come to Eksteen's assistance during the Hendrickse affair last year and that his dismissal was therefore a "purely managerial issue". He said it was not a lack of ability on Eksteen's part, but that he "did not fit in".

Yesterday's joint statement by Eksteen and the board gave no indication of the reasons he had relinquished his post

Asked to clarify the position later, in view of speculation on possible reasons, Fourie said "Can there be more speculation than there has been already?

"Those people can speculate to their heart's content."

Yesterday's special meeting was called to consider an interim report on the SABC by independent consultants.

However, some observers including PFP media spokesman Dave Dalling and former SABC board member Professor Sampie Terreblanche have accused government of setting up Eksteen for dismissal, as a result of having incurred the wrath of President P W Botha over the SABC's handling Hendrickse's resignation from the Cabinet

Board members last night refused to say what had transpired at the meeting, although one said the parting of the ways had been a cordial one

FOR SUBSCRIPTION INQUIR

D/D 21/4/86

Eskom study to find nuclear sites

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DURBAN — Eskom plans to conduct studies along the Natal North Coast to find suitable sites for future nuclear power stations, it was announced yesterday

Studies would be conducted this year and next year between Port Dunford and Salt Rock and were part of an ongoing, long-term programme, the commission said in a statement here yesterday

The chief executive of Eskom, Mr Ian McRae said "I must stress that these investigations are totally divorced from any specific nuclear power station construction programme"

He said no decision had been made to build nuclear power stations in Natal or elsewhere, but in future they would have to be built as nuclear power was still the only viable alternative to coal for bulk electricity supply in South Africa

Mr McRae said construction sites would be picked only when the decision to continue the nuclear programme was taken

The project was to secure Eskom's strategic options and provide inputs for future planning in Natal, he said

Eskom would use local experts in its investigations and environmental scientists and planners with local expertise would contribute to the studies

New information obtained would be made available to any interested parties. — Sapa

Rumpus looms in Parliament over Eksteen's big pay-off

ARGUS 2/14/88

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By DAVID BRAUN, Political Staff

THE Government is expected to be challenged over the sudden ousting of Mr Riaan Eksteen as SABC director-general.

More than one party has indicated questions will be asked in Parliament about the entire affair — particularly the details of the generous financial settlement, estimated to be about R650 000 in cash plus a pension when he reaches retirement age

Politicians were unconvinced today that Mr Eksteen had been ousted purely for reasons related to the financial mismanagement of the corporation

They suggested Mr Eksteen's fight last year with the State President had played a role in yesterday's decision by the SABC board to relieve the director-general of his duties

The Minister in charge of Broadcasting Services, Dr Stoffel van der Merwe, last night described the pay-out to Mr Eksteen as "fair and in keeping with similar situations in the private sector".

He said neither he nor the State President had brought any pressure to bear on the SABC board to get rid of Mr Eksteen

Labour Party leader the Rev Allan Hendrickse condemned Mr Eksteen's dismissal

DIFFICULT SITUATION

"Circumstances, historic events and those surrounding the conflict with the State President could be the only reasons for it," he said

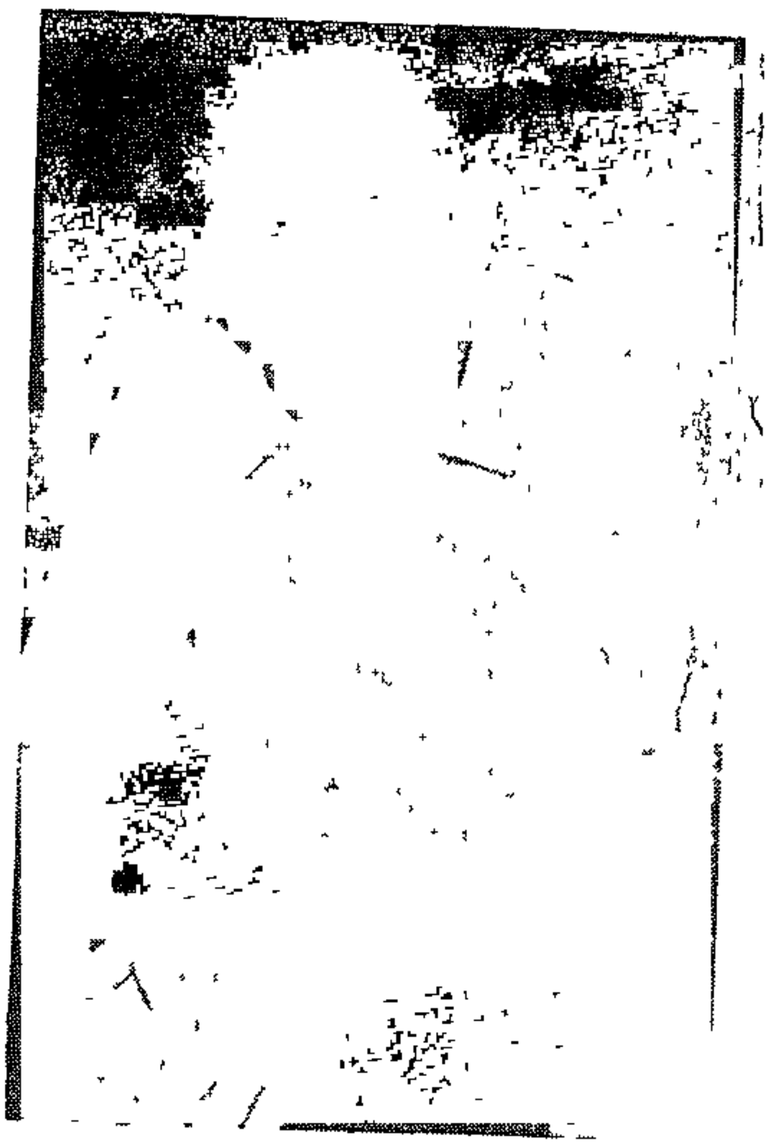
"To pay someone five years' salary with other handshakes is unbelievable in the country's difficult financial situation"

Mr Hendrickse said he personally regretted Mr Eksteen had to pay the price for presenting news in the proper perspective The Labour Party would be asking formal questions in Parliament about the matter

The Conservative Party spokesman on broadcasting affairs, Mr Fanie Jacobs, said Mr Eksteen had been a victim of the "autocratic style of the State President"

He said the decision originated last year with the clash between the director-general and President Botha over the handling of the Hendrickse affair

"It is characteristic of the Government to give golden handshakes to people who resign or who it wants to get rid of. The CP denounces this waste of licence holders' and taxpayers' money"



Mr Riaan Eksteen

Mr Jacobs said the Government owed the public an explanation as to the circumstances and costs of Mr Eksteen's dismissal

He said the huge pay-out of five years' salary indicated that had it not been offered Mr Eksteen would not have resigned

The CP would consider asking formal questions on these aspects in Parliament.

The Progressive Federal Party said last night the huge financial settlement to get rid of Mr Eksteen was the price South African taxpayers had to pay for the political control of the SABC

FULL TERMS

PFP media spokesman Mr David Dalling said he would be asking questions in Parliament about the full terms and costs of terminating Mr Eksteen's employment

Mr Wynand Harmse, deputy director-general in charge of finances of the SABC, will be the act ng director-general, according to a statement released by the SABC board yesterday

The Minister responsible for the SABC, Dr Stoffel van der Merwe, said last night neither he nor President Botha had pressured the board.

Star 21/4/88

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Eskom seeks nuclear sites on the North Coast

Own Correspondent

DURBAN — After years of uncertainty and controversy, Eskom yesterday announced it was to conduct studies along the Natal North Coast between Port Durnford and Salt Rock to identify suitable sites for future nuclear power stations.

The announcement was followed by a prediction by conservation expert Mr Keith Cooper and others that a very strong public outcry was likely against any Natal sites being chosen.

Mr Cooper, director of conservation of the Wildlife Society of Southern Africa, said the two main fears in the public mind were the problem of nuclear waste disposal and the possibility of accidents.

In a statement released in Durban, Eskom said the studies were part of an ongoing, long-term R8 million programme designed to identify sites in South Africa that could be considered for power station development.

Eskom chief executive Mr Ian McRae said "I must stress that these investigations are totally divorced from any specific nuclear power station construction programme."

No decision had been taken to build any more nuclear power stations in Natal or elsewhere. But it was clear that at some time in the future nuclear power stations would have to be built, as nuclear power was still the only viable alternative to coal for bulk supply of electricity in South Africa.

The aim of the project was to secure Eskom's strategic options for the long term and to provide data for the ongoing future planning of Natal, he said. Eskom would make use of available local experts to carry out the investigations

Mr Cooper said an environmental team from Eskom had already approached the society regarding many aspects of the programme.

WATCHING BRIEF

"We will be keeping a very close watching brief. They are just looking at all the options and I personally don't think we will see a nuclear power station on our Natal coast. I hope not. I don't think it's feasible"

Mr Otto Graupner, the project leader, said that a full round of meetings would take place with farmers, businessmen, municipalities, regional development associations, the Natal Parks Board, conservation bodies and pressure groups

An initial report on the geology and seismicity of the section of Natal coast under study should be completed towards the beginning of next year.

American Professor Stephen Gaffin, of the University of Natal Medical School, who in 1986 sent details of his research into radiation sickness to the Soviet Union at the time of the Chernobyl disaster, said yesterday he would rather live next door to a nuclear power plant than to a coal power station

He said that in general nuclear power plants were a lot safer and cleaner than the coal power stations and that a lot more people died of lung and other related reasons in coal mines than in all nuclear accidents combined.

"It would be most unfortunate that that section of coastline would be removed from public use. Although my choice may not be the popular one, I'd say a nuclear power plant would be a lot nicer and safer for that environment."

Mr Carel Goosen, Ballito's town clerk, said he expected an enormous public outcry to the news because of the prominent status of his town as a holiday resort and the millions of rands invested there in holiday accommodation.

But, he said, he was loathe to really predict anything as he felt that if a site much further north was decided on, the effects on Ballito would be relatively minimal.

Eksteen goes quietly

CAPE Times 21/4/88

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SABC pay-off

By ANTHONY JOHNSON
Political Correspondent

THE government last night described the massive golden handshake paid to outgoing SABC director general Mr Adriaan Eksteen for "getting out and quick" — an estimated R650 000 — as "fair compensation".

Mr Eksteen will not only receive five years of basic pay, but also deferred pension of undetermined value for quitting the corporation after what his replacement, Mr Wynand Harmse, called "a stormy two weeks" at the SABC

However, PFP media spokesman Mr Dave Dalling last night maintained that Mr Eksteen had been "set up for dismissal", and that in order to obtain his departure "without too much fuss" the SABC Board had agreed to pay him an "enormous sum"

Mr Dalling said: "I find it difficult to believe that the State President (who had a run-in with Mr Eksteen over the SABC's handling of Labour Party leader Mr Allan Hendrickse's resignation from the cabinet last year) has no influence in this matter

"One message that comes through clearly — if you cross the State President, your days on the SABC are numbered"

Mr Hendrickse agreed, saying the "dismissal" of Mr Eksteen could be traced to the director general's "conflict" with the State President

'Pay the price'

He said Mr Eksteen had to "pay the price for presenting news in its proper perspective"

The Minister of Information in charge of broadcasting, Dr Stoffel van der Merwe, acknowledged at a press conference that the perception among the public might be that Mr Eksteen had been "bought off", but emphasized that he was not aware of any political pressure from President Botha to oust the SABC director general

Dr Van der Merwe said Mr Eksteen could not

OUT . . Mr Riaan Eksteen

IN . . Mr Wynand Harmse

From page 1

Eksteen quits SABC

CAPE Times 21/4/88

settlement", there was no obligation on the side of the government to re-employ him

Asked why Mr Eksteen had been dismissed, Dr Van der Merwe said he could not say for certain because he was not part of the board's deliberations, but added that "the financial situation had much to do with it"

Dr Van der Merwe was asked why the "accused number two" — the deputy director general of the SABC, Mr Harmse — had been made the boss of the SABC

He replied "He worked under the direction of Mr Eksteen and will now work under the board — which should make a considerable difference"

Dr Van der Merwe said no decision had yet been taken on a longer-term replacement for Dr Eksteen

Addressing staff at the SABC yesterday, the chairman of the board, Dr Brand Fourie, said that in the light of the past two weeks of "suffering (lydensweke), unpleasant for both the board and the staff", the special board meeting had been held to "bring a rapid end to all the speculation"

Dr Fourie told the staff that Mr Eksteen would give up his duties "without loss of rights or benefits", and he hoped that the staff would accordingly "lay aside personal feelings in the interst of the corporation"

A clearly moved Mr Eksteen told the staff that he was "not angry or unhappy with anybody", but that "few people will ever know what is going on inside me"

Dr Van der Merwe said last night that it was his understanding that the terms of Mr Eksteen's agreement were that he would not discuss the circumstances surrounding his departure, but that "a specific undertaking was not required"

because it was "a fairly closed shop", nor could he easily obtain a comparable position in the civil service

"So it is fair to pay him compensation"

Asked if Mr Eksteen was now "unemployable" in the civil service, Dr Van der Merwe said there was no such job of similar standing available in the civil service at the moment that he was aware of

However, in terms of the "mutually acceptable

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SABC board members Mr Paul Jacobs (left), Mrs Mimi Ackermann and Dr Richard Gugushe after the two-hour meeting at which director-general Mr Riaan Eksteen was axed

Could this picture threaten the State?

By Andrew Walker

This is a remarkable picture Not because it shows three members of the SABC board standing in front of a flowerpot Not even because it was taken just after they had met to discuss the fate of their director-general, Mr Riaan Eksteen And certainly not because he is to get five years' severance pay

It is remarkable because the SABC feared this picture might be a threat to the security of the State, no less

The saga of three men, the flowerpot and the tussle over whether or not taking pictures of them broke the law, happened yesterday.

It began as members of the SABC board were leaving their Auckland Park headquarters A photographer was waiting as they entered the car park

Mindful of problems encountered on Friday, when SABC security men confiscated film showing banners expressing support for Mr Eksteen, the photographer asked board members to stand in front of a flowerpot so that his picture could not inadvertently include anything that the SABC might believe to be illegal.

No good

"Hand over the film," he was told.

"No," he replied.

"Hand over the film or we call the police," they threatened.

"Call them," said the photographer

Stalemate.

So lawyers were called in and a deal was struck.

An SABC security man would accompany the photographer and his film back to The Star for the film to be developed and vetted.

Back at The Star the film was developed.

"What boring pictures," said the SABC man sent to check them.

Members of the SABC board might not agree.

Parties to demand answers

Outrage over Eksteen payout

21/4/88 Star 260

By David Braun,
Political Correspondent

There is mounting anger in political circles over the unexplained removal of Mr Riaan Eksteen yesterday from the office of director-general of the SABC, and over the huge severance pay — estimated to be at least R550 000 plus pension — granted him.

More than one party has indicated questions are to be asked in Parliament about the affair, particularly the details of the generous financial settlement in cash plus a pension when he reaches retirement age

A full and detailed explanation of the reasons for the dismissal will also be demanded

Political parties today refused to be convinced that Mr Eksteen had been ousted purely for reasons related to the financial mismanagement of the corporation

CAPE TOWN

the conflict with the State President could be the only reasons for it," Mr Hendrickse said

Mr Hendrickse said he personally regretted that Mr Eksteen had to pay the price for presenting news in the proper perspective

Conservative Party spokesman on broadcasting affairs, Mr Fanie Jacobs, said Mr Eksteen had been a victim of the autocratic style of the State President

Mr Riaan Eksteen . . . his "golden handshake" has sparked a storm in political circles.

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They continued to suggest that Mr Eksteen's fight last year with the State President had played a role in yesterday's decision by the SABC board to relieve the director-general of his duties

'Payout fair'

The Minister in charge of Broadcasting Services, Dr Stoffel van der Merwe, last night described the pay-out to Mr Eksteen as fair and in keeping with similar situations in the private sector

He said that neither he nor the State President had brought any pressure to bear on the SABC board to get rid of Mr Eksteen

Labour Party leader the Rev Allan Hendrickse condemned Mr Eksteen's dismissal

"Circumstances, historical events and those surrounding

He said the decision to chop Mr Eksteen had originated last year with the clash between the director-general and President Botha over the handling of the Hendrickse affair.

The huge pay-out of five years' salary indicated that had it not been offered Mr Eksteen would not have resigned, he said

The huge financial settlement to get rid of Mr Eksteen was the price the South African taxpayers had to pay for the political control of the SABC, the Progressive Federal Party said

PFP spokesman on the media Mr David Dalling said "A settlement of this magnitude would not have been made had there been valid grounds for his dismissal

"The SABC belongs to the taxpayers and this huge payment certainly prejudices both the corporation and the public

Busy Riaan has no time to talk

By Esmaré van der Merwe

Mr Riaan Eksteen did not sleep late this morning after being axed as director-general of the SABC by the SABC board yesterday

Early today the Eksteens' Pretoria home was buzzing with activity and ringing telephones.

Mr Eksteen did not want to comment on his plans.

He said he did not want to elaborate on possible job offers.

However, he said he had a busy day ahead of him "with several appointments".

Mr Eksteen and the SABC board yesterday announced that a "mutually acceptable settlement" had been reached and that he would resigned from the SABC hot seat as from today

"I do not want to be rude, but I really don't have the time for an interview today.

"Please send my regards to all my friends at The Star," he said before rushing out on yet another busy day — although not to his posh SABC office

Argus 22/4/88 Z60

Ex-SABC man calls for facts about Eksteen

Picture, HANNES THIART, The Argus.

HELLO CELLO: High school pupils, from left, Reginald Fletcher of Bishop Lavis High, Lucille Kloosman of Marion High and Sandor Pretorius of Bishop Lavis High come to grips with a cello after an introduction to the Cape Town Symphony Orchestra.

Staff Reporter

PROFESSOR Sampie Terreblanche, who was axed from the SABC board last year, has called for the facts about Mr Riaan Eksteen's departure to be made public.

Professor Terreblanche said people had a right to know if the estimated R650 000 pay-out to the former SABC director-general was "an attempt to cover up something" as "a lot of public money" was involved.

Professor Terreblanche, the head of Stellenbosch University's economics department, was ousted from the board, on which he had served for 15 years, in March last year

The move was regarded as a result of his voicing views critical of Government policy.

Reacting to the Eksteen affair, Professor Terreblanche said· "It's a great pity Mr Eksteen accepted his golden handshake"

The Minister of Information, Dr Stoffel van der Merwe, said that among the terms of the agreement with Mr Eksteen was that the former director-general would not discuss the circumstances surrounding his departure.

Prof Terreblanche

Professor Terreblanche said "There is an urgent need for people to know what's going on in Government institutions, especially a strategic thing like the SABC, which is a main source of news and information for many people."

Professor Terreblanche questioned whether President Botha's displeasure with SABC's TV coverage of the Rev Allan Hendrickse's resignation from the Cabinet and subsequent intervention had anything to do with Mr Eksteen's departure.

"Until such time as all the cards are laid on the table, we are entitled to ask how we should interpret it."

He rejected Dr van der Merwe's statement that shortcomings in the financial management of the SABC had "much to do with" Mr Eksteen's resignation

"The financial consideration can't be the main one," said Professor Terreblanche

"The reason the SABC has been experiencing financial difficulty is mainly that licence fees have not been able to be put up in accordance with the inflation rate They are still about R70 — they should be somewhere in the region of R150"

Mr Eksteen's hands had been tied as only the Government was empowered to increase licence fees, he said.

"However, the Government is well aware that putting up the fees would be an unpopular decision with political implications"

As a result, Mr Eksteen had been forced to save revenue by various means, including the rationalisation of radio services

Whisky prices set to rise again

EAST LONDON. — Whisky prices are set to rise for the fourth time since Christmas — some claim by as much as R25 a case.

Several East London hoteliers confirmed they had been informed that an increase of R12 to R25 a case, depending on the brand, would come into effect on Monday.

However, Mr Christopher Sedgwick, chairman of the Cape Wine and Spirits Institute (CWSI) in Cape Town — whose members' products represent 95 percent of the country's liquor business — said he had not heard of a new increase in the whisky price.

The director of the CWSI, Mr Riaan Kruger, could not be contacted for comment Mr Kruger was quoted in a liquor trade magazine, Liquor Store Monthly, as saying that whisky price increases were this month — Sapa.

Why SABC boss was worth a golden handshake to Nats

Silent Eksteen: The man who knows too much

Riaan Eksteen ..'the size of the pay-out forces us to ask what is being covered up'

By SHAUN JOHNSON

THE "Eksteen affair" has developed into a "giant cover-up, with all the makings of a small information scandal", says the man who was vice-chairman of the SABC board until last year

Professor Sampie Terreblanche, who served on the board from 1972 and was vice-chairman from 1982 to 1987, was responding to news that the director-general of the SABC, Riaan Eksteen, had been removed from office and sent on his way with a severance deal totalling well over half a million rand

Speaking from Stellenbosch, where he is professor of economics, Terreblanche told the *Weekly Mail* "The size of the pay-out forces us to ask what is being covered up

"I think it is a great pity he (Eksteen) accepted the golden handshake It would have been much more in the interests of the country, the SABC and himself not to have accepted, and to have spoken his mind about the real relationship between the government and the SABC

NO PRIZES FOR BAD-BOY AUTHOR PRINSLOO
PAGE 3

"What we are talking about is a major scandal regarding the 'independence' of the SABC from government We need an 'open-up', not a 'cover-up' "

The controversy was "part and parcel of a pattern whereby the South African public is being kept in the dark about the real nature and causes of the crisis where information is being withheld or banned," he said

Terreblanche said it had to be asked to what extent "the SABC would now become *nothing more* than an extension of the government's internal information network"

He rejected the claim that Eksteen's demise was a result of financial losses suffered under his reign, saying that the cabinet could have reversed the deficit at any stage by increasing the licence fee in line with inflation

"To blame Eksteen and the previous board is totally unfair — it's a transparent kind of excuse It was the cabinet's decision not to increase the fee, because it was politically unpopular," he said

He estimates that had the fee kept

●To PAGE 2

The contents of this edition have been restricted in terms of the Emergency regulations

Eksteen keeps his silence

●From PAGE 1

up with inflation rates, it would currently be in the region of R150 annually, rather than R72 as at present.

Terreblanche finds it hard to believe the "confidence gap" between the board and Eksteen — cited by Minister of Information and Broadcasting Stoffel van der Merwe as one of the reasons for the director-general's ousting — is based on matters financial

"I want to know to what extent it links with the 'Hendrickse incident' last year," he said "Surely the complaint could not have been that the SABC is not subservient enough?

"Especially since then (the incident), it has been exceptionally propagandistic for the National Party. Perhaps Eksteen tried to save his neck — but didn't succeed in the end. One has to ask whether the Hendrickse affair was so serious that it was only a question of time and process before this happened

"The public has a right to know. We are not making categorical statements, but it is public money that will be given to Eksteen. We must ask."

He was convinced that whoever was chosen as the new director-general would have "closer connections with *Tuynhuys* and (Stoffel) van der Merwe or PW (Botha)"

This, he said, would be "a setback for the SABC, especially for the morale of employees. They join what is supposed to be an independent corporation, they are not working for a government department. This is going to be a big blow for these people, artistic people, who may become a laughing stock to others."

He claimed even senior SABC officials displayed disquiet about developments at Eksteen's press conference announcing his resignation: "I know these people and the expressions on their faces were shocking. They would like a lot of independence, but they know they'll now have a new man who will be very sensitive to words from *Tuynhuys*."

Terreblanche said when the SABC was first established in the 1930s, it was moulded on the example of the British Broadcasting Corporation, which has "a remarkable independence from government This has made it the finest broadcasting organisation in the world

"Is anything left of those morals in the SABC?" he asked

●Eksteen declined to give interviews to the media yesterday.

playing with semantics to pamper the right-wing ■

SABC

Swift action

When Stoffel van der Merwe was brought into the National Party inner circle as a deputy minister in charge of the Bureau of Information, he inherited Louis Nel's peace song "Let's build a better future" Last week, as a fully fledged minister and responsible for Auckland Park, Van der Merwe was faced with deciding on another kind of future . that of SABC Director General Riaan Eksteen

When all is said and done about the rumblings at the SABC — as the *FM* went to press Eksteen was still in charge — Van der Merwe's handling of the cloak and dagger affair must be complimented. Hours after he met with a small group of SABC board members on Saturday, Van der Merwe revealed some of the latest developments in what had become Auckland Park's own soap opera

The new minister's dealing with the situation differed remarkably from that of predecessors Pik Botha and Alwyn Schlebusch. Eksteen had always been a confidante of Botha — only recently the two spent a weekend together at Mubula Lodge Schlebusch, the *FM* has been told, opted to defer the report of two outside consultants on the financial, management and structural systems of the SABC to when his successor had been appointed

Van der Merwe, although denying that P W Botha wanted Eksteen's head on a platter, admitted that Botha instructed him to get the SABC house in order. He called the situation which had arisen over a period of time between the SABC board and its top management a "credibility gap" Strong words for a minister to use when talking about a director general still in office.

He emphasised that it was "an untenable position" when the board of directors have no faith in the managing director of a com-

pany. "In the eyes of the public Mr Eksteen's position is at stake . . . finality about him is now essential." Van der Merwe is adamant that political pressure played no part in the investigation. This view was echoed by a board member who wants to remain anonymous

He says the board's decision to use the services of outside consultants — accountants Giel Loubser and Johan Haasbroek of Theron Du Toit — was an effort to rectify weaknesses in the SABC and to fill gaps. The consultants apparently have no mandate regarding Eksteen's future or a successor. According to him, the board had encountered animosity in their dealings with top management. "Only when you know the game, can you afford to be stubborn," he says with reference to the SABC management's financial expertise.

He claims, as Van der Merwe did, that it was the board which had been responsible for an improvement in the expected deficit (from an expected R42m loss down to a R13,2m loss this year).

At Auckland Park, however, senior staff reject this. Eksteen's battle was politically inspired, they maintain.

One can only hope that in years to come — that is if Van der Merwe retains his position — he will be able to deal with such problems in the same swift manner. And do it fairly, without instructions and interference from above. ■

Van der Merwe . . . promise to reveal all

Harmse defends SABC's financial management

Daily Dispatch Correspondent

JOHANNESBURG — The SABC's deputy director-general (finances) and now acting director-general, Mr Wynand Harmse, said yesterday he had not worked with the outside consultants investigating the SABC's finances, structure and management, and had not seen their interim report

He said he had not seen the report because, "they did not involve me to that extent" He expected he would see the consultants more often, "now that I'm in this chair"

The report was discussed at Wednesday's special meeting of the SABC board, which ended with the director-general, Mr Riaan Eksteen, agreeing to quit his post with a huge golden handshake

Mr Harmse yesterday defended the financial management of the SABC which, in the three years since he became deputy director-general (finances), saw the corporation take a huge and then a smaller loss

After profits taken in the previous few years, there was a loss of R1,5m in 1984, R27m in 1985 and R28m in 1986, before an improvement last year when a loss of R13m was reflected

Mr Harmse pointed out that the SABC's financial position was heavily dependent on advertising revenue (64,9 per cent of total revenue last year), and that in 1985/86 advertising expenditure was static This had hit the newspaper industry as well

He said the increase in GST, escalating costs, the fall in the value of the rand and the general state of the economy had all played a part in the SABC's losses

The SABC's annual reports in 1985 and 1986 give similar accounts of the reasons for the losses and stress efforts made to cut expenditure, rationalise and improve management

Figures supplied recently by the SABC showed that its staff had been cut by 300 last year, to stand at 5 873

The outside consultants were appointed late last year

The then minister in charge of the SABC, Mr Alwyn Schlebusch, said in parliament that if current efforts could not restore the SABC to profitability, "the last drastic step will have to be taken, namely that we will have to appoint professional consultants from outside to investigate the entire structure of the SABC"

Power station to fill in for Eskom

21/9/84 260 DDP

Daily Dispatch Reporter

QUEENSTOWN — The power station here will be started this afternoon to supply the town with electricity during a scheduled four-hour break in the Eskom supply on Sunday morning.

It was originally intended to cut power off from 8 30 am to 12 30 pm while repair work was done on the Eskom power line supplying Queenstown.

However, because of hundreds of visitors to the town this weekend for the Queen's College reunion, it was decided that the power station would be brought into use.

A spokesman for the municipal electricity department said while it was anticipated that householders would have electricity on Sunday, it was possible that some areas would be without power.

Those consumers should regard all electrical appliances as "live" in case power was suddenly restored, he said.

The scheduled break is a further disruption in a string of electricity cuts that has hit the town.

Following a 20 minute black-out on Sunday night, another break occurred on Wednesday morning in the Balmoral area lasting about 90 minutes.

That afternoon the central business area and other localities were without electricity for 35 minutes.

It was understood that the failures were due to faults in the Eskom supply line from East London.

The spate of power failures was discussed at an executive committee meeting of the Chamber of Commerce this week. The committee agreed that a letter raising the matter of the failures should be sent to the town clerk.

Businessmen have been angered by the power cuts, saying they were being affected financially, and power blackouts at night were creating security problems.

Spokesmen for most industries in Queendustria said they were not seriously affected by the cuts but some said they did suffer production losses.

The deputy electrical engineer here, Mr Herb Perryer, said several factors could cause a power failure.

But because Queenstown had two sources of power, Eskom and its own power station, when the supply line tripped out electricity had to be restored manually.

He explained that although Eskom might restore the electricity supply within seconds, there was an unavoidable delay because electrical personnel had to follow the necessary safety procedures at the load centre before power could be restored to consumers.

These procedures took about 10 minutes to complete.

He also pointed out that Queenstown was not alone in experiencing these power failures.

A spokesman for Eskom said he could not explain the frequent power failures as no obvious or permanent fault could be found on the line.

During the Easter weekend workmen had walked the line from Berlin to Queenstown inspecting it for faults but could not find any, he said.

Malan satisfied with assurance on Eksteen

Star 22/4/88

By David Braun,
Political Correspondent

National Democratic Movement leader Mr Wynand Malan confirmed today that he was happy with the assurance he obtained yesterday in Parliament from President Botha that Mr Botha had brought no pressure to bear on the SABC regarding the dismissal of its former director-general Mr Riaan Eksteen

Mr Botha challenged Mr Malan in the Assembly yesterday to ask for a parliamentary select committee investigation into insinuations that he gave the SABC board instructions to show a loss

Mr Botha said during his Budget vote debate in the House of Assembly yesterday that the question was what Mr Malan had insinuated with his remarks

He said "If he (Mr Malan) has any further information, then he must request the appointment of a standing committee to investigate the matter If he is not prepared to do this, the Assembly will know what to make of his remarks"

The appointment of consultants to make an investigation into the SABC was initiated by the board He had been invited to meet the consultants, but he had turned this down.

Mr Botha said Mr Eksteen had visited him shortly after his appointment to ascertain his views on broadcasting in South Africa

As a result of this discussion, Mr Eksteen had asked whether the top SABC management could also meet him

At that meeting, he had expressed the following views

- The National Party, as governing party, had the same right as the other parties to have its views conveyed properly to the public However, he did not expect the SABC to make party propaganda for the NP
- The SABC must maintain standards that would not affront responsible viewers and listeners
- The SABC was expected at all times to accept its responsibility in the struggle against revolutionary elements, and that the security of South Africa must be given the highest priority
- The arts and local film industry must be promoted

Sad to see Eksteen quit post — Harmse

260

Star 22/4/88

Pretoria Correspondent

The staff of the SABC had had a close working relationship with Mr Riaan Eksteen and were sad about they way in which he relinquished his post.

This was said yesterday by Mr W J J Harmse, the acting director-general of the SABC, appointed by the board of the SABC to take Mr Eksteen's post until further notice.

Mr Harmse said he would first have to consult the SABC board, especially the chairman of the board, Dr Brand Fourie, and senior news staff before taking any decisions concerning the SABC's political role.

He said the SABC would probably play the same political role as before.

The most important task of the SABC was to be as objective as possible on all issues. The SABC also had an important task in educating, entertaining and informing people.

He felt honoured that the SABC board chose him as acting director-general, although he felt sad about the circumstances under which it happened.

"The management committee and staff members of the SABC are grateful towards the board for deciding to bring forward the meeting on the issue of Mr Eksteen's position by two weeks, because it caused a lot of stress, uncertainty and confusion amongst staff members."

Mr Harmse, who has been with the SABC since 1963, said the new post will mean an increase in responsibilities for him. He hoped soon to have some indication of how long he was going to keep the post to help him with his planning.

A meeting with Dr Fourie would be arranged as soon as possible to clear up this issue.

Mr Harmse matriculated at Riebeeck High School in Randfontein and obtained a B.Comm degree from the University of Potchefstroom. He also completed a teacher's diploma at Potchefstroom Teachers' Training College and taught for a year before joining the SABC.

He was permanently involved in financial affairs and took part in on-the-job training courses at the SABC Among the posts he held were deputy director-general for finance and director of finance

Mr Harmse is a member of the Johannesburgse Afrikaanse Sakekamer and was elected chairman in 1984

He and his wife, Ninnie, have three children and live in Johannesburg

SABC mum on Botha, consultants

CT Times 23/4/88 260

By TONY SPENCER-SMITH

THE SABC yesterday declined to say why it had invited President P W Botha to meet the management consultants called in to investigate how the corporation was being run

On Thursday Mr Botha told Parliament he had been approached to meet the consultants but had declined the offer and had been right to do so

He was speaking amid the controversy over the axing of SABC director-general Mr Adriaan Eksteen

The consultants are Mr Giel Loubser and Mr Johan Haasbroek of the Pretoria firm Theron du Toit Management Services, an offshoot of well-established Afrikaans auditing firms.

Personally involved

Yesterday Dr Brand Fourie, the chairman of the SABC board, told the Cape Times he was not prepared to comment on statements made by the president in Parliament "The SABC will never get drawn into a situation where it is commenting on the State President You will have to ask him"

Dr Fourie said he personally had been involved in the selection of the Pretoria firm

"What I can tell you categorically is that nobody in the government came into it And to the best of my knowledge the firm we picked has no political affiliations whatsoever"

PW's invitation to meet consultants — SABC silent

CAPE TOWN — The SABC yesterday refused to say why it had invited the State President, Mr P W Botha, to meet the management consultants called in to investigate how the corporation was being run

On Thursday Mr Botha told parliament he had been approached to meet the consultants, but had declined

He was speaking amid the controversy over the axing of the SABC director-general Mr Adriaan Eksteen, and speculation that Mr Eksteen's handling of the finances of the corporation was not the real reason for his being forced out

The consultants are Mr Giel Loubser and Mr Johan Haasbroek of the Pretoria firm Theron du Toit Management Services, an offshoot of well-established Afrikaans auditing firms

Yesterday the chairman of the SABC board, Dr Brand Fourie, told our correspondent he was not prepared to comment on statements made by the president

The PFP media spokesman, Mr Dave Dalling, said the invitation to Mr Botha showed the SABC compliance with the wishes of the government

Asked how the SABC had come to pick the Pretoria firm, and whether tenders had been invited, Dr Fourie said nobody tendered for consultants

He said he had considered well-known people in the private sector before the selection, and no one in government was involved

The president of the Institute of Management Consultants, Mr Martin Westcott, said that Dr Fourie was incorrect when he said that nobody tendered for consultants

● Professor Sampie Terreblanche, who was axed from the SABC board last year, has called for the facts about Mr Eksteen's departure to be made public

Prof Terreblanche said people had a right to know if the estimated R650 000 pay-out to Mr Eksteen was "an attempt to cover up something" as a lot of public money was involved.

Prof Terreblanche, the head of Stellenbosch University's economics department, was ousted from the board, on which he had served for 15 years, in March last year

The move was regarded as a result of his voicing views critical of government policy

"There is an urgent need for people to know what's going on in government institutions, especially the SABC, which is a main source of news and information"

Prof Terreblanche questioned whether the displeasure of the state president with SABC's television coverage of the Reverend Allan Hendrickse's resignation from the cabinet and subsequent intervention had anything to do with Mr Eksteen's departure — Sapa-DDC

What you'll pay for silencing SABC director-general

EKSTEEN RICHES

D/E ARGUS 23/4/88 260

by KITT KATZIN, Weekend Argus Correspondent

JOHANNESBURG.— MR Riaan Eksteen, former head of the SABC, is laughing all the way to the bank — and it is the taxpayer who will foot the R650 000 which his former employers, the Board of the SABC, will pay to buy him off.

This, in effect, say shocked opposition MPs, is the price the public will pay — through taxpayers' and licence holders' money - for tighter government control of the SABC

The upshot of the astonishing settlement offered to the axed director-general is that there were no valid grounds to fire him in terms of his job performance — he simply had to be bought out to be kicked out

"It was a political and not a financial bookkeeping exercise — that is how history will record it," MPs and angry SABC insiders charged this week

As a reult, it is Mr Eksteen and not the public or the broadcasting corporation who has the last laugh — he's sitting pretty and is delighted with the outcome

Were they politically-inspired or was it genuinely a case of financial and management inefficiency?

As for the more-than-generous payout, opposition parties are demanding to be given details of the terms All that is known is that Mr Eksteen is to be paid five times his basic annual salary (R650 000)

This will enable him to qualify for another five years service, giving him 10 years in total and qualifying him for a deferred pension as well

But it is not known how the salary payments are to be made or whether perks worth R30 000 a year are included It is also not known what his pension will be worth when it becomes payable, though clearly it will be a sizeable sum

He will be paid a salary at the rate of over R10 000 a month for the next five years — his reward for being the victim of a political power game in which the government did the bidding and the public provided the stakes.

The only option open to the SABC board to get rid of Mr Eksteen — knowing it could not chance axing him for reasons that may have come unstuck if they were legally challenged — was to make him an offer he could not refuse

Buying his silence and shutting him up — that is what it was all about. And that is precisely what happened, though it was Mr Eksteen who ironically but through no making of his own held the cards all along

While on the one hand he knew there was no evidence on which he could be dismissed for incompetence or any other grounds, he also knew that if he refused to quit, it would be up to the board to fire him outright

In addition, Mr Eksteen has a separate pension with the Department of Foreign Affairs, based on 18 years service. With two pensions running concurrently, and with an SABC salary averaging out at R10 800 a month, and guaranteed five years, he is set to make a small fortune.

For Riaan Eksteen, say political cynics, His "Master's Voice could never have sounded sweeter — even though, as the first political appointee to the director-general's post in 20 years, he was ultimately hoisted by his own petard.

He knew he was under no obligation to resign as his appointment was permanent and his record adequate However, this scenario would not have been acceptable to the 15-member board — it wanted him out, at any cost, and without specifying why

Once the tantalising offer was on the table, Mr Eksteen did not hesitate to accept it — especially since he knew that in the light of the board's ultimate decision against him, it would have been intolerable for him to continue in his post

In these circumstances, this would also not have been in the interests of the SABC — a point Mr Eksteen made in his farewell speech to his staff

Sympathy

However, the wave of public sympathy for him in his private battle to survive in the midst of political pressures, and criticism of his agonising public execution, reflect only one aspect of the dramatic events that have plunged the SABC into its worst credibility crisis yet.

The other concerns the terms of his massive "golden handshake", still not fully detailed, and the actual reasons, also as yet not spelt out by the SABC board itself, for his removal

■ SEE: 600 actors may lose voices in SABC cutback — Page 3

315

41 S AREA

opportunities to win two luxury motor cars. — Photograph not available.

Cards were stacked against SA's 'Big Brother' from start

(260)
Star 23/4/88

Deposed SABC director-general Mr Riaan Eksteen will always be remembered by some South Africans as the "man who killed off Springbok Radio", the newcomer who destroyed an institution almost as soon as he took over the reins at Auckland Park.

IAN GRAY

But the storm he weathered at that time of rationalisation was nothing like the tempest he faced in subsequent years during his short tenure as "Big Brother".

Nearly 18 months ago Mr Eksteen laughed when I asked him how much control President Botha's Cabinet exercised over the SABC.

"What control?" he asked. "Last week I was criticised by a newspaper publisher for 'being outside government control and acting on my own without even board approval'.

"Then there are those who say the Cabinet pulls the strings. In fact, there is no outside control"

This week the board of the SABC under the chairmanship of President Botha appointee, Dr Brand Fourie, showed that, in fact, the corporation was firmly under the control of the Cabinet.

It fired Mr Eksteen without giving specific reasons In many circles it is speculated the axe fell because, last August, Mr Eksteen allowed Mr Allan Hendrikse to explain on television news why he had left the Cabinet

As director-general, chairman of the management committee and chief executive of the SABC, Mr Eksteen was held responsible and although he survived that particular onslaught on his independence it was known then that he was a marked man in Mr P W Botha's little black book of political memories.

This week he was given a golden handshake of R650 000 and a pension to come.

Even under the severest pressure, the quiet-spoken 45-year-old former diplomat described his Auckland Park hotseat as a "pleasant contrast to the United Nations (where I faced up to 150 enemies at a time in the Assembly and survived".

But the tightrope he has had to walk in the past four years must have proved every bit as tricky. It is well known there has been friction between Mr Eksteen and Mr Botha and, as long ago as November 1986, speculation was rife that he would be removed from his SABC post and given a job in Foreign Affairs.

Before Mr Eksteen's appointment, made while his former boss at Foreign Affairs, Mr Pik Botha, still had broadcasting among his portfolios, the State President apparently was extremely upset because a shake-up he had ordered in an effort to get the SABC to lead the way to political reform, had resulted only in the further entrenchment of verkrampte executives

Mr Eksteen walked straight into a major internal scandal and almost immediately started implementing a major rationalisation plan which saw the early departure of many top executives.

It brought about a measure of enlightened change as the SABC scrupulously courted all recognised political views and "Network/Netwerk" literally brought home to viewers people whose opinions clashed violently with those of the National Party.

But Mr Botha's instruction to open the airwaves to all shades of political opinion was made before the Conservative Party sprang into prominence and it was known that the President, only half in jest, held Mr Eksteen personally responsible for every right-wing politician who appeared on television

In the meantime, Mr Botha put the brakes on reform while the SABC was still preparing voters for the promised big changes And Mr Eksteen found himself being squeezed from all angles.

'Grudge' fight live on Bop TV

The return bout between former world heavyweight champion Mike Weaver and South Africa's Johnny du Plooy will be broadcast live on Bop TV. The station will make a live crossing to Sun City at 9.15 pm next Saturday for the "grudge" fight. Weaver beat the South African in their first meeting late last year on a seventh round TKO. It was Du Plooy's first professional defeat.

Eksteen: now he has become a millionaire

Star 23/4/88

260

The huge pay-off for 5 years' work

SARA MARTIN

The South African taxpayer has made Mr Riaan Eksteen, former director-general of the SABC, a millionaire in five years

Mr Eksteen (43), who was axed from the corporation this week with what has been described as a "golden handshake" of R650 000 plus pension, was strongly rumoured in 1984 to have been paid R250 000 when he left the diplomatic service.

At that time, Mr Eksteen was South Africa's Ambassador to the United Nations. He had succeeded the present Foreign Minister, Mr Pik Botha, in the post.

The SABC's former director-general and Mr Botha are known to be close friends, and it is generally accepted that Mr Botha was instrumental in having Mr Eksteen appointed to the top SABC post.

Commenting on the amount of R250 000 Mr Eksteen is said to have received on leaving the diplomatic service, PFP spokesman for the media Mr Dave Dalling said yesterday the matter had not been discussed in Parliament.

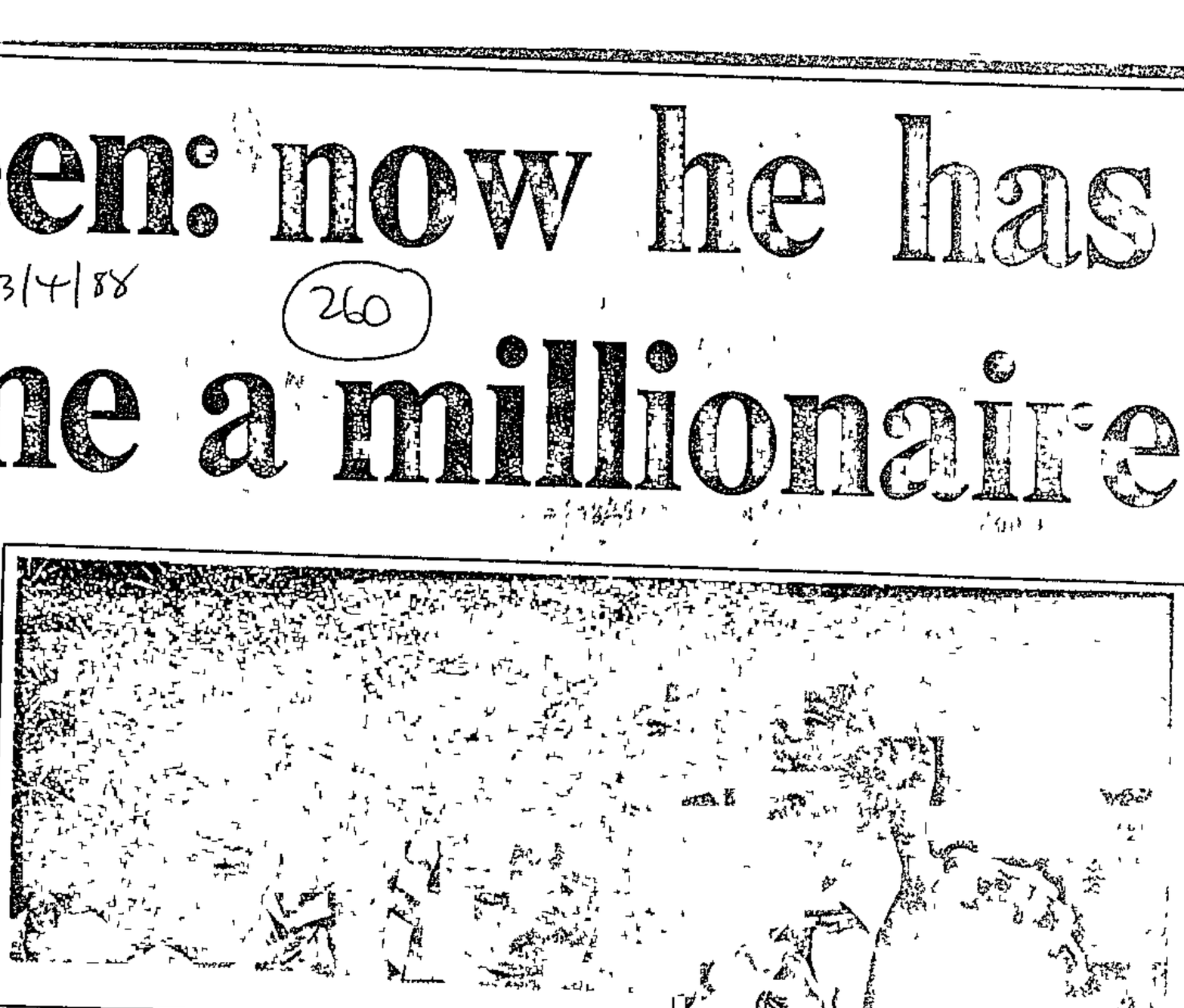
He had not been been told of the figure, but estimated that a diplomat would receive at least that amount in pension and gratuity after 18 years in the public service.

As for the R650 000 "golden handshake", Mr Martin Westcott, a managing director of a leading management consulting company, told the Saturday Star that for a senior executive in the private sector, such a figure would be "reasonably rare"

The Minister in charge

● TO PAGE 2

"Goldfinger? Don't be silly Riaan got the whole hand"



Eksteen a millionaire

260 Star 23/4/88

● FROM PAGE 1

of broadcasting services, Dr Stoffel van der Merwe, described the payout to Mr Eksteen as "fair and in keeping with similar situations in the private sector"

But according to Mr Westcott, the sum is unusually high, unless factors such as a restraint of trade are involved

"There have been such cases reported in the past, but they are few and far between," he said

Mr Eksteen was asked to resign as director-general by the 15-member SABC board apparently because of financial and management inefficiency His resignation became effective on Thursday

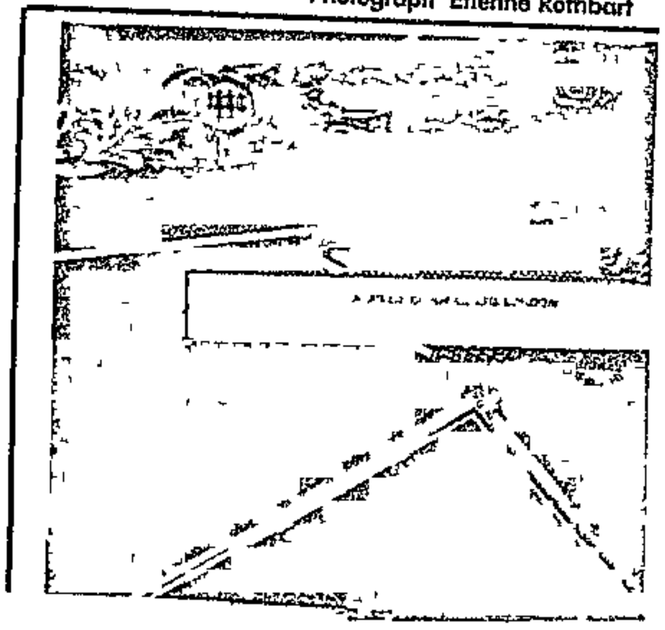
Mr Eksteen has been walking a tightrope for many months now — ever since he fell foul of President Botha over the SABC's handling of a TV news report on the Rev Allan Hendrickse's resignation as a Cabinet Minister in August last year

Mr Botha was so incensed by the broadcast that he telephoned Mr Eksteen to complain and demanded that the item be run again in a manner reflecting the Government's viewpoint and giving less weight to the Rev Hendrickse's comments

In terms of an agreement between the ousted director-general and the SABC board, Mr Ecksteen apparently gave a verbal undertaking not to make public the details of the circumstances surrounding his dismissal

● SEE PAGE FIVE

high classmates (from left) Lihai Bercovich, Josephine
Photograph Etienne Rothbart



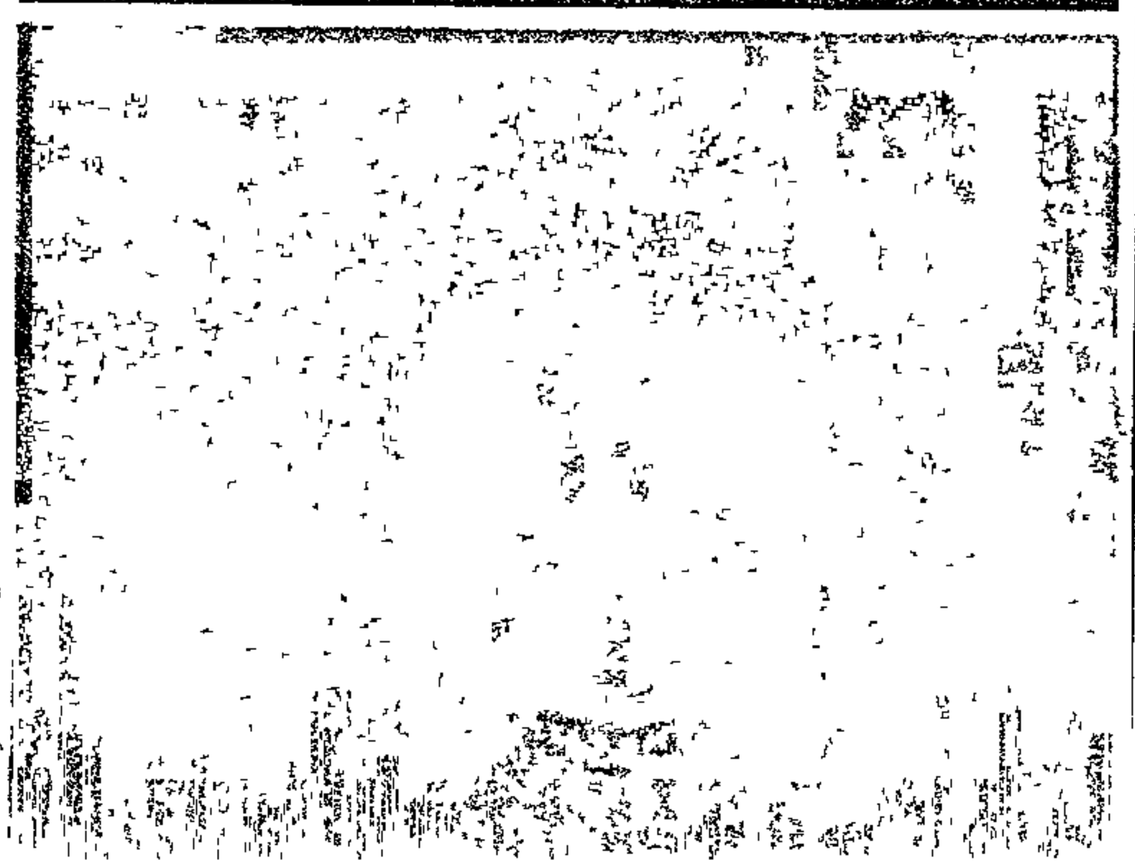
Revealed: How Kudu won R500 000 payoff in blazing row

EKSTEEN'S LAST STAND

RIAAN EKSTEEN

260 STimes 24/4/88

Sexy Suanne's quite a catch for M-Net



By DRIES van HEERDEN and LESTER VENTER

MR RIAAN "Kudu" Eksteen did not go quietly. There was a brief, but blazing, row at the climactic meeting of the SABC Board.

The Director-General had threatened to sue if he was summarily sacked.

As a result, Mr Eksteen won a glittering golden handshake worth at least R500 000 and a valuable deferred pension — in return for his silence

Information about what one source called "an amazing 15-minute slanging match" on Wednesday emerged this weekend.

Sources close to the SABC told the Sunday Times that the sacking of Mr Eksteen did not go as smoothly as his enemies in the Government had hoped

"He put up a fight to the end," said one source.

He added that Mr Eksteen refused to accept any other appointment in Government service because that would have meant demotion and would have wrecked his chances of obtaining financial compensation

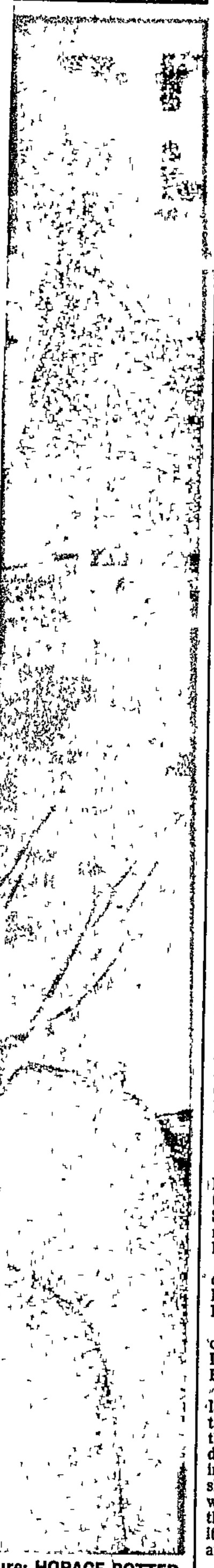
Earlier, it had been rumoured in political circles that he might return to Foreign Affairs or be appointed to head the Tourism Board.

Warned

However, he resisted attempts to shunt him sideways — and warned that he would take legal action if he was not adequately compensated for his dismissal.

The SABC — which, not long ago, lost a court action brought against it by producer Moira Tuck for unfair dismissal — a reed to settle

quite M-Net



cture: HORACE POTTER

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The SABC — which, not long ago, lost a court action brought against it by producer Moira Tuck for unfair dismissal — agreed to settle and, in return for the golden handshake, secured Mr Eksteen's promise to refrain from commenting on the events leading to his dismissal

Mr Eksteen's departure may only be the start of a complete restructuring of the top management at SABC.

At the board's next meeting, on May 4, the present eight-man management committee may be reduced to four — the Director-General and his three deputies.

This week there was intense speculation about the identity of the new DG.

Worried staffers feared that the Government would opt for a safe management-orientated man (Mr Eksteen has been blamed for the SABC's poor financial performance) instead of an experienced communications professional

Names in circulation at Auckland Park this week included those of Mr Hendrik Sloet, managing director of Saambou Nasionaal and chairman of the Federasie van Afrikaanse Kultuurverenigings (FAK), and Mr Attie du Plessis, an executive at Gencor and brother of the Minister of Finance

Influence

In political circles it is believed Mr Eksteen's departure will usher in a new SABC regime that is even more responsive to President Botha's views

The changes will bring to a close the era of influence of Foreign Affairs Minister Pik Botha

Both Mr Eksteen and the chairman of the SABC board, Dr Brand Fourie, are Foreign Affairs "old boys".

The new top man at Auckland Park will be more in tune with Mr Botha's view that every instrument at the disposal of the State, including the broadcasting service, should be deployed to combat what he regards as twin threats to the nation's stability Radicalism to the right and the left.

● See pages 27 and 28

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Cape Times 25/4/88 260

SABC finances 'better'

Own Correspondent

JOHANNESBURG. — The SABC's finances were already improving when independent consultants were appointed in October last year — in spite of claims the turnaround was partly attributable to them, it emerged at the weekend

In a statement after a special SABC board meeting at which SABC director-general Mr Riaan Eksteen agreed to resign last week, board chairman Mr Brand Fourie outlined the new financial policies implemented earlier in the year and said that with the appointment of the consultants this all contributed to the turnaround

So much so, he said, that "only a marginal loss for 1987 was expected by October"

However independent consultant Mr Giel Haasbroek of the Pretoria firm Theron Du Toit Management Services confirmed at the weekend that they were appointed to undertake their investigation of the SABC's finance, structures and management only in October last year He also agreed they had had little involvement with Mr Wynand Harmse, the SABC's deputy director-general (finances) and now acting director-general, as stated by Mr Harmse last week

But he insisted the consultants were "tackling the job professionally"

Mr Fourie agreed at the weekend that the SABC's improved finances were a reflection of the effects of the new policies adopted by the board, but said the consultants had made proposals all along, and the SABC's position had improved even more drastically in the past two months

The then-Minister in the President's Office in charge of the SABC, Mr Alwyn Schlebusch, said in Parliament in August last year, the day after the SABC broadcast its "controverial" interview with LP leader Mr Allan Hendrickse, that the appointment of independent consultants would be the last "drastic step" to be taken to improve the situation of the SABC

Within two months they had been appointed

Mr Harmse was appointed in spite of the fact that the deputy director-general (TV), Mr T van Heerden, is his senior and had been acting director-general on previous occasions

SABC was on the up before consultants

Bday 29/1/18 (160)

ROGER SMITH

THE SABC's finances were already improving when independent consultants were appointed in October last year — despite claims the turnaround was partly attributable to them, it emerged at the weekend.

In a statement after a special SABC board meeting at which SABC director-general Riaan Eksteen agreed to resign last week, board chairman Brand Fourie outlined the new financial policies implemented earlier in the year and said with the appointment of the consultants this all contributed to the turnaround.

However independent consultant Giel Haasbroek, of Theron Du Toit Management Services in Pretoria, confirmed at the weekend they were only appointed to undertake their investigation of the SABC's finance, structures and management in October last year.

Haasbroek agreed they had had little involvement with Wynand Harmse, the SABC's deputy director-general (finances) and now acting director-general, as stated by Harmse last week.

He was not prepared to comment further on their work for the SABC or their interim report discussed at last week's special board meeting, and referred enquiries to Fourie.

Fourie agreed at the weekend the improved finances were a reflection of the new policies adopted by the board, but said the consultants had made proposals all along, and the position had improved even more drastically in the past two months.

Hillbrow Nats aim at halting slum conditions

Star 25/4/88 By Esmaré van der Merwe 266

Strict crowd control, the prevention of slum conditions and the upgrading of properties in Hillbrow form part of the Hillbrow National Party's strategy for the municipal elections.

Details of the NP's campaign strategy were released to The Star yesterday, in the wake of the first official ministerial visit to Hillbrow's multiracial flatland this week.

An NP delegation, including Mr Roelf Meyer, Deputy Minister of Constitutional Development and Planning, will meet Hillbrow traders and residents on Wednesday.

CIVILISED SOCIETY

Mr Daryl Swanepoel, chairman of the NP's Hillbrow Divisional Council, said the four NP candidates in the greater Hillbrow area strongly believed that the suburb's residents had the right to a "normal, decent way of life, expected of a civilised society".

That included a 24-hour enforcement of law and order, life in a non-crowded environment and the maintenance of "certain acceptable living standards".

He said the NP would work towards measures to prevent slum conditions.

The four NP candidates for the Greater Hillbrow area are Mr Swanepoel (Ward 31), Mrs Desiree Swanepoel (Ward 30), Mrs Christine Burgess (Ward 27) and Mr Rupert Korb (Ward 26)

Asked about the candidates' approach regarding the Group Areas act, Mr Swanepoel said a detailed strategy would be announced after a pending Government announcement on the Act.

SA may launch satellite next year

D/P 25/4/88

1260

JOHANNESBURG — Recently-announced South African plans to go it alone with a multi-billion space programme could see the launch into space of a surveillance—communications satellite late next year.

A Council for Scientific and Industrial Research (CSIR) spokesman said at the weekend that private sector interests would be closely involved in the funding, development and research of the programme — now dependent on the results of a feasibility study.

Informed sources said that, since South Africa's isolation from Western "know-how", the government had made vast strides in implementing its own space technology.

From earlier reports it was understood that an original plan to launch a satellite into space as early as June this year had failed and the CSIR had been called in as a result.

The head of the CSIR's space team, Dr Brian Clark, however, rejected the reports and said "No early launching plan was envisaged to my knowledge".

"But the private sector will be involved in every aspect of our space programme if the decision is taken to go ahead. It will be involved in funding, development and research."

He said the gearing of the programme was dependent on a feasibility report currently being prepared for the Economics and Technology Minister, Mr Danie Steyn, and to be submitted in about October of this year.

Analysts said the programme would almost certainly involve the Overberg missile testing range in the southern Cape.

Overberg is situated next to the airforce's 280 ha site and development centre at Bredasdorp, officially opened earlier this month by the Deputy Defence Minister, Mr Wynand Breytenbach.

Mr Breytenbach said one of the reasons for establishing the South African Air Force centre, which has been developed for testing aircraft and weapons, was its close proximity to Overberg.

The cost to the government for just the purchase of the farms comprising the missile-testing range was R27 million, with other costs as yet unknown.

The CSIR's participation in space research dates back to the launch of Sputnik 1 on October 4, 1957.

Within weeks of the launch, engineers of the CSIR's Telecommunications Research Laboratory (TRL) in Johannesburg were able to make accurate predictions of the satellite's movements.

The CSIR said the South African predictions proved to be more accurate than similar predictions from abroad.

During the International Geophysical Year (IGY) in 1958, the TRL, on behalf of the United States participants, managed and operated a radio satellite tracking station.

Following the establishment of the National Aeronautics and Space Administration (NASA) in the US, this operation was developed into the sophisticated satellite and deep space tracking station at Hartebeesthoek.

On January 1, 1959, the CSIR joined the International Scientific Committee on Space Research (Cospar) — a non-governmental international body invloying all countries involved in space research.

In 1975 however, the collaboration agreement with NASA ended.

The French space agency had also established a tracking station in South Africa in 1965 but management of this facility was taken over by the CSIR in 1973.

South Africa has been using space age technology in practical application — for weather forecasting from meteorological satellites — since the late 1960's.

Since 1975, satellites have been used for international communications and receiving overseas television.

Space-based imagery covering the whole of Southern Africa and Madagascar has been acquired from the Landsat series of American earth resources satellites since 1980 and has been used mainly for mining and oil prospecting. — DDC.

Foreign Affairs mum on Eksteen

Daily Dispatch Correspondent

JOHANNESBURG — The Department of Foreign Affairs has refused to disclose how much former SABC director-general Mr Riaan Eksteen received after he left the diplomatic service five years ago to take on the top post at the SABC

The amount is believed to have been in the region of R250 000, but a Foreign Affairs spokesman said whatever Mr Eksteen was paid was a confidential matter between the department and him

He confirmed, however, Mr Eksteen would have received money from the pension fund, and would have been entitled to a deferred pension

According to the PFP media spokesman, Mr Dave Dalling, the figure of R250 000 would accord with the amount Mr Eksteen may have been entitled to in pension after 18 years of service

The SABC board chairman, Dr Brand Fourie, yesterday refused comment on whether there were any precedents in SABC history for the settlement which resulted in Mr Eksteen being paid five year's salary and a deferred pension

Beeld reports, however, in the case of Mr Gideon Roos, the SABC director general who resigned in 1961, the board said a settlement was reached with him whereby he would leave "without financial disadvantage"

Dr Fourie also refused comment on a repeated statement by the Minister in the President's office in charge of the SABC, Dr Stoffel van der Merwe, that there was "a loss of confidence" by the board in Mr Eksteen

Dr Fourie said, "I'm not a spokesman for the minister"

Dr Van der Merwe also said a settlement with Mr Eksteen was necessary to avoid a court case which he said would have been to the disadvantage of the board and Mr Eksteen

Mr Eksteen was not available for comment late yesterday

'We should have full facts'

Questions about Eksteen banned, says Hendrickse

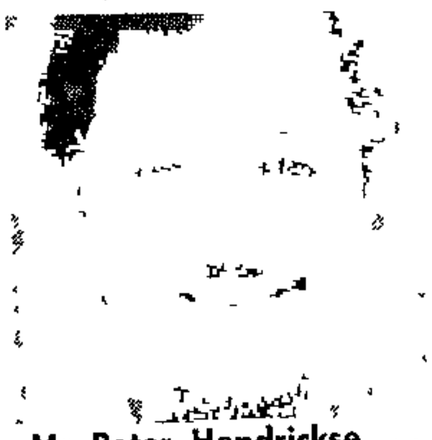
Star 27/4/88

260

By David Braun
Political Correspondent

CAPE TOWN — Labour Party attempts to question the Minister in charge of the SABC, Dr Stoffel van der Merwe, on the Eksteen affair have been ruled inadmissible, according to **Labour MP for Addo, Mr Peter Hendrickse.**

Mr Hendrickse said in the House of Representatives yesterday he had tried to table questions as to why Mr Riaan Eksteen had been dismissed as Director-General of the SABC and whether the "Hendrickse/Botha affair" (The Rev Allan Hendrickse's resignation from the Cabinet and President Botha's subsequent complaints of SABC coverage of the event) had anything to do with it.



Mr Peter Hendrickse . . . 'Public should know'.

He had also asked what amount of money Mr Eksteen would receive according to the agreement he had with the SABC board to terminate his services as Director-General and whether the Minister had been consulted as to the details of this agreement.

Mr Hendrickse said he had been informed by parliamentary officials that his questions to the Minister were "inadmissible" because "staff matters are domestic affairs of the SABC"

He had been told the SABC was an autonomous statutory corporation and all matters relating to internal administration (including staff and salaries) were inadmissible in terms of legislation governing the corporation.

Mr Hendrickse had been advised to write to the chairman of the SABC board for the information he required

Mr Hendrickse said in reaction to this yesterday "The SABC is in effect a taxpayers' corporation in that it is owned by the State and it is financed largely by way of licence fees, which is a form of taxation.

"As a public-owned corporation, surely Parliament is entitled to ask for and receive the full facts of the Eksteen affair.

"After all, large amounts of money are said to be involved and the Minister responsible for the SABC was reported to have told a media conference that the financial settlement with Mr Eksteen would affect the corporation negatively, even though as a percentage of the SABC's turnover it was small.

"Given the controversy surrounding Mr Eksteen's dismissal, it would be only fair to the general public that the full story be told."

SABC in trouble over 'junk mail'

Star 27/4/88 (260)

By June Bearzi, Star Line

The SABC has been slated for selling licence holders' addresses to direct mail firms which in turn bombard some homeowners with unwanted junk mail and promotional literature.

An angry Mr J Strydom complained: "I regard it as an invasion of privacy. Over the last year I've been deluged with mail from the *Readers' Digest,* the Automobile Association and various time-sharing organisations and I resent it."

Mr J F Liebenberg of Germiston said he had received a letter from Monteith, Fairchild and Associates of Umhlanga Rocks in January offering him a prize He was told he would qualify for a "bonanza prize" if he and "his wife" spent a few hours with a consultant in Rivonia to discuss investing in timesharing

Mr Liebenberg said before travelling to the offices he informed them he was unmarried "But when I arrived I was turned away as a 'wife' had not accompanied me," he said.

Business practice

"What I would like to know is where Monteith and Fairchild got my address in the first place," he said

Mr W B Fox, manager of SABC's TV licence section, told Star Line the release of address lists for commercial purposes had become general business practice

He said there were other readily accessible sources of addresses which meant few addresses could be regarded as private or that the circulation of address lists could be regarded as an invasion of privacy

He said anyone who did not want their addresses handed to the advertising industry should approach the SABC for the removal of the information from the lists

Mr Marco Ronchese of Monteith, Fairchild and Associates said lists of addresses from various sources were essential for the succes of data-based marketing

"Those who do not wish to receive our promotional literature should simply notify us of this," he said.

A spokesman for the Automobile Association said members who did not wish to receive the organisation's promotional mail should notify the AA offices and their names would be removed from the mailing lists

WYNAND HARMSE

It had to happen, say the cynics at Auckland Park, that a mountaineer with a wife called Ninnie would end up in the top job.

While that is probably a little unkind to Deputy Director General in Charge of Finance Wynand Harmse, who has now temporarily succeeded to the post of DG, it must be remembered that nerves are a little raw at the SABC these days.

And there is certainly cause enough for raised eyebrows. When the incumbent DG has been fired for financial mismanagement, it is more than somewhat peculiar when his successor is the man who was actually in charge of the corporation's financial planning and control.

Harmse (48) was born in Randfontein and educated at Riebeeck High School. He is listed in the *Who's Who of Southern Africa* as having a Higher Education Diploma from the Potchefstroom Teacher Training College and a B Comm from Potchefstroom University, but the publication is silent on his career experience.

It reveals only that he has two daughters and a son, and that his hobbies include tennis, jogging and mountaineering.

What is known about his professional life is that he was in charge of SABC finances in 1985 and 1986 when the corporation showed a walloping R27m operating loss.

SABC watchers expected him to be reassessed along with Riaan Eksteen after the SABC Board hinted that the reasons for ridding itself of the DG were contained in the recently completed report of consultants Giel Loubser and Johan Haasbroek from the Theron du Toit firm of auditors

If Eksteen is culpable in terms of this report, say observers, then surely Harmse is more so. He was, after all, the man at the coal face.

If Harmse is to be given credit for the 18,3% increase in total SABC income to R485m for the year to end-December 1987, and for the fact that total operational expenditure rose by only 13,7% (less than the rate of inflation), then why should Eksteen not get similar credit?

Information Minister Stoffel van der Merwe has said Harmse will continue as financial controller and that he will work "closely with the board."

Insiders say he had better keep close — or else.

29/4/88 W260 PM

SABC

The mystery remains

(260) FM 29/4/88

The Cliff Saunders Show on last Sunday's *Network* programme, about American press coverage on SA, is symptomatic of the Auckland Park TV South African viewers have come to know That programme, and others that Saunders has produced, were all made during the tenure of the now deposed Riaan Eksteen

It is, therefore, ironic that Eksteen, who at least has his R600 000 farewell gift, should have got the push Eksteen was no liberal who had undermined government policies. He was regularly seen at the side of his former boss, Foreign Minister Pik Botha, at National Party (NP) rallies in Westdene.

When he eventually — like many before him — faced the brunt of P W Botha's anger, it was not because he had strayed from NP policies. His political correspondent at that time, Freek Robinson, had erred by giving Allan Hendrickse, a Cabinet minister who was appointed by Botha, coverage that was not to the liking of Tuynhuys Soon afterwards, Robinson was transferred to the SABC's London bureau

It was up to the new SABC board — also appointed by Botha — to handle Eksteen.

Two outside consultants were appointed to investigate the financial, structural and management system of Auckland Park — with, one guesses, special reference to Eksteen

This was done at a time when top management at the SABC had been optimistic that they were turning around the ailing broadcasting giant An inside source told the *FM* last year (*Current affairs* December 18 1987) that Wynand Harmse, the deputy director general (Finances) — and now acting DG — had told management that prospects in the 1987 financial year were on the up

In SABC internal correspondence, there were suggestions that the corporation could be out of the red before long. Later, the *FM* was told that our story had "made some people very unhappy."

The board and the new minister responsible for the SABC, Stoffel van der Merwe, seem adamant that Eksteen's downfall was due to bad financial management. There was no pressure from government to get rid of the former UN ambassador, said Van der Merwe at a press conference Board members confirmed this to the *FM* One could be forgiven for wondering why, if the board was solely responsible, the explanations were handled on TV by Van der Merwe After all, Brand Fourie is not unaccustomed to public

SABC CARETAKER TELLS ALL

The *FM* asked the caretaker SABC director general, Wynand Harmse, to answer the following questions. We feel that it is in the public interest that such issues are dealt with openly, and believe that Harmse is in a position to do so. Here are the questions, with Harmse's replies, such as they are.

***FM*: You have taken over the job of director general (in an acting capacity) from someone with whom you have worked closely. Are there any ill feelings between you and Riaan Eksteen?**

Harmse: There are no ill feelings between me and Riaan Eksteen. We always had a very good relationship.

As deputy director general (Finances), you have been intimately associated with the financial structures of the SABC. Will you have to change your line of thought and strategies to accommodate the board's wishes?

I do not think there is any clash between what the board wants and what the management committee, including myself, want. We all want an efficient SABC which includes a bottom line in black, without jeopardising quality of the programme product of the SABC. Strategies which we have decided on will be developed further and new strategies and action plans will naturally be considered.

It is obvious (that was the reason given) that the present board was not happy with the state of the SABC's finances. Still, you have brought down the expected deficit quite substantially. Do you think the board is unfair in its assessment, or could the SABC have done better in its financial planning?

I do not think it would be appropriate to comment on this question.

Is there any truth in the allegation — and one thinks of MP Wynand Malan's speech — that the "real figures" in the 1987 annual report would have shown a profit?

A statement was issued on the allegations made by Mr Malan. I attach a copy for your information.

What sort of changes — financially and structurally — are you planning?

I will place a lot of emphasis on sound financial planning. I cannot comment further at this stage, as any plans will still have to be submitted to our management committee and then to the board.

Will there be other personnel changes in the near future? It was mentioned that top management may change. Do you have any idea how?

I cannot comment on this question, since top management is a case for the board of the SABC.

Will you be able to withstand government pressure, should it not be satisfied with the general broadcasting policies of the SABC? One thinks of the Allan Hendrickse affair.

I have not experienced any government pressure during the first week in office I will take my cue from the board, who lay down policy.

Do you foresee a wage and salary ceiling in the SABC, as was requested generally by the State President in parliament?

Although there are market forces and one has to remain competitive, we would, without any doubt, do whatever we can do to combat inflation.

Has the board given you any indication of how long you will stay in this position?

I have discussed this matter with the chairman of the board and would not really like to comment. It could, however, go on for a few months.

speaking

But the board or the minister will not make public the contents of the first interim report, which according to Van der Merwe was the one that sunk Eksteen. The other two reports will deal with solving the problems, says Van der Merwe And at the same time, the board, in their collective monetary wisdom, has appointed the man who has been responsible for the financial running of Auckland Park as caretaker DG Harmse himself says he may have to fill the position for some months **(see box)**

Strange that a board which holds itself responsible for the finances of a giant corporation fires the DG at a price of R600 000 because of financial matters, without at the same time having made provision for a new DG with a financial background Assuming, of course, that financial mismanagement was the real reason

Politically, Eksteen's departure does not bode well for Pik Botha's power base Within two years, Botha has lost two of his closest allies in influential positions, with former US ambassador Herbert Beukes the first to go.

But Botha should not complain too much Former SABC chairman Wynand Mouton, principal of Free State University, did not receive much help from Botha when government decided it was unhappy about the way in which Mouton was running things at Auckland Park And he was only a part-time chairman like Fourie In the end, after talks with Pik Botha and P W Botha (then prime minister) Mouton was told that he could stay on if certain conditions were met by the SABC Mouton had sinned in that he believed that the SABC could *not* retain its credibility as a news medium, and at the same time be an instrument of government

(See page 63, 64, 118) ■

CapeTimes 29/4/88

Sasol orders R350m plant

260 (88)

Own Correspondent

JOHANNESBURG. — Sasol Industries yesterday announced it had entered into agreements with Lurgi for the design and construction of a R340m plastics plant at Secunda.

With a capacity of 120 000 tons a year, the polypropylene plant is scheduled for start up in 1989/90 and is expected to earn and save SA over R200m a year in foreign exchange.

Sasol MD Paul du P Kruger said Sasol decided to enter the polypropylene market as it had identified a local market opportunity.

"A large percentage of polypropylene and all propylene (or propylene feedstock) used in SA is currently being imported.

"Of the plastics presently commercially available on a large scale, the market for polypropylene is the fastest growing. Local demand for polypropylene is currently between 55 000 and 60 000 tons."

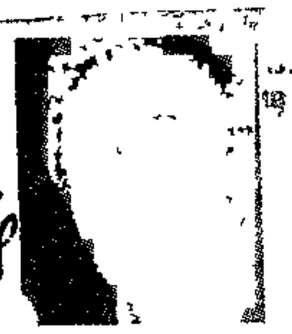
He said world demand for polypropylene was about 9m tons a year and that SA was geographically well-placed for certain exports.

"Our estimated capital expenditure for the plant will be R340m at 1987 prices. The foreign exchange savings and earnings that will be emanating from this project are expected to be more than R200m a year at current prices and full production," Du P Kruger said.

The plant will create about 240 additional jobs within the Sasol group.

"Numerous additional employment opportunities could also develop in the downstream plastics converting industry, once polypropylene becomes freely available at competitive prices," he said.

SABC's Harmse: 'How we keep it clean and safe'



Mr Harmse

By CHRIS STEYN

THE SABC's acting director-general, Mr W J J Harmse, yesterday spelt out guidelines adopted by the SABC's board for censoring violence, sex, profanity, sacrilege and sedition in television programmes

Mr Harmse told the Institute of Citizenship in Cape Town that the SABC had introduced various mechanisms for implementing the guidelines adopted after a study of TV violence

New implementations include

- Outside companies are informed of the guidelines with "a responsibility" to see they are applied,
- Purchased programmes are evaluated and, "where necessary", cuts are made The SABC can "cut further" a film already approved by the Publications Board,
- Language revisors ensure the guidelines are followed in respect of language usage when a programme is dubbed into another language, and
- If there is doubt about a programme complying with the guidelines, producers can refer it to a committee that will make a decision

Mr Harmse said it was "kept in mind" that viewers may be upset by domestic and sexual violence, cruelty to children or animals, unrest situations and violent car accidents

"Slightly different" guidelines applied to news and public affairs programmes where the consideration was "a balance between moral considerations and the public's right to know"

"In my opinion the SABC is conservative in this respect," he said "However, the corporation has, on occasion, been accused of showing too much disturbing material — for instance, material of unrest-related violence At the other end of the spectrum are accusations that we do not show what life in South Africa is really like"

Therefore, guidelines followed by news editors and producers included

- Show the truth, but respect public norms,
- If it is intended to convey a sense of shock, keep in mind that excessive use has a desensitizing effect, and
- Always treat grief with great sensitivity and try to anticipate the feeling of the target audience

Eksteen proves to be a hard act to follow

Staff Reporter

THE memory of the former Director-General of the SABC, Mr Riaan Eksteen, lives on — especially in the mind of his successor, Mr W J J Harmse.

When Mr Harmse yesterday addressed the Institute of Citizenship at Church House at St George's Cathedral, the master of ceremonies forgot his name.

As he looked helplessly to the guest speaker, Mr Harmse said: "Eksteen"

Loud laughter greeted the master of ceremonies who looked to the audience for help, and back to Mr Harmse, who again said: "Eksteen".

Mr Harmse was finally introduced simply as the Acting Director-General of the SABC.

He apologized for Mr Eksteen's absence, saying he was "not in a position" to fulfil the committment "You'll just have to listen to his bad replacement."

Imapla Platinum takes over Messina

REINIE BOOYSEN

IMPALA Platinum (Implats) is to take control of Messina after concluding a R92m share and cash swap deal with Messina's major shareholder, Sanlam Investment Corporation (Sankorp).

The transaction involves an exchange of R175 plus 50 ordinary Implats shares for every 100 Messina shares held.

Phase one of the deal will see Sankorp sell 55% of its 7,56-million shares to Implats. An offer will also be made to minorities. Sankorp will, however, part with more shares if Implats does not get the desired 55% shareholding in Messina.

Meanwhile, Messina has sold subsidiary Autocast for a R21m cash settlement in favour of Sankorp. This money will be injected into the company's platinum venture.

Sasol to build R340m plastics plant for 1989

MICK COLLINS

SASOL Industries yesterday announced it had entered into agreements with Lurgi for the design and construction of a R340m plastics plant at Secunda.

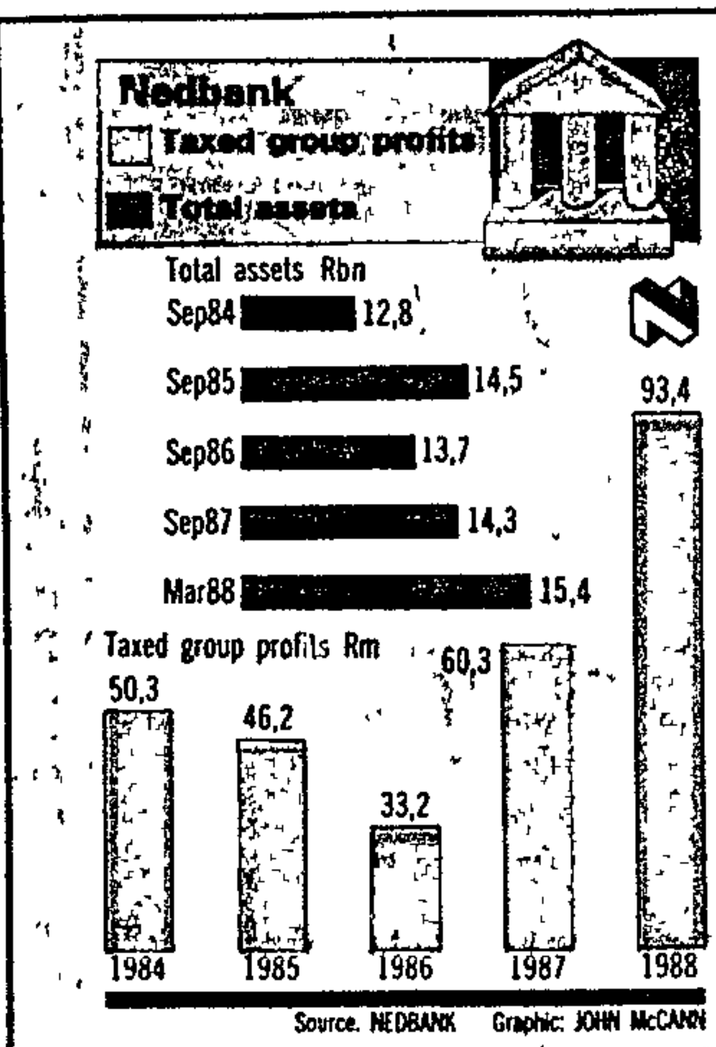
With a capacity of 120 000 tons a year, the polypropylene plant is scheduled for start-up in 1989/90 and is expected to earn and save SA more than R200m a year in foreign exchange.

Sasol MD Paul du P Kruger said Sasol decided to enter this as it had identified a local market opportunity.

"In addition export possibilities have also been identified. A large percentage of polypropylene and all propylene (or propylene feedstock) used in SA is currently being imported.

"Of the plastics presently commercially available on a large scale, the market for polypropylene is the fastest growing. Local demand for polypropylene is between 55 000 and 60 000 tons."

Polypropylene is a large volume plastic with a wide variety of uses, mainly in the packaging, textile and fibre industries.



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US companies unite to

WASHINGTON — Stung by the "sneak" passage of the Rangel double-taxation amendment last December, the largest US companies still left in SA have formed a new coalition to fight the total disinvestment Bill now before Congress.

An estimated 20 multinationals are understood to have each contributed $5 000 to the campaign's war chest, much of which will be spent on retaining an influential liberal Democrat to lobby

Eskom sells a town

1/5/88

ESKOM's drive for privatisation took a big step forward this week when one of its largest housing estates was handed over to a local authority.

Kriel, in the Eastern Transvaal, is being managed by an advisory committee while preparations are made for the establishment of a town council.

At least one more Eskom township will go a similar route this year.

Eskom properties manager Ben Rheeder believes this is the first time a corporation-developed housing project has been proclaimed a town.

The sale of the 3 000 houses could bring in between R150-million and R200-million for Eskom. Houses are being sold to the occupants or members of the public at market-related prices.

Kriel, which now has a population of about 13 000, was started in 1970 to provide housing for employees of the nearby Matla and Kriel power stations and the coal mines supplying them.

...Kleinfontein were particularly hard-hit," — Sapa.

Who's next to be fired at the SABC?

Staff Reporters

Whoops, stand by for double trouble at Auckland Park.

There can be few offences more heinous than misquoting the State President — but that's what the SABC inadvertently did in yesterday morning's 8 am news.

To make matters worse, President Botha was accidentally "censored" by the SABC on "Netwerk" last night when the sound failed during an interview with Andre Le Roux.

The earlier news item just happened to be about President Botha castigating the Labour Party. He'd said that relationships between the white and coloured communities would have been better had a higher quality of leadership come from the House of Representatives.

In the repeat of the news headlines, that phrase came out as "House of Assembly". Which many will consider true but which was the exact opposite of what Mr Botha had said.

Anxious listeners waited for corrections, repeats, profuse apologies, or earth tremors epicentred from Tuynhuys. But, after half an hour, nothing had developed

(Will the acting director-general of the SABC, Mr Wynand Harmse, still be in his job by the end of the week? And, if he is, one can only conclude that President Botha didn't hear that news bulletin.)

It would seem that the issue was too awkward even for the SABC public relations department, which eventually referred inquiries to the editor-in-chief of radio news, Mr Jan Pretorius.

He quickly explained it was only the news headline that was incorrect, the news story reported the speech accurately.

"It was obviously just a slip by the newswriter," said Mr Pretorius.

Newswriters be nervous and technicians tremble. People have been fired for less.

...e State of Emergency regulations, news, pictures and comment in this newspaper may

Nuclear? The neighbours aren't too sure

By CARMEL RICKARD

DESPITE extensive media coverage of Escom's quest for nuclear station sites along the Natal north coast, half the residents interviewed by the Society Against Nuclear Energy (Sane) had no idea the search was on

Sane's Mark Gandar said this week members of his society interviewed 250 people between Umhlanga Rocks and Mtunzini to see whether they were aware Escom had begun a two-year search for potential sites in the area, and to find out the attitudes of residents to nuclear power.

Just over half those interviewed had not heard Escom was exploring the area between Salt Rock and Port Durnford.

Sane also found while people were generally uninformed on the issue, the majority saw nuclear power as dangerous.

A number said they would consider moving if a nuclear power station were built in the region, and one respondent said the family had moved from the Western Cape to Natal because the Koeberg nuclear station had been built close to their home

Half of those questioned thought a nuclear power station would be a bad thing, while 37 percent thought it would be good and 13 percent did not know.

"The strongest support for nuclear power came from the more industrially developed areas," said Gandar.

The residential areas were generally opposed to a nuclear power station, with the strongest opposition coming from Mtunzini,

Many of those in favour said this was because it would supply cheap electricity.

"This indicates that people are misinformed," comments Gandar "Even Escom admits that (nuclear-generated electricity) is more expensive than other forms of electricity."

Sane's general impression was that very few people were "genuinely able to make an informed assessment of nuclear power.

"This was particularly true of the black population who generally had no comprehension of nuclear power, let alone Escom's search for possible sites for nuclear power stations."

260 W/Mail 5/12/5/88

TV reception in Ciskei, Transkei merely a spillover — SABC

Daily Dispatch Reporter

EAST LONDON — SABC television reception in Ciskei and Transkei was "merely a spillover" from South African transmitters near the two states, and was not meant for Ciskeians and Transkeians even though they paid TV licence fees.

An SABC spokesman in Auckland Park said this yesterday when asked to comment on complaints that live coverage of competitions on TV2 and TV3 as well as Radio Xhosa was restricted to the large centres in South Africa but never included Mdantsane.

Viewers in Mdantsane complained that this afforded people in areas like Johannesburg, Cape Town, Port Elizabeth and Durban the opportunity to monopolise prizes, despite the fact that Ciskei viewers paid the same television licence fees as were paid in South Africa.

The programmes, Imalini, TV2 Pow Pow and Khetha Oyikhethayo, which appear on Radio Xhosa were cited as examples

During these programmes, prizes worth thousands of rands were won by viewers or listeners who attended live performances of the programmes

An SABC spokesman in Johannesburg, Mrs J. Balt, said in a telex statement that the TV2 service received in Ciskei and Transkei was a "spillover" because SABC services are not meant for independent states

Later in a telephone interview, Mrs Balt reiterated the statement, adding that the same applied to TV3 viewers in Bophuthatswana and Venda

She said SABC services were for viewers in South Africa, including homelands that had not attained independence

In Ciskei and Transkei, the SABC only covered live sport, while in Bophuthatswana only radio recordings were conducted Live sports events and variety radio programmes were covered in Venda, Mrs Balt said.

Yesterday, the deputy director-general of foreign affairs and information in Ciskei, Mr Headman Somtunzi, confirmed that Ciskei TV viewers paid licence fees for their television sets.

He said the money went into the Ciskei Government coffers, although the service was provided by South Africa.

He declined to comment on whether there was any agreement between Ciskei and South Africa concerning the supply of a television service and the collection of licence fees.

A spokesman for Radio Xhosa in King William's Town, Mr W H Groenewald, said live radio coverage of money-winning programmes was conducted in Ciskei as well

He said such programmes were only conducted on invitation by the community from the particular area

There were only 12 of these programmes a year and communities who wanted their area to be included in such programmes could approach Radio Xhosa in King William's Town

No more commission on TV production costs, says McCann's

McCann's has thrown the cat among the pigeons with a radically new approach to TV commercial production costs.

In future, it won't charge any TV-production commissions

It bases its approach on the reasoning that a waiter who serves a diner with a hamburger costing R3,50 will almost certainly get a smaller tip than a waiter who serves a diner with a crayfish thermidor costing R37, although he's walked the same distance

Obviously, effort as such is not being rewarded in this case — and nor is it in many cases where high production costs mean more money for the agency

Complacent

Says Theo Meintjes, managing director of the McCann Group in South Africa: "Production costs have always been a contentious point among advertisers.

"Agencies have been accused of being complacent, partly because of the perception that the agency stands to gain from the 20 percent mark-up on high production costs.

"Also, production costs are not seen to be 'productive' when compared with flighting costs."

To address this issue, enable the best possible production house for the job to be hired and make sure the budget is spent on exposure rather than production, McCann has decided to drop all commissions on TV production

Instead, the agency will introduce a fee system based on actual time and effort involved in production.

"The McCann fee system will be based on the number of days required for a shoot, the number of people who have to be present as determined by the number of languages, and the number of days involved in post-production," says Meintjes

He adds "It is obvious there will not be any financial gain to the agency in proposing a more expensive production house.

Expensive

"This means the agency will charge the same for producing a R100 000 commercial as for a R60 000 commercial of the same complexity

"There would be no gain on the agency side for a higher price as a result of more expensive production techniques, effects or crew."

While there will be no saving on a R60 000 commercial and possibly an extra expense on a cheaper commercial (if something like that still exists), clients could save R10 000 on a R130 000 production.

AAA raises adspend estimate to R1,279-m

MALCOLM FOTHERGILL

THE Association of Advertising Agencies has upped its original estimate for total above-the-line adspend for 1988.

Its original figure was R1 245 million, the new figure is R1 279 million.

Actual total adspend for 1987, as reflected in Market Research Africa's Adindex data, was R1 034 million, 23,8 percent below the AAA's revised forecast for 1988.

The AAA says its "somewhat bullish outlook" follows a continued upward trend of spending since the last quarter of 1987

It adds "Even if the mini-boom does cool down later in the year, forward marketing plans would have been committed and marketers would want to hold their competitive ground."

Although electronic media are gradually drawing more money from the market at the expense of print, the print media are still expected to command 52,3 percent or R669 million of the total adspend in 1988, says the AAA.

Its figures show that advertising spending on television and radio is expected to grow considerably faster than the average adspend growth of 23,8 percent

Television is expected to show the highest growth, with 33,4 percent, while radio advertising is forecast to grow by 25 percent.

Adspend in the Press is expected to grow by 17,5 percent and in magazines by 21,1 percent.

Outdoor media are expected to attact 16,7 percent more advertising and cinema another 9 percent

A 'ja-baas', or a man of clout?

By DESMOND BLOW

A TOKEN black or a man of fibre and distinction? This is a question that has been asked ever since Dr Richard Naphtali Gugushe was appointed the only black member of the board of the SABC

Yet Gugushe does not doubt the importance of his position

He said the many TV and radio programs for blacks on the SABC was evidence of the important role he played

"A number of my recommendations have been accepted by the board and I am always pushing for the improvement of educational programs

"Politics apart, the future economy of this country depends on the education of young black people and, as an educationalist for 50 years, I know how imperative it is

"More and more blacks have to be taught management skills By the year 2000 it is estimated there will be four black matriculants to every white"

Gugushe said cost was the big factor The Department of Education and Training was already paying for primary school classes on radio, but has said it could not afford more

He said he would like to see pre-school education for children from three to four years old on television, but with the present poor state of its finances, the SABC could not afford it

However, he was hoping that the private sector would sponsor such programs

Gugushe said his presence on the board had contributed immensely to the improvement of black television programs

Other board members consulted him on ideas and policies for black programs, and he was responsible for black English programs

"Most urban blacks speak English," he said, "so with English we reach more people than we do in Sotho or Zulu"

He also believes that more attention must be given to the teaching of English

"After all, English is the commercial language of South Africa and most of the world. No matter what the political future of this country, black people will have to have a sound knowledge of English if they want to succeed in management"

He maintained that no pressure was put on him by other members of the board if he chose to disagree

Dr Richard Gugushe ... Allowed to differ.

SABC's black thinks he's doing a fine job

Gugushe would not discuss the recent controversial dismissal of director-general of the SABC Riaan Eksteen, but said decisions of the board were for the good of the SABC

Gugushe was first invited to join an SABC advisory board in 1976, and was invited to join the 15-member SABC board in 1984 Besides him, there are 12 white members, one Indian and one coloured on the board

Gugushe was one of the few members to retain his position when most of the members were kicked out last year

In his youth, when there few educational opportunities for blacks, he battled to obtain several degrees.

He was awarded a doctorate in education by the University of North in 1980

Gugushe has held many senior positions in the DET, and was appointed general secretary of the Council for Education and Training in 1973 He held the position until 1982 In 1983 he accepted the position of director of the Soweto branch of Vista University

Besides being a member of nearly 20 educational, cultural and religious organisations, Gugushe has contributed several articles and papers to educational magazines and symposiums

He is also a sub-deacon and treasurer of his local Anglican Church.

He was recently awarded the Order of Meritorious Service Class 1 by State President PW Botha for his contribution to education

Gugushe's wife was senior sister at Baragwanath Hospital for 30 years before she retired They have two children – a son and daughter – and three grandchildren

His dentist son is a specialist/senior lecturer at Medunsa, in Bophuthatswana

Sasol counters import threats

INTERNATIONAL competition in a duty-free area of South African industry has prompted Sasol to embark on a R340-million polypropylene plant at Secunda.

By Don Robertson

Sasol has appointed West Germany's Lurgi group to design and construct a 120 000-ton-a-year polypropylene plant, construction to start in 1989

The plant should make SA self-sufficient in raw materials for conversion into plastic products

Sasol says import control on polypropylene was abolished in July last year, exposing the industry exposed to international competition.

A spokesman says "To compete against international manufacturers investing in a new polypropylene facility, we have no option but to build a world-scale plant

"Because our market is relatively small, a large plant can be justified only if both domestic and export markets can be served"

Imports of polypropylene are about 30 000 tons valued at R90-million a year

SA also imports about 35 000 tons of polyethylene annually Polyethylene Imports could be replaced by production of polypropylene

Sasol says polyethylene and polypropylene are both thermoplastic resins which can be repeatedly softened by heating and hardened by chilling These polymers and processed into film,, sheet and rigid materials for various markets

The processes include injection moulding, blow moulding, extrusion and film and sheet processing. In many applications, the same machinery can be used to convert either polyethylene and polypropylene into final products

Although the two feedstocks overlap in some applications, both have tended to find their own market niches because of the inherent properties of the plastics

It is not expected that SA's polyethylene market will be unduly threatened

AECI produces 95 000 tons of low-density polyethylene and 45 000 tons of linear low-density polyethylene. Safripol produces 95 000 tons of high-density polyethylene About 35 000 tons of polyethylene is imported

The new plant could save and earn SA about R200-million a year at current prices

The Sasol spokesman says world demand for polypropylene is about 9-million tons a year and SA's export potential is about 1-million tons.

Versatile

Polypropylene has been in short supply for about 12 months Since 1984, world consumption has increased by 11% a year. Because it is one of the fastest-growing markets for plastics, the tight supply situation is not expected to ease until new production facilities have been installed

Polypropylene is a versatile plastic and can be used in a wide variety of applications, such as the manufacture of woven bags, battery cases, bottle caps, ropes, carpets and crates.

The plant will create about 240 jobs in the Sasol group, and employment opportunities could develop in the converting industry once polypropylene becomes freely available at competitive prices.

Brink to react to SABC's ANC story

Author Professor André Brink said last night that he would react when he returned to South Africa to a SABC-TV news report which quoted a French magazine as saying that he associated himself with the aims and methods of the ANC

According to the report, he said in an interview with the magazine *Libération* that he did not associate himself in principle with violence

After talks with leaders of the ANC in Dakar last year, he began to accept it.

He said he not only associated himself with the goals of the organisation, but also with its methods, the SABC-TV report said.

TEACHING / LEARNING RESOURCES CENTRE

Soekor SA oil search pays off

Capt Times 9/5/88

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Own Correspondent

PORT ELIZABETH. — A well which is expected to produce between 6 000 and 7 000 barrels of crude oil a day has been struck off Mossel Bay — the first major payable oil find in Soekor's two-decade, R800-million search for oil off South Africa

Soekor spokesman Mr Mike Leibrandt confirmed last night that oil was struck at borehole E-AD 1, located about 120km south-south-west of Mossel Bay, six weeks ago.

However, he said, the well was not economically viable on its own and similar wells would have to be discovered before it could be exploited.

Further geo-physical surveys and further drilling would be conducted, he said.

However, in March last year a well about 5km away, named E-AA 1, was struck, and produced similar results. It had a production capacity of 5 000 barrels a day.

E-AD 1 had a production capacity of 6 954 barrels of oil and condensate a day — 3 800 barrels of high-quality crude oil and 58m cubic feet of gas

"It is very encouraging but it is not enough If we discovered several such small wells we could look at a potentially economic means of production, such as a semi-submersible rig.

"The next thing to do would be to drill several other boreholes to determine how big the reservoir is and only then can we say we could produce so much," Mr Leibrandt said

Oil industry sources said the strike consisted of high-quality crude and condensates associated with gas. There was also a substantial gas deposit.

HOUSE OF ASSEMBLY

†Indicates translated version

For oral reply

General Affairs

State President

SABC: resignation of former director-general

*1 Mr S C JACOBS asked the State President †

(1) Whether he made any requests or gave any instructions to the Minister of Information, Broadcasting Services and the Film Industry in connection with the resignation of the former director-general of the SABC, if so, (a) when, (b) what was the purport of these requests or instructions and (c) what was that Minister's response thereto

(2) whether, either directly, indirectly or through an official of his Office, he contacted any other person to whom he made requests or gave instructions in connection with the resignation of the said director-general, if so, (a) when, (b) (i) in what manner was this person contacted and (ii) who is the person and (c) (i) what requests did he make or instructions did he give and (ii) to whom,

(3) whether he indicated, during the discussion he had with the said director-general in 1987 about a news broadcast involving the Chairman of the Ministers' Council of the House of Representatives, that he wanted to have this director-general dismissed or thought that the latter must or ought to relinquish his position?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY (for the State President)

(1), (2) and (3)

I refer the hon member to my address concerning this matter in the House of Assembly on 21 April 1988

Mr D J N MALCOMESS Mr Speaker, on a point of order May I point out to you that the Hansard of the House concerned has not yet been distributed Secondly, Sir, in terms of a decision given by the Chairman of this House it was suggested to hon Ministers that they do not refer to answers given to questions put in other Houses

The MINISTER I have been referring to a speech by the hon the State President in the House of Assembly, in other words, in this House [Interjections]

Mr SPEAKER Order! I will consider the matter and give my decision later

†Mr S C JACOBS Mr Speaker, on a point of order is this the way in which the hon the Minister replies to a question? Does he do it by implying that all the questions that

†Mr SPEAKER Order! The hon member for Port Elizabeth Central has raised a point of order on which I intimated that I shall give a ruling later All further questions on this should therefore stand over until then

Ministers

Questions standing over from Tuesday, 3 May 1988

*25 Mr J B de R VAN GEND — Constitutional Development and Planning [Reply standing over]

***Nodal point*: appointment of designated person**

*30 Mr R M BURROWS asked the Minister for Administration and Privatisation

(1) Whether a designated person in each State Department has been appointed as a "nodal point", if so, (a) what is the function of a person so appointed, (b) (i) when and (ii) by whom were these appointments made and (c) which persons were so appointed in each Department,

(2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

(1) No, but co-ordinators of special services, who are sometimes informally referred to as "nodal points", have been designated

(a) Manages the special services component, obtains, analyses and evaluates information which may be of importance, from a security and welfare point of view, to the department concerned, provides inputs from a security and welfare point of view to the head of department concerned and to other members of management regarding policy formulation, interpretation and execution, serves as liaison point for special services within the department concerned as well as with other institutions

(b) (i) and (ii) Such designations are done by the head of department concerned, as necessary

(c) Persons from any occupational class within the department concerned may be designated as such

(2) No

Mr R M BURROWS Mr Speaker, arising from the reply given by the hon the Minister, can he give us the exact official title of these persons?

The MINISTER Mr Speaker, I am not aware of any specific title they carry They are co-ordinators, as I have said in my reply to the hon member They are people who have been nominated as co-ordinators They are casually referred to from time to time as "nodal points"

Mr H H SCHWARZ Mr Speaker, further arising from the hon the Minister's reply, will he please tell us whether the word "nodal" has the meaning assigned to it in the *Oxford Dictionary* or in *Webster's Dictionary*, or whether it has a peculiar meaning which he himself has attached to the word? [Interjections]

New Questions

Proposed economic policy for RSA publications involved in advertising campaign

*1 Mr C J DERBY-LEWIS asked the Minister of Information, Broadcasting Services and the Film Industry

With reference to his reply to Question No 15 on 1 March 1988, (a) which publications were involved, in the month of March 1988, in the advertising campaign in the Press aimed at presenting the Government's proposed economic policy for the Republic and (b) what was the combined circulation figure of these publications for that month?

†The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

(a) Newspapers
Rapport
Sunday Times
Sunday Tribune
The Star
Beeld
Citizen
Burger
Argus
E P Herald
Volksblad
Oosterlig
Daily News
City Press
Ilanga
Sowetan
Imvo Zabantsundu

Magazines
Financial Mail
Finance Week
Finansies en Tegniek
African Business Publication

(b) Total circulation figure 2 258 991

Tugs *Willem Heckroodt*/*Danie du Plessis*

*2 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

(1) Whether, with reference to his reply to Question No 805 on 25 March 1988, a decision has as yet been taken on the request for assistance in the form of providing South African Transport Services personnel to operate and maintain the tugs *Willem Heckroodt* and *Danie du Plessis* sold to the Government of Mozambique in 1986, if so, (a) when and (b) what was the decision, if not, what are the reasons for this delay in taking a decision,

(2) whether Transport Services have made an appeal to personnel to volunteer for such duties in Mozambique, if so, how many personnel have responded to this appeal,

(3) whether Transport Services personnel will be compelled to perform such duties?

The DEPUTY MINISTER OF TRANSPORT AFFAIRS

(1) No Due to the acute shortage of qualified Marine Electrical Officers and a lack of volunteers in this grade

(2) Yes Five Chief Marine Engineer Officers

(3) No

KwaZulu Natal Indaba Fund-raising Organization: temporary fund-raising number

*3 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

(1) Whether, with reference to his reply to Question No 682 on 28 March 1988, it is sufficient for an organization applying for a temporary authority to collect contributions in terms of the Fund-raising Act, No 107 of 1978, to state merely that its objects are to handle and supervise fund-raising for another organization, if not, why was a temporary fund-raising number issued to the KwaZulu Natal Indaba Fund-raising Organization,

(2) whether he will make a statement on the matter?

†The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) Yes

(2) No

Highveld Area Development Board: allowances paid after abolition

*4 Mr P G SOAL asked the Minister of Constitutional Development and Planning

(1) Whether, with reference to paragraph 9 of the Auditor-General's report on the Highveld Area Development Board for the 1985/86 financial year, the investigation into the continuation of payment of allowances of members of the above board after its abolition has been completed, if not, why not, if so, (a) when was the investigation completed and (b) what were the findings,

(2) whether any action is to be taken as a result of this investigation, if not, why not, if so, (a) what action and (b) when,

(3) who were the members of this board as at 30 June 1986,

(4) whether the members of any other development boards voted to continue payment of their allowances beyond 30 June 1986, if so, (a) of which boards and (b) for how long after 30 June 1986 in each case,

(5) whether these boards are the subject of similar investigations, if not, why not, if so, what are the relevant details?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) No, the legal aspects are still being investigated by the Transvaal Provincial Government

(2) The result of the investigation referred to in par (1) will determine whether further steps will be taken

(3) Mr H F Breytenbach (Chairman)
Mr J I du Toit (Vice Chairman)
Mr R P Botha
Mr W A de Klerk
Mr F R P Schutte
Mr M du Toit (This member did not receive any compensation)

(4) No
(a) and (b) Fall away

(5) No No allowances were paid to members of the other development boards in the Transvaal after 30 June 1986

Mr K M ANDREW Mr Speaker, arising from the hon the Deputy Minister's reply, he told us that no other members of the development board in the Transvaal received these payments What was the situation in the other provinces?

The DEPUTY MINISTER Mr Speaker, the original question referred to the particular development board in the Transvaal, and the information I gave was obtained from the Transvaal provincial authority That is why the reply to the question only refers to the Transvaal situation If the hon member wishes to obtain information in regard to the other provinces, I suggest he tables his question

Highveld Area Development Board erection of head-office building before abolition

*5 Mr P G SOAL asked the Minister of Constitutional Development and Planning

Whether the Highveld Area Development Board was aware at the time of the erection of its head-office building of the intended abolition of the board with effect from 1 July 1986, if so, (a) why, (b) at what cost and (c) on whose authorization was this building erected?

†The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

No

(a), (b) and (c) Fall away

Highveld Area Development Board: unauthorized expenditure on computer

*6 Mr P G SOAL asked the Minister of Constitutional Development and Planning

(1) Whether any action is to be taken by his Department regarding the unauthorized expenditure of approximately R1,2 million on a computer by the Highveld Area Development Board, as stated in paragraph 11 of the Auditor-General's report on the said board for the 1985/86 financial year, if not, why not, if so, (a) when and (b) what action,

(2) what are the names of the outside bodies that provided computer services to this board during the above financial year?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) *Ex post facto* permission for the purchase of the computer was granted to the Highveld Area Development Board on 23 July 1986 Therefore, no further steps in this regard are considered

(2) Computer services for the 1985/86 financial year were provided to the Development Board by the City Council of Witbank

SABC: interim/final reports of committee investigating administration

*7 Mr D J DALLING asked the Minister of Information, Broadcasting Services and the Film Industry

Whether the (a) interim and (b) final reports of the committee investigating the administration of the South African Broadcasting Corporation will be made public, if not, why not, if so when?

†The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

The Board has since April 1987 been examining all aspects of the activities of the SABC It has appointed an outside consultant (not a committee of investigation) to help with certain analyses in the areas of finances, structuring and management

The consultant's advice and reports are for the internal use of the Board and will assist it in the total evaluation process

It is therefore for the Board itself to decide how to handle the reports

Mr D J DALLING Mr Speaker, arising out of the hon the Minister's reply, and in view of the fact that his Vote is coming up for discussion within the next few weeks and that this matter relating to the SABC is going to be duscussed during that debate, how does he expect this House to debate the SABC if information relating to it is not disclosed to hon members of this House?

†The MINISTER Mr Speaker, it goes without saying that hon members of this House undoubtedly do not have access to all the information in the possession of any organization which is discussed, and that also applies to specific Government Departments and their activities I cannot see why it should be different in this case

Mr D J DALLING Mr Speaker, further arising out of the hon the Minister's reply, could I ask him if he has seen this report?

†The MINISTER Mr Speaker, I have indeed seen it

Mr D J DALLING Mr Speaker, further arising out of the reply of the hon the Minister, could I ask him whether he will be prepared, prior to the debate on his Vote, to impart to hon members the information which he has received?

†The MINISTER Mr Speaker, I come back to the reply which I gave originally, which was that the report contains information which the board requested and obtained and which is at its disposal, consequently it is for the board itself, and not for me, to decide how that information should be dealt with further

†Mr J H VAN DER MERWE Mr Speaker, further arising out of the hon the Minister s reply,

is he prepared to disclose to Parliament that part of the report which contains the findings on Mr Riaan Eksteen — the matter has had country-wide repercussions?

†The MINISTER Mr Speaker, it does not even go without saying that there is a part of the report which deals with Mr Eksteen

Former director-general of SABC: resignation

*8 Mr S C JACOBS asked the Minister of Information, Broadcasting Services and the Film Industry †

(1) Whether he or his predecessor received, either directly or indirectly, any requests and/or instructions in connection with the resignation of the former director-general of the SABC, if so, (a) (i) from whom and (ii) when, (b) what was the purport of the requests and/or instructions and (c) (i) (aa) when, (bb) where and (cc) to whom did he convey the requests and/or instructions and (ii) what was the purport of his words to such person or persons,

(2) whether he was in touch with the Board of the SABC before 20 April 1988 about the resignation of the said director-general, if so, (a) when and (b) what was the purport of this conversation,

(3) whether he intends discussing, either directly or indirectly, the question of the successor in the post of director-general of the SABC with the (a) State President and (b) Board of the SABC, if not, why not, if so,

(4) whether he will convey the standpoints of the State President in this connection to the Board of the SABC,

(5) whether he will make a statement on the matter?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

(1) No

(a) to (c) Fall away

(2) No

(a) and (b) Fall away

(3) Because of the nature of the importance of the post of the director-general of the SABC I will discuss the matter directly with various persons and institutions as every second person enquires about it I never discuss a subject indirectly with anybody

(4) The conveying of messages between the State President and the Board of the SABC does not fall within the responsibilities of the Minister concerned

(5) No

†Mr SPEAKER Order! The hon member for Port Elizabeth Central raised a point of order earlier, and the hon the Minister is now dealing with questions which relate to it I rule that the point of order in connection with Question 1, which was put to the State President, is not a valid one, and that the hon the Minister's reply is within the prescribed rules

†Mr S C JACOBS Mr Speaker, arising out of the hon the Minister's reply on behalf of the State President, is he saying that the aspects with which the hon the State President dealt in his speech, cover all the questions put in Question 1?

†The MINISTER Mr Speaker, it is evidently

†Mr S C JACOBS Not "evidently"! Is it the case?

†The MINISTER That is evidently the purport of the hon the State President's reply which I gave on his behalf

Utilization of graduate members of SAP according to their qualifications

*9 Mr L DE BEER asked the Minister of Law and Order †

Whether graduate members of the South African Police Force who have qualifications relating to police work, are being used according to their qualifications, if not, why not, if so, what percentage of such members are being so used?

†The MINISTER OF LAW AND ORDER

Yes, as far as possible, all graduate members are appropriately employed However, instances may occur where graduates, as a result of exceptional reasons, are not appropriately employed As far as can be ascertained, there are at present no such instances

Tapping of telephone conversations

*10 Mr L DE BEER asked the Minister of Communications †

(1) Whether he will furnish information on the tapping of telephone conversations, if not, why not, if so,

(2) whether during the latest specified period of 12 months for which figures are available his Department granted permission for the tapping of telephone conversations of members of the House of Assembly, if so,

(3) whether he will furnish any further information in this connection, if not, why not, if so, (a) in respect of which members, (b) when, and (c) at whose request was such permission granted, in each case?

The MINISTER OF NATIONAL EDUCATION (for the Minister of Communications)

(1) No, because it will not be in the country's interest to furnish the information It is pointed out to the hon member that the provisions of section 118A of the Post Office Act are at all times being strictly complied with and that no application for a telephone interception is granted for any other reason than for the maintenance of the security of the Republic,

(2) and (3) fall away

Hospital board of Witbank: new members

*11 Mr W J D VAN WYK asked the Minister of Constitutional Development and Planning †

Whether any new members were appointed to the hospital board of Witbank during the latest specified period of 12 months for which information is available, if so, (a) what are their names and (b) on whose recommendation were they appointed?

†The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

This information was furnished by the Transvaal Provincial Government

Yes

(a) Mr G F C Voss was reappointed
Mrs M E Maritz

(b) Mr P P Broodryk, Chairman of the Witbank Hospital Board

KwaNdebele/Lebowa: one self-governing territory

*12 Mr W J D VAN WYK asked the Minister of Constitutional Development and Planning †

(1) Whether the self-governing territories of KwaNdebele and Lebowa have intimated to him or his Department that they are considering becoming one self-governing territory, if so,

(2) whether it is still the intention to add the irrigation area Rust de Winter to KwaNdebele, if so, why,

(3) whether he will make a statement on the matter?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(1) KwaNdebele did not intimate that they are considering becoming one self-governing territory with Lebowa Lebowa, however intimated to me that they are considering the possibility of holding discussions with KwaNdebele regarding possible amalgamation

(2) It is still the intention to add the Rust de Winter area to KwaNdebele The Rust de Winter area was promised to KwaNdebele as compensatory land for Kalkfontein, Geweerfontein and Bloedfontein

(3) No

Certain person in employ of SADF

*13 Mrs H SUZMAN asked the Minister of Defence

Whether a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister s reply, is currently in the employ of the Defence Force, if so, (a) in what capacity is he employed, (b) for how long has he been employed, (c) what is his rank, (d) what are his functions and duties, (e) where is he stationed at present and (f) what is his name?

†The DEPUTY MINISTER OF DEFENCE

(a) to (f) With the information furnished the person could not be identified as an employee of the SA Defence Force

Certain person in employ of SAP

*14 Mrs H SUZMAN asked the Minister of Law and Order

Whether a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply, is currently in the employ of the Police, if so, (a) in what capacity is he employed, (b) for how long has he been employed, (c) what is his rank, (d) what are his functions and duties, (e) where is he stationed at present and (f) what is his name?

The MINISTER OF LAW AND ORDER

No, not as far as could be ascertained

(a) to (f) Fall away

Damages arising out of civil cases brought by detainees, payable by policemen found guilty

*15 Mrs H SUZMAN asked the Minister of Law and Order

Whether members of the South African Police have been informed that any damages arising out of civil cases brought against them by detainees will henceforth be payable by the policemen found guilty by the courts if so, (a) (i) in what manner, (ii) when and (iii) why and (b) what are the details of the information so conveyed to them?

†The MINISTER OF LAW AND ORDER

No However, at the time of their employ and from time to time thereafter, the attention of members of the Force is drawn to the contents of Chapters W3 1 and 4 1 of the Treasury Instructions as contained in the Financial manual for Government officials

After payment of a civil claim by the State, the matter is referred to the State Attorney who decides whether or not the member/members of the Force concerned must be held responsible for the expenditure of the State

Such recoveries from members of the South African Police are made in terms of the provisions of section 34 of the Exchequer and Audit Act, 1975 (Act 66 of 1975)

Rooi Els/Betty's Bay/Kleinmond proclamation as nature area

*16 Mr R R HULLEY asked the Minister of Constitutional Development and Planning

Whether, with reference to his reply to Question No 6 on 28 July 1987, his Department or the Cape Provincial Administration still intends to proclaim the Rooi Els/Betty's Bay/Kleinmond area as a nature area, if not, why not, if so, (a) what are the boundaries of the proposed nature area, (b) what steps (i) have been and (ii) remain to be taken in this regard and (c) when is it anticipated that the proclamation in question will be issued?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

This information was furnished by the Cape Provincial Government

Since the reply to Question No 6 for 28 July 1987 the Cape Provincial Government has renounced its intention to reserve the Rooi Els/Betty's Bay/Kleinmond area as a Nature Area The reasons are

(a) Provision is made in clause 16 of the Draft Bill on Environment Conservation as published under Government Notice 353 of 1987 for the declaration of "Protected Natural Environments ' If this concept is accepted, it will result in a better dispensation for private landowners, which is supported

(b) After the Environment Conservation Act (presently in the form of a Draft Bill as mentioned above) is promulgated, the area in question will be declared as a "Protected Natural Environment"

Mr D J N MALCOMESS Mr Speaker, arising out of the hon the Deputy Minister's reply, does the fact that he prefaced his answer by saying that the information was supplied by the provincial administration mean that the hon the Minister washes his hands of all responsibility for the correctness of the answer?

Spouses of Black members of SAP, membership of Polmed

*17 Mr L DE BEER asked the Minister of Law and Order ₸

Whether the spouses of Black members of the South African Police Force who are married according to the provisions of the Republic's legislation on marriages, qualify to be members of the medical aid scheme of the South African Police (Polmed), if not, why not?

†The MINISTER OF LAW AND ORDER

No unfortunately not yet at this stage Black members of the Force receive a monthly allowance for this purpose However, in-depth negotiations with the Commission for Administration and the Secretary to the Treasury are in progress to bring about the provision of comprehensive medical benefits for Black members of the Force

Defence Force vehicle: transportation of personnel

*18 Mr S S VAN DER MERWE asked the Minister of Defence

Whether the South African Defence Force owns a vehicle with the registration number R113-912, if so, (a) what is the make of the vehicle and (b)(i) for what purposes and (ii) where is it being used?

The DEPUTY MINISTER OF DEFENCE

Yes

(a) Isuzu KB 21

(b) (i) For the transport of personnel

(ii) Mamelodi, Soshanguwe, Atteridgeville and KwaNdebele

Eskom: under control of Department

*19 Mr M J ELLIS asked the Minister for Administration and Privatisation

(1) Whether Eskom now falls under the control of his Department, if so, (a) why and (b) to what extent,

(2) whether any other statutory corporations or institutions have been referred to his Department with a view to privatisation, if so, which corporations or institutions?

†The MINISTER FOR ADMINISTRATION AND PRIVATISATION

(1) Yes The Ministerial responsibilities for Eskom, as set out in the Eskom Act, 1987 (Act 40 of 1987) have however been entrusted to me by the State President

(a) Because the Government has decided to investigate the possible privitisation of Eskom

(b) As indicated above

(2) The Ministerial responsibilities for Iscor and Foskor have also been entrusted to me with a view to the possible privatisation of these corporations

Prohibition of issues of 8 and 22 April 1988 of Scope

*20 Mr J J S PRINSLOO asked the Minister of Home Affairs †

Whether the distribution of the issues of 8 and 22 April 1988 of a certain magazine, the name of which has been furnished to the Minister's Department for the purpose of his reply, was prohibited recently, if so, (a) in terms of what statutory provisions, (b) what is the nature of the material in each of these two issues on the grounds of which they were prohibited and (c) what is the name of the magazine concerned?

The MINISTER OF NATIONAL EDUCATION (for the Minister of Home Affairs)

Yes

(a) to (c) The hon member is referred to *Government Gazettes* Nos 11256 and 11271 of 11 and 19 April 1988, respectively, in which notice was given that the 8 April 1988 and 22 April 1988 issues of *Scope* had been found undesirable within the meaning of section 47(2)(a) of the Publications Act, 1974 In terms of that section a publication is deemed to be undesirable if it contains matter which is indecent or obscene or is offensive or harmful to public morals

*21 Mr J H VAN DER MERWE — Public Works and Land Affairs [Reply standing over]

Njongo Primary School, Khayelitsha: petition from parents of pupils

*22 Mr K M ANDREW asked the Minister of Education and Development Aid

Whether the Department of Education and Training recently received a petition from parents of pupils at the Njongo Primary School in Khayelitsha, if so, (a) on behalf of how many persons was the petition submitted and (b) what was (i) the purport of the petition and (ii) his response thereto?

The DEPUTY MINISTER OF TRANSPORT AFFAIRS (for the Minister of Education and Development Aid)

Yes

Two contradictory petitions were received on 20 and 29 April 1988 respectively

(a) According to preliminary indications there are serious doubts concerning the degree to which these petitions reflect the views of *bona fide* parents

SABC editor faces charge

By Sue Olswang

Star 10/5/85

SABC acting editor-in-chief Mr Christo Kritzinger appeared in the Johannesburg Magistrate's Court yesterday on a charge of contravening the Prisons Act.

It is alleged that a black and white photograph of Helene Passtoors, who was sentenced to 10 years in jail for terrorist activities, appeared on the 8 pm TV1 news broadcast on July 9 last year.

The Prisons Act forbids the use of photographs of a convicted person after 30 days from the date of conviction and sentence.

The photograph of Passtoors allegedly appeared at the end of a story about her husband, Mr Klaas de Jonge, who made international headlines by hiding in the Netherlands Embassy in Pretoria to escape standing trial for terrorism.

Mr Kritzinger told the court that the story was run to mark the second anniversary of Mr de Jonge's refuge in the embassy.

Yesterday the court heard evidence from Mr Chris Olckers, a specialist SABC TV news reporter, who told the court that all SABC TV news staff were instructed to examine a daily "instruction" file to keep up to date with the laws concerning the media. (260)

OWN PURPOSES

Mr Olckers said nobody in the newsroom would have agreed to use the photograph of Passtoors because "everyone knows that it is illegal".

"It would seem to me that somewhere in the SABC there is a person who used our corporation for their own purposes to break the law," he said.

Mr Kritzinger told the court that he, or another senior staff member, would have approached the Prisons Department for permission to use the photograph if he had known that it was going to be used together with the De Jonge story.

Mr Kritzinger has pleaded not guilty and the case has been postponed to May 24 for judgment.

DTP 12/5/88

No nuclear plants planned this century says Eskom

260

Daily Dispatch Correspondent

JOHANNESBURG — Eskom will not be building any nuclear power plants before the turn of the century, but will continue investigating potential reactor sites on the southern Cape coast, an Eskom spokesman said yesterday

"There is absolutely nothing on the drawing boards as far as new nuclear power stations are concerned," Miss Carin Leibbrandt said

"No reactors will be built before the turn of the century and even for the next 30 to 50 years"

Eskom, which had initially conducted investigations into potential nuclear sites between Gansbaai and Cape Agulhas, had narrowed its search to "limited" stretches of coast between Quoin Point and Pearly Beach, she said

The investigation team's project manager, Mr Otto Graupner, said the investigations had found certain areas to be "unsuitable" due to environmental and technical reasons

Miss Leibbrandt said Eskom had conducted investigations into suitable nuclear sites in four areas, comprising the West Coast, South and East Cape coasts and Natal

Preliminary "first phase" investigations had identified 19 potential sites which would be subjected to extensive "second phase" geological tests

Third phase development was planned between Humansdorp and the Tsitsikamma forest

Land would only be bought for future development purposes if ratified by the Eskom management board

"Before land is bought for nuclear sites it has to be tested for the sociological impact caused by a reactor, geological stability and environmental suitability

"Even if bought for nuclear development, land could lie unused for many years," she said

Nuclear building on hold until 2 000 AD

Staff Reporter

ESKOM will not be building any nuclear power plants before the turn of the century, but will continue investigating potential reactor sites on the Southern Cape coast, an Eskom spokeswoman said yesterday

"There is absolutely nothing on the drawing boards as far as new nuclear power stations are concerned," spokeswoman Ms Carin Leibbrandt said

"No reactors will be built before the turn of the century, and even for the next 30 to 50 years"

Eskom, which had initially conducted investigations into potential nuclear sites between Gansbaai and Cape Agulhas, had narrowed its search to "limited" stretches of coast between Quoin Point and Pearly Beach, she said

Mr Otto Graupner, the investigation team's project manager, said the investigations had found certain areas to be "unsuitable" due to environmental and technical reasons

Ms Leibbrandt said Eskom had conducted investigations into suitable nuclear sites in four areas, comprising the West Coast, South and East Cape coasts and Natal

Preliminary "first phase" investigations had identified 19 potential sites which would be subjected to extensive "second phase" geological tests

Third phase development was planned between Humansdorp and the Tsitsikamma forest, she said

DID 13/5/88

Eastern Cape area suitable for nuclear station — Eskom

PORT ELIZABETH — Eskom has identified an area in the Eastern Cape as a suitable site for a nuclear power station, the head of Eskom's research team, Mr Otto Graupner, said

The site is believed to be near Humansdorp

Mr Graupner said his team's suggestion would have to be ratified by Eskom's Electricity Council and the exact location would not be made known until then

He said the site was located between Tsitsikamma and Port Elizabeth and was part of a national survey which included Natal, the Eastern Cape and later the west coast

"The East Cape area is one of the areas we have investigated but a final decision is pending The aim of the survey is to identify whether sites are suitable for the erection of a nuclear power station and then to keep them in a kitty"

The actual erection of a nuclear station would not take place before the turn of the century

He said there was not enough demand to justify the immediate construction of a nuclear power station

A scarcity in financial resources was also a limiting factor to such a construction, he said

Scientists attached to Rhodes University and the University of Port Elizabeth had participated in the survey of the area

OIL & GAS EXPLORATION

Striking success

Soekor has announced its best combined oil and gas strike yet Its borehole E-AD1, about 120 km south-south-west of Mossel Bay, has tested at 7 000 barrels of oil and condensate (including 3 800 barrels of "high-quality" crude) and 58 m³/ft gas per day

Drilling for black gold

The well was drilled 5,5 km north-west of the area's discovery well — C-AA1 — which tested at 5 000 barrels of oil and 5 m³/ft gas per day in March 1987.

Gencor has a 20% interest in the latest borehole and both Gencor and Soekor consider the discoveries "very encouraging" However, they emphasise these flow-rates do not indicate available reserves as such Further seismic studies, drilling, complex calculations and feasibilities are essential before there can be any thought of economically viable oil production. This process can take years

Soekor is currently drilling with the rig *Actinia* A second rig, the *Omega,* will soon be moved to the area to look for further oil resources If additional reservoirs are discovered, Soekor hopes they could be "collectively produced," possibly by using a floating production platform Another possibility, it seems, is that oil could be taken ashore by small tankers

Soekor has also announced its first oil find off the west coast — at 200 barrels per day in Borehole A-J1, 26 km south-south-west of Hondeklip Bay. Although this production rate is considered uneconomic, it indicates, says Soekor, that possible economic oil discoveries could be made off the west coast — where Soekor has, until now, encountered only dry gas

Without wanting to sound premature, Soekor suggests that if more substantial strikes — like the latest off the south coast — are made, they could collectively make a dramatic impact on the South African economy

Brink: many distortions of interviews

260

D/D 14/5/85

GRAHAMSTOWN — Author André Brink said yesterday that he was surprised, on his return from abroad, to discover many distortions and malicious elements in reporting by the South African media on his recent interviews in Europe, notably with the French magazine, Liberation.

SABC-TV news reported last Saturday that Brink had "associated himself with the African National Congress and the organisation's methods to achieve its political aims".

The newscast also quoted Brink as saying that although it conflicted with his principles, he accepted violence in South Africa.

"Everything I said abroad I had previously expressed inside South Africa and in writing," Brink said.

"So it would seem that at least some of the media are concerned with creating the kind of climate which would make it easier for action to be taken against me by our increasingly intolerant and totalitarian regime.

"For the sake of perspective, I should like to emphasise, as I did in my interviews abroad, that I regard violence, in any situation, as an extreme measure with as much destructive effect on those who have recourse to it as on those who fall victim to it.

"As a writer, as one who is committed to the word, to reason and to actions of the mind, I abhor violence of any kind," he added.

"At the same time I am realistic enough to accept that there are situations where violence has become so deeply entrenched as part of the system that it is, tragically, no longer possible to break the deadly pattern without at least a measure of counter-violence."

Brink said that he had a reason to believe that the ANC had adopted violence with the sole aim of encouraging the government to the negotiating table.

"I am convinced that at the first genuine sign of readiness from the government to negotiate peacefully for a shared future of this country, the ANC will respond with alacrity and generosity," he said.

"I believe that even at this late hour there are a few small flickerings of hope on our gloomy stage and I am committed to encouraging and exploring these, in order to minimise violence and accelerate the transition to the kind of equitable majority rule I regard as an historical inevitability and a moral necessity.

"For as long as the government persists in obscuring the truth about the ANC philosophy and action and tries to justify its own immoral actions, I shall continue to expose its lies with all the means at my disposal as a writer, as a citizen of the country I love, and as a human being," he added. — Sapa

Brink slams SABC 'distortion'

ELSABE WESSELS

AFRIKAANS novelist André Brink has reacted to SABC-TV reports that he had associated himself with the ANC and its violent methods by condemning what he said were distortion and malice in reports on his statements on the ANC

Brink, who was a member of the Afrikaner group that met the ANC in Dakar last year, had been on a working holiday overseas

In a statement released at the weekend after his return, Brink said he was surprised to discover "many distortions and malicious elements" in the SA media concerning interviews given by him in Europe

"I have reason to believe that the ANC has adopted violence with the sole aim of encouraging the government to the negotiating table," Brink said

"I am convinced that at the first genuine sign of readiness from the government to negotiate peacefully for a shared future of this country the ANC will respond with alacrity and generosity"

Brink said that for as long as government persisted in obscuring the truth about the ANC, and in trying to justify its own immoral actions, he would continue to expose its lies

Referring to an article in the French magazine Liberation in which he said he accepted violence in SA, although it conflicted with his principles, Brink said that everything he had said abroad he had previously expressed in SA and in writing

"It would seem that some of the media are concerned with creating the kind of climate which would make it easier for action to be taken against me by our increasingly intolerant and totalitarian regime."

DID 161878 (243) (236) 260

Applications made against media

BETHEL — Applications for contempt proceedings against the media were made in the Bethel treason trial yesterday.

The defence counsel, Mr H. K. Naidu, submitted a transcript of an April 28 SABC TV news item on the trial and copies of stories from Rapport, Beeld and Die Burger.

Mr Naidu said some stories contained factual inaccuracies and gross distortions "which have no resemblance to the evidence", or were speculative comment.

He invited the court to move for contempt proceedings by issuing a rule nisi calling on Mr Chris Olckers of the SABC and the editor and reporters of the newspapers involved to show cause why they should not be committed for contempt of court.

Regarding the television news item, Mr Naidu said that the only factually correct statements in the report were that the three accused pleaded not guilty and that the trial was being held in the Bethel court.

Mr Justice H. Daniels commented: "It even referred to the wrong judge, because I'm not J. (Daniels)."

The State Prosecuter, Mr Harry Prinsloo, made an application for a contempt charge against a report on the trial in The Star. He alleged that the report contravened a judge's order and that details in it may have led to the identification of a secret witness.

Judgment was reserved. — Sapa

Numsa: Wage demands

JOHANNESBURG. — The National Union of Metalworkers of SA (Numsa), in its proposals for the 1988 wage talks with Iscor, has demanded a R5-an-hour minimum wage and that it undertake to end all racial discrimination. The wage demand is R2,71 above the present minimum for the lowest-grade workers.

Washington Letter
by SIMON BARBER

SA sanctions bill is an ideal strategy to embarrass opponents

THERE was a robotic quality to Senator Edward Kennedy's announcement last week that he and the usual suspects were introducing in the Senate the sanctions package recently approved by the House Foreign Affairs committee

The senior senator from Massachussets is renowned for giving good speeches but on this particular afternoon his eloquence seemed to have been rendered rigid by something he'd had for lunch Watery of eye, he had trouble focusing on his lines and fidgeted uncomfortably at the podium

Michael Dukakis . . talk about it later

The usual suspects — among others, "Republican" Senator Lowell Weicker, who lives in a strange political homeland quite independent of his party, Senate Africa subcommittee chairman Paul Simon and Senator Alan Cranston, the California cadaver — also appeared to be going through the paces as they took their turns for the cameras. These are people who emote a living, but on this occasion they were perfunctory at best.

Unhappening

The reason is simple enough This was a purely ritual exercise What Cranston chose to call "full disinvestment and an all but total embargo" (thus redefining the phrase "all but" to mean "all except 80%", the portion of US imports from South Africa to be left untouched) is not going to become law this year That is not the plan.

The plan is for nothing to happen in 1988, but for its unhappening to be simulated in such a way that the Democrats will be able to say that the only reason that South Africa is not a paradise on earth is vice-president George Bush and his Republicans

It works like this Next month, at a guess on Thursday June 16, the House of Representatives will pass the "all but" Bill The senate will then be "under pressure" to follow suit before it goes into recess for the party nominating conventions in July and August.

At which point negotiations, already rocky, between Republican and Democratic Senate staff members to construct a milder "bipartisan" alternative will break down Senate Democrats will go through the motions of trying to enact the house Bill anyway but will allow themselves to be thwarted by the Republicans

Either that, or the Democrats will succeed by the narrowest of margins in getting some form of legislation through in the certain calculation that President Reagan will veto it. A vicious but ultimately unsuccessful fight to override the veto is their dream outcome.

This will give Michael Dukakis, the Democratic presidential candidate, the issue without completely taking southern African policy out his hands in the event that he wins Which is exactly the way he and his advisers want it.

Wrong side

Not for nothing does the candidate keep reiterating that "working with congress to end apartheid" will be "one of my first priorities" in the White House Of course he supports the "all but" bill, he's got the Rev Jesse Jackson breathing down his neck, but read his lips We'll talk about it *after* I'm elected

Look at it this way. The mileage to be gained from South Africa does not derive from the ability to crow that, thanks to the profoundly moral and caring Democratic party, sanctions have been imposed and the US is now "on the right side of history" It comes from being able to denounce the "racist" opposition for having kept the US on the wrong side.

As Jackson has so amply demonstrated, you win elections less by persuading voters to thrill at your past achievements than by getting them to resent your opponent. Accordingly, the theme this year is that Bush and the Republicans are venal and indifferent to the poor, weak, disenfranchised etc, rather than the ostensibly implausible claim that Dukakis would make a better president.

Zero impact

Come November 8, very few voters are going to be saying to themselves "Oh bliss was it in that dawn to be alive when the Democrats imposed draconian sanctions on SA" because, unless they happen to be be one of the tiny number of Americans whom such sanctions might conceivably hurt, the passage of the Bill will have zero impact on them

What *could* have an impact in the polling booths is the message that it was Bush's boss who said no to that nice Archbishop Desmond, particularly as it fits neatly into the proposition that Republicans hate motherhood Why, they are even against obliging employers to give their workers advance warning of plant closures.

Corrupt

The reference here is to Reagan's reason for wanting to veto the Manhattan phone book-sized Trade Bill congress is preparing to present to him No-one actually believes that this is an especially wonderful piece of legislation. Indeed, it is about as corrupt as 535 election-minded congressmen and senators could make it. What matters, as far as the Democrats are concerned, is not its passage but, thanks to the ground upon which Reagan has chosen to fight it, its getting vetoed

Always assuming that Reagan wants to be succeeded by another Republican (and there are moments when his behaviour suggests this may not be the case), the White House has marched straight into a trap of its own devising. With the Sanctions Bill, the Democrats are setting another

Now it would be nice to report that Bush and his team are actively looking for a way of avoiding it, but they are not. The vice-president, while essentially a supporter of whatever it is the policy is now, seems scared stiff of the issue When it is shot at him, he sits very quiet and still, like a possum One gets the impression he would dearly love to have a superior tell him what to do

Reason

Doing nothing, or at best mouthing the tired old pieties about not wanting "to hurt those we are trying to help", is no answer, especially when Tutu the Authentic is running about endorsing not only Dukakis and the "all but" Bill but cutting the phone lines and breaking diplomatic relations into the bargain.

The Democrats are going to run big on South Africa, both because it is the cheapest, least controversial way of pleasing Jesse Jackson and because, by its silence, the Bush campaign is admitting vulnerability

George Bush . . admitting vulnerability.

Jesse Jackson . . the cheapest way to please him.

The way to counterattack is not through reason If reason was a useful weapon in the domestic fracas over SA, Tutu would have been heckled out of the National Press Club for suggesting that West Germans opposed sanctions because "they have probably not yet got out of their system the madness of Aryan superiority"

Demagoguery

Reason, as John Kane-Berman pointed out to the House Africa subcommittee earlier this year, dictates that "the outside world cannot end apartheid" Trouble is, this is a worthless argument in what is an entirely abstract debate that has nothing to do with its stated subject. We are not talking about ending apartheid, we are talking about voting blocs.

To fight the Democrats on sanctions, candidate Bush needs to resort to the demagoguery of his opponents and frame a stirring alternative vision that promises (however spuriously) to accomplish what sanctions most assuredly cannot.

Let's have a Bush doctrine to support "a new kind of bloodless revolution" by promoting entrepreneurs and workers to seize individual power from the "abominable, statist apartheid regime" Let's have "bold initiatives" and "a clarion call" to face "the historic challenge" Having "sat too long on the sidelines", let's form "a new partnership" and "bear any burden" to "infiltrate the bastions of apartheid" Etc.

Nobody ever said politics is about truth or honesty, it's about power and getting elected, both of which depend on the artful deployment of words Right now the Democrats have the words to make sanctions seem like mom and apple pie To beat them, Bush must also lie He must pretend that his administration will end apartheid even quicker than the Democrats

an exposure of R40 million (1986 (1986 R28,4 million and 1987 OK is helping with technology. was last formally valued on

Sasol (260) a good start for the long term

Star 17/5/88

TECHNICAL VIEW
By Dr Issy Bacher

The Bear Market is now approaching its tenth month. After the prodigious falls that have hit the JSE in this period of time it is appropriate for long-term investors to think of gradually building up their portfolios.

At this stage of the game the prime considerations for investments are stocks that would have limited downside in a bear market that continues its downward trends Companies paying a high dividend yield would obviously fall under this category.

Sasol fits these requirements admirably. According to Keith Bright of Frankel Kruger it will probably pay 47,5c this year. So based on the current price of 735c it would put it on a forward yield of over 6 percent.

Another advantage in its favour is that it has a high institutional holding. As this held in strong hands, which should further limit downside potential.

The two factors influencing its price movements are the price of oil and the fortunes of the rand.

Opec countries are bound to get their act together and limit oil supplies which will put upward pressure on its price.

The rand shows little signs of returning to its former strength and Sasol qualifies as an excellent hedge stock when the rand is in a downtrend A weak rand puts upward pressure on the price of imported oil

Having said all this, I must add that Sasol is not a stock which will set the JSE alight

Last year a squeeze on Sasol's operating margins and higher rand crude oil prices resulted in attributable earning falling by 28,3 percent but dividends are safe because of Sasol's conservative policy.

Technically, Sasol shows an interesting picture.

The top graph is a 120 weekly graph showing its rise from 650c in April 1986 to its high of 1540 on August 26, last year.

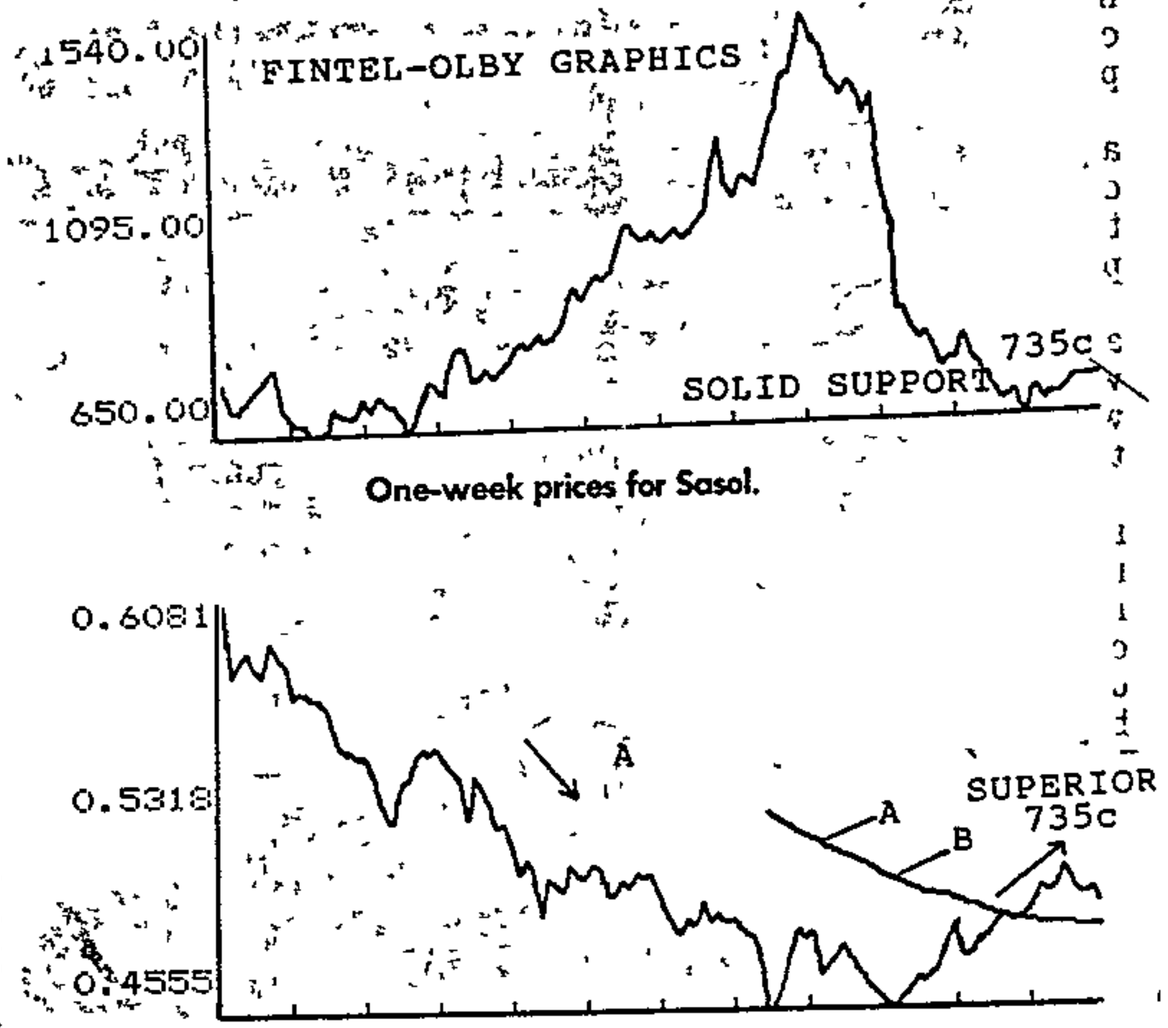
It then crashed with the rest of the market to again touch the 655c mark on March 2, thus completing a cycle. The 650c level thus acts as a very solid support for Sasol.

The lower graph compares the strength of Sasol to the industrial index. The Arrow at A shows percentage-wise the greater fall of Sasol when compared with the average share This occurred in the immediate post-crash period.

In rising to 735c Sasol crossed A-B, the neutral dividing line which indicates the first sign of superior strength to the Industrial index.

Of further interest is that in the last week Sasol began trading again on high volume On May 3 and 4 the volumes were 798,450 and 611, 900 respectively Obviously institutions were again taking up the shares

CONCLUSION: Sasol is a strong consideration for inclusion in long-term portfolios as a core hold.



One-week prices for Sasol.

Daily relative strength for Sasol/Industrial index

INOUNCEMENT

RANDWORTHS 1988 PRICE BLAST

UCT bid for radio advice

CAPE TOWN — The University of Cape Town radio station is to take up its "Free-the-airwaves" campaign at international level in a bid to obtain Government permission for FM broadcasts.

The campaign, backed by several other campus stations, was launched this month after Post Office officials and the SABC told UCT Radio it was breaking broadcasting laws by transmitting over FM to residences.

The UCT Radio director, Mr Ian Koenigsfest, said the station would approach the International Telecommunications Union (ITU) in Geneva to "find out if the Post Office and the SABC are overriding their jurisdiction" by barring campus radio stations.

It was hoped that the ITU, which was empowered to co-ordinate the distribution of radio channel frequencies internationally, would be able to advise South African campus stations on a course of action.

Iscor to outstrip profit forecasts

IN SPITE of the loss of its US and British markets, Iscor is set to achieve better profits than forecast for this year.

HELOISE HENNING

Finance GM Eric van der Merwe expects turnover to be in the region of R4,2bn against the R3,5bn net-sales value achieved in the last financial year.

It is also the first year that Iscor will be hit by tax payments after several years of being in the red. This is in spite of the minor recovery witnessed during the past four years.

Van der Merwe, speaking to the company's in-house magazine, the Iscorian, says reasons for the improvement are the "fairly dramatic" improvement in local demand for steel and a better operating cost performance than the previous year — substantially below budgeted figures.

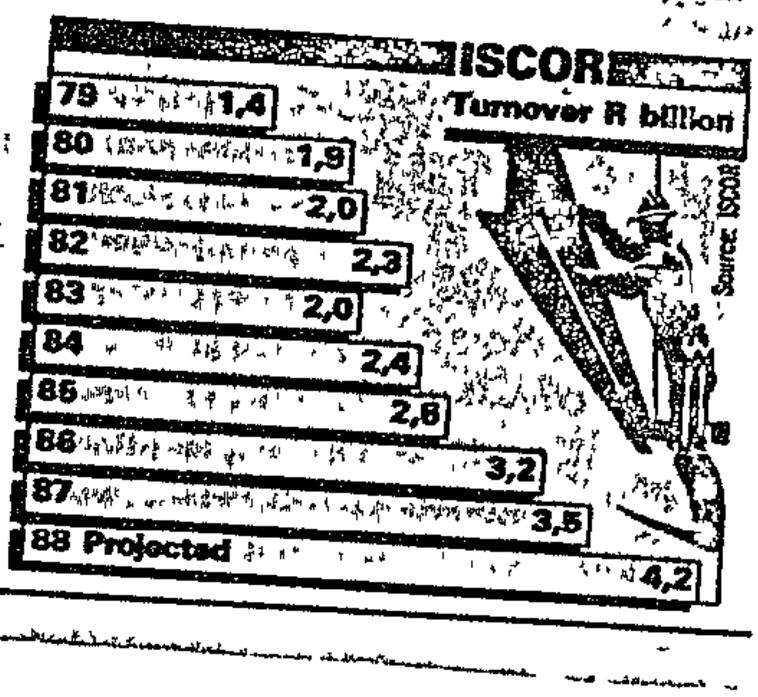
In the past 10 years Iscor has halved its debt-ratio to 30%, which Van der Merwe attributes to financial discipline.

The unavailability of overseas loan capital following the debt moratorium has not been detrimental. Van der Merwe says the corporation is funding its capex from internal cash flow and from the local-loan market.

At book value, Iscor's total assets at the end of June 1987 was R5,13bn, with net-asset value of R4,1bn.

The new Corex plant in Pretoria and two of the mining interests are demanding R400m in terms of capex this year.

However, Van der Merwe says in the 1989 and 1990 financial years the capex figure could reach a combined R1,6bn.



Where is SABC'S new boss?

by FRANS ESTERHUYSE, Political Staff

THE thorny issue of appointing a new permanent boss for the SABC still remains unresolved — a month after the ousting of Mr Riaan Eksteen from the job of director-general

Indications are that the SABC board is either waiting for the dust to settle after the storm around the Eksteen affair, or is running into difficulties about finding a suitable person to occupy the "hot seat" on a permanent basis

The board's chairman, Dr Brand Fourie, declined to say this week when an appointment was likely to be made

At this stage, he said, nobody had as yet been considered for a permanent appointment as director-general

He emphasised that the appointment was a matter for the board to decide

Professor Sampie Terreblanche, who was axed from the SABC board last year, said this week it appeared the search was still on for a suitable candidate to occupy "this impossible position"

'IMPOSSIBLE'

Whoever was appointed could be at risk of finding himself in the same position as Mr Eksteen where "his head could roll" one day

The job had become "impossible" because it had been politicised

The new director-general would also be "at the mercy of an arbitrary board" which, in the case of Mr Eksteen, had experienced a "confidence gap", hitherto unexplained.

Professor Terreblanche said it was not in the interest of the public that a public corporation should act in this way.

He is among critics who have called for disclosure of the facts about Mr Eksteen's departure and the "golden handshake" he had received.

In opposition political circles fears have been expressed that the new director-general will be hand-picked to be more responsive to President P W Botha's views than Mr Eksteen had been

STRONG

Mr Wynand Malan, MP for Randburg and leader of the National Democratic Movement (NDM), said that when the SABC board reached the stage of making an appointment it would have to look for a person who was not only an expert in business and communications, but was also politically independent

It would have to be a person who was strong enough to withstand any pressures from outside He would have to be prepared "to promote the broad objectives of a political system in which all groups share in decision-making at all levels."

Such a person should be prepared to do the job according to his own judgment and without prescription from "outside players"

When such an appointment is made, the State President should recognise the autonomy of the SABC's board and direct any complaints he has to it and not to individual employees of the SABC, Mr Malan said.

A Conservative Party spokesman on broadcasting matters, Professor Fanie Jacobs, said the SABC board had a duty to assure the public that the money paid to Mr Eksteen on his departure had not been paid to silence him

If Mr Eksteen had really been inefficient he could have been summarily dismissed from his job But the fact that he was given such a large "golden handshake" raised suspicions that there were other reasons for his dismissal, such as a need to silence him

The public should be assured that such a state of affairs would not recur

Mr Alwyn Schlebusch, who retired recently as Minister in the office of the State President, responsible for the Commission for Administration and broadcasting matters, has been quoted as saying emphatically that politics did not play a role in the SABC board's decision about Mr Eksteen.

NAMES

Various names of possible candidates for the job of SABC director-general have been mentioned in political circles and in press speculation.

These include. Professor J P de Lange, former rector of the Rand Afrikaans University and head of the Broederbond, Mr Hendrik Sloet, managing director of Saambou Nasionaal and chairman of the Federasie van Afrikaanse Kultuurverenigings (FAK); and Mr Attie du Plessis, an executive of Gencor and brother of the Minister of Finance.

It has also been claimed that for at least a brief period last year Dr Jannie Roux, President Botha's secretary-general and right-hand man, was in line to succeed Mr Eksteen

Another name mentioned so far is that of the present acting director-general, Mr Wynand Harmse, who, it was suggested, may be chosen to take over on a permanent basis

Mr Eksteen said this week he was still in the process of deciding about his future plans.

Speaking from his home in Pretoria, he said "I am carefully considering all the options and I have been in contact with many people."

He declined to elaborate or to comment on speculation about the reasons for his departure from the SABC.

school sports facilities on schoolgrounds
— Primary R98 519,00
— Secondary R1 196 127,00
R1 294 646,00

Sports education, training courses and meetings in schoolsports R1 467 970,39

R2 762 616,39

(ii) Out-of-school sport Training, training courses and sports meetings R944 702,28

(iii) Community facilities Sports facilities. Out-of-school — facilities in the community for the community R2 737 546,00

(iv) Central Sports and Recreation fund R2 537 770,53

R8 982 635,20

Eskom: postponed payments of amounts due

989 Mr C J DERBY-LEWIS asked the Minister of Administration and Privatisation

With reference to the reply to Question No 752 on 29 March 1988, (a) how many of the 313 large consumers which exceeded the period of grace allowed for payment of amounts due to Eskom in respect of bulk electricity were municipalities, (b) what was the total amount outstanding and (c) in respect of what 12-month period is this information furnished?

The MINISTER OF ADMINISTRATION AND PRIVATISATION

(a) Of the 313 bulk supply points which were in arrears at one or other time during the 12-month period 1 April 1987 to 31 March 1988, 197 were municipal accounts of which most were in rural areas

(b) and (c) At the end of January 1988 there was an amount of R5 173 712,48 outstanding in respect of accounts rendered to municipalities for electricity for the month of December 1987 All municipalities are however paying on a regular basis and by the end of March 1988 this amount has been reduced to nil

Vegetable oil: importing/exporting

1014 Mr W J D VAN WYK asked the Minister of Agriculture †

(1) Whether any vegetable oil was imported in the first quarter of 1988, if so, (a) why and (b) how many tons,

(2) whether part of the new season's production of vegetable oil is to be exported, if so, (a) why, (b) how many tons and (c) to which countries,

(3) whether any such oils has been or is to be carried over to the new season, if so, how many tons?

The MINISTER OF AGRICULTURE.

(1) Yes,

(a) to supply the shortage which resulted from the drought during the 1987/88 season and to meet the demand for special oils which are not available locally,

(b) approximately 30 045 tons,

(2) yes,

(a) as a result of an expected surplus production of groundnuts and sunflower seeds,

(b) it is still too early in the new season to make an estimate of the quantities which could be available for export,

(c) oil expressers will decide themselves to which countries they are going to export,

(3) yes, but the quantities cannot be determined at this stage.

Meat. quantities imported

1017 Mr R W HARDINGHAM asked the Minister of Agriculture

(1) Whether any (a) beef, (b) lamb/mutton and (c) pork has been imported since 1 January 1988, if so, (i) what quantities of each as at the latest specified date for which figures are available and (ii) for what purpose in each case,

(2) whether the conditions relating to these importations are being adhered to, if so, under whose scrutiny, if not, why not,

(3) whether any action is being taken against

offenders and possible offenders in this regard, if not, why not, if so, what action,

(4) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE

(1) Yes, since 1 January until 30 April 1988,

(a) (i) approximately 5 629 tons;

(ii) approximately 5 135 tons for the manufacture of meat products and approximately 494 tons for sale by auction to registered butchers,

(b) (i) 600 tons,

(ii) 500 tons for sale by auction at the Cato Ridge market only and 100 tons for the manufacture of meat products,

(c) (i) 414,5 tons,

(ii) the manufacture of port products,

(2) yes, the Meat Board,

(3) yes, criminal as well as administrative actions in terms of the Marketing Act, 1968 (Act 59 of 1968), and the Livestock and Meat Control Scheme,

(4) no, a statement is not considered necessary

Mosgas project: tender documents

1027 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether tender documents in respect of the Mosgas project are written to favour specific products, if so, (a) why and (b) which products are involved?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(a) and (b)

The general tender documents are not written to favour specific products but they are written to specify the technical and operational requirements of the project

Bophuthatswana. Eskom electricity

1038 Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation

Whether Eskom supplies electricity to Bophuthatswana, if so, on what basis?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

Yes Electricity is supplied at Eskom's standard tariffs at 29 points of supply in Bophuthatswana The total supply amounted to 2 124 million kilowatt hours in 1987

Mmamatsuwe power station, Bophuthatswana: cost of construction

1039 Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation

(1) Whether his Department contributed towards the cost of constructing the Mmamatsuwe power station in Bophuthatswana, if so (a) to what extent and (b) (i) what was the total cost involved and (ii) in respect of what date is this information furnished,

(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 FOR ADMINISTRATION AND PRIVATISATION

(1) No

(a), (b) (i) and (ii) fall away

(2) No, because the Department of Mineral and Energy Affairs nor Eskom was approached for advice on the tender procedure of this independent state

(3) No

(a), (b), (c) (i) and (ii) fall away

Booklet. South Africa at a Glance

1065 Mr P G SOAL asked the Minister of Information, Broadcasting Services and the Film Industry

(1) Whether the Bureau for Information was responsible for the compilation and distribution of a booklet entitled "South Africa

Garman: Eskom proud of its achievements

DID 23/5/88

260

EAST LONDON — The people who worked for a business or organisation governed its succes or failure and in this regard Eskom was proud that the achievements of its people had made it what it was today — one of the top five electrical utilities in the world, " the regional manager of Eskom in the Eastern Cape, Mr Ken Garman, said at an awards function at the weekend.

The manager's awards were presented to 10 employees in recognition of exceptional contributions by individuals and teams, over and beyond their normal call of duty, in the interest of Eskom, its customers and the public

Fifteen other employees received Highly Commended awards

The function was attended by several dignitaries, including the mayor of East London, Mr Robert de Lange, the divisional manager (distribution and marketing) of Eskom, Mr Edgar Wohlberg, the East London electrical engineer, Mr Harden Beck, and Mr Nigel Yeadon, a member of the executive commitee of the Border Chamber of Industries

From a a small beginning in 1924, when it was founded by Dr H. J van der Bijl, Eskom was now one of the top five electrical utilities in the world, supplying 60 per cent of all the electrical power of the African continent.

"Getting closer to home we are doing our share in the Eastern Cape and we can be proud of what we have achieved this past year," Mr German said.

Eskom had built 2 600km of rural lines, coped with flood damage in extremely difficult circumstances and also successfullty managed major changes in administration and accounting procedures

"At the moment the privatisation of Eskom is a topic of discussion We are not sure exactly what the implications might be, but we are more than ready to accept the challenge," Mr Garman said.

Referring to the nominees for the Manager's Awards, he said that they were not Eskom's only top peformers.

"There are many people who have done very well who will not be called up, but to them I say, we have not forgotten you We value your contribution to the organisation"

"With these awards we are not looking at perfomance per se. We looked for something different, innovative or special, something beyond the call of normal duty"

TV trial report was 'inaccurate'

By Therese Anders
Highveld Bureau

BETHAL — The judge in the Bethal treason trial found yesterday that the SABC's television report of April 28 on the case was "full of inaccuracies, bad reporting and caused embarrassment for all concerned".

But Mr Justice H Daniels said he felt the report had not prejudiced the outcome of the trial and did not warrant further investigation or action.

He said that the night after the report, presenter Chris Olckers telephoned him to apologise for any inconvenience the report might have caused.

Regarding the stories in three Afrikaans newspapers, *Beeld*, *Die Burger* and *Rapport*, for which defence counsel requested a rule nisi with a view to contempt proceedings, the judge said the stories had contained inaccuracies. But they were not of a contemptuous nature and thus did not warrant prosecution.

The hearing continues.

Private sector partnership clears the way

CSIR's budgeted income up by 41%

THE CSIR's partnership with the private sector enabled a 41% increase in budgeted income to R158m for 1988/89, compared with the previous year, CSIR president Chris Garbers said yesterday.

Addressing a conference on privatisation, Garbers said severe government funding cutbacks in the 1980s forced the CSIR towards market orientation and private sector funding. Its redefined strategy involved implementing its research and developments, rather than acting merely as an advisory body.

The "new" CSIR, with a streamlined staff and executive character, was able to offer more attractive pay packages this year.

Garbers said the breakthrough enabling the CSIR to be corporatised followed the major step in 1987 when the Cabinet decided to grant statutory research councils

HELOISE HENNING

"greater autonomy" to run their own affairs within the bounds of public accountability, known as Framework Autonomy.

The process started with the decrease in size of the executive from seven to five members, including the new portfolio of Corporate Financial Management. The 22 national institutes were consolidated into 11 divisions and there was a drop-off of administrative staff while the scientific staff increased. Severance or retirement was offered to staff members who "for some or other reason could not continue within the new order of things".

Strategy

All this was achieved with a management strategy designed by a consultancy firm.

In January 1988 the new top management, under a new corporate logo, took over with a new budgeting procedure proposed by the management consultants.

The CSIR Act should be passed on June 1, giving new powers to the CSIR and splitting the office of CE and chairman. The announcement of the chairman to the CSIR board was imminent, said Garbers.

Apart from creating a technology innovation fund to improve partnership research in both the public and private sector, the CSIR was preparing to privatise its wholly owned subsidiary SA Inventions Development Corporation (SAIDCOR).

IDC and the CSIR were in the final steps of restructuring SAIDCOR, with current thinking being that the two corporations form a joint holding company and a series of technology development operating companies be established in partnership with industry.

Judge finds SABC report inaccurate

BETHAL — The judge in the Bethal treason trial yesterday found that the South African Broadcasting Corporation's television report of April 28 on the case was "full of inaccuracies, badly reported and caused embarrassment for all concerned".

Mr Justice H. Daniels, however, said that he felt the report had not prejudiced the outcome of the trial and as such did not warrant further investigation or action.

He said the night after the report was televised, Mr Chris Olckers, who wrote the report, phoned him to apologise for any inconvenience the report may have caused.

The judge said he had taken into consideration that Mr Olckers had apologised.

Regarding the stories in three Afrikaans newspapers — Die Beeld, Die Burger and Rapport — over which the defence counsel requested a rule nisi with a view to contempt proceedings, the judge said the stories had contained inaccuracies.

They were not, however, of a contemptuous nature and accordingly did not warrant prosecution.

The judge said he could find nothing wrong with a report in The Star on the trial which the state prosecutor had alleged might identify a secret state witness.

Last week the prosecutor, Mr Harry Prinsloo, asked the judge to consider if The Star's report had broken the judge's order not to identify former ANC members who were giving evidence against the accused.

The case is proceeding. — Sapa

extent influenced by the time the applicant takes to respond to the Department's enquiries It is, therefore, not possible to calculate an average and maximum delay between the receipt of an application and the issuing of an identity document

Immigrants Selection Board

990 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

(1) (a) What are the names of the persons currently serving on the Immigrants Selection Board and (b) (i) for what period and (ii) by whom are they appointed,

Chairman	Mr I S Volschenk	87-07-01 – 88-11-30
Members	Messrs B C Human	~~87-07-01 – 88-11-30~~
	J C Pretorius	88-03-01 – 88-11-30
	J A Carrim	87-07-01 – 88-11-30
	P E Peffer	87-07-01 – 88-11-30
Department of Manpower	P J M van Wyk	87-07-01 – 88-11-30
	J H Dillman	87-07-01 – 88-11-30
	P W Reich	88-01-11 – 88-11-30
Department of Home Affairs	M D Bester	88-03-23 – 88-11-30
	W A van der Merwe	88-03-01 – 88-11-30
	N C Claassen	86-12-04 – 88-12-03
	T J M J van Vuuren	86-12-04 – 88-12-03
	G E Kurch	86-12-04 – 88-12-03

In addition to the abovementioned members, a number of officials of the Department of Home Affairs attached to the SA Missions abroad, have also been appointed to the Immigrants Selection Board, for purposes of executing duties as assigned to them by the Board in terms of section 3(5)(a) of the Aliens Act, 1937 (Act 1 of 1937) At the moment there are 4 such members in London, 1 in Milan, 2 in Vienna, 1 in Brussels, 1 in Paris, 1 in Bonn, 2 in New York and 1 in Harare.

(1) (b) (ii) Minister of Home Affairs

(2) The hon member is referred to my reply in this House to written question No 808 during March this year As was indicated there, the Immigrants Selection Board is an autonomous body The Board, therefore, exercises its powers independently in terms of section 4 of the Aliens Act, 1937 (Act 1 of 1937) In terms of section 4(3) of the aforementioned Act, however, the Board is prohibited to authorize the issue of a permit for permanent residence unless the applicant for such a permit, *inter alia* —

(a) is of good character, and

(b) will within a reasonable period after his entry into the Republic assimilate with the inhabitants of the Republic and be a desirable inhabitant of the Republic

The Immigrants Selection Board scrutinizes each application thoroughly in order to ensure that applicants fall within the ambit of the above requirements However, where applicants fail to disclose essential information, such as previous convictions, I am empowered in terms of section 8 of the aforementioned Act to consider the cancellation of their permits for permanent residence whenever such information becomes known

(2) whether this board has the discretion to admit persons with a criminal record to the Republic without having to refer the applications concerned to the Minister beforehand, if so, in terms of what statutory provisions, if not, (a) on how many occasions has the board referred such applications to him since 1 January 1980 and (b) in respect of whom were these applications so referred?

The MINISTER OF HOME AFFAIRS

(1) (a) and (b) (i)

National service: graduates leaving South Africa

1000 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

Whether South Africans are permitted upon graduation from university to leave South Africa before commencing their national service, if so, under what conditions?

The MINISTER OF HOME AFFAIRS

There is in terms of the legislation administered by my Department no measure in accordance with which the departure of students who still have to do their national service, can be controlled

Pretoria Central Prison: executions/hangings

1016 Mr D J DALLING asked the Minister of Justice

(1) Whether more than one condemned prisoner can be executed at Pretoria Central Prison at a time, if so, (a) what is the maximum number of prisoners who can be executed at one time and (b) (i) how many such hangings were carried out, and (ii) what is the total number of prisoners hanged in this manner, in 1987,

(2) whether there is an executioner for each condemned prisoner in cases of multiple hangings, if not, what procedure is followed?

The MINISTER OF JUSTICE

(1) (a) and (b) (i) and (ii) and (2)

The honourable member is referred to my replies to Question No 24 of 10 May 1988 as well as Question No 469 on 9 March 1988

Fish: exploitation rights

1025 Mr C J DERBY-LEWIS asked the Minister of Environment Affairs

Whether, with reference to his reply to Question No 822 on 23 March 1988, he will furnish details of the basis used for the selective allocation of exploitation rights in respect of the catching of fish, if not, why not, if so, what are these details?

The MINISTER OF ENVIRONMENT AFFAIRS

Yes A wide range of criteria are considered when allocating exploitation rights, but I must however, hasten to emphasize that the undermentioned criteria are not exhaustive, and may differ from sector to sector

(1) The historical participation and performance of applicants in a given sector, either before or after the implementation of state-imposed limited entry measures

(2) The degree of dependance of non-quota holder fish processors on existing quota holders for a stable and continuous supply of raw fish

(3) The existance of undertakings which may have been given by the Government to quota holders or non-quota holders on the allocation of exploitation rights in cases where there is a growth in the Total Allowable Catch

(4) The degree to which an applicant for exploitation rights disposes of fishing gear to effectively utilize the right applied for

(5) Whether an applicant for an exploitation right in a given sector is already the holder of a quota or exploitation right in another sector

(6) The date upon which the application was received An earlier applicant would get precedence over later applicants, if other considerations are equal

(7) In the case of the coastal fisheries communities, the want of the applicant

(8) The achievement of the socio-economic objectives of the Government

(9) In the International context, whether the granting of an exploitation right would be to the general interest of the Republic

Tenders: local content/technology transfer

1029 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether, when tenders are submitted to his Department or any other statutory or parastatal bodies falling under his Department, any preference is given in respect of (a) local content and (b) technology transfer, if not why not, if so, what are the relevant details?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

In order to furnish answers to this embracive question, it must be stated that tenders for the supply of goods and services to all State depart-

ments are called for by, and submitted to the State Tender Board which falls under the Department of Finance

(a) and (b) As regards State departments, preference is given in respect of local content, calculated at a sliding scale according to the percentage local content of a product, as well as in respect of locally designed electronic systems In both cases it is the function of the State Tender Board to see that the preferences are applied Research on contract is aimed at technology transfer only

In the case of statutory or parastatal bodies falling under the Department of Trade and Industry, both the Council for Scientific and Industrial Research and the South African Bureau of Standards seldom or ever make use of the tender method as such Purchases by them are normally made on the basis of obtaining three quotations

The CSIR and SABS in all cases give preference to locally manufactured products and many of their requirments are made in their own workshops

As far as bodies falling under the Department of Mineral and Energy Affairs are concerned, the relevant details are as follows

CEF (PTY) LTD

In respect of the Mossel Bay Project both local content and technology transfer are considered in the adjudication of tenders Each contract is considered on its merits In respect of major fabrication contracts for the off-shore part, collaboration with overeas partners to provide the necessary technology is made a condition of tender The same applies to the project management and engineering contracts in respect of both on- and off-shore, while emphasis is placed all round on local content The overall aim is to strive for the maximum transfer of expertise, engineering design and fabrication capability of the country

Factors taken into account in regard to local content are the following

— The degree of local content and the additional cost, if any, that needs to be paid to achieve this,

— whether payment of a local content premium will likely create a situation where, in future, such item can be locally produced at a competitive price,

— whether there is a strategic advantage in regard to future security of supply of such item, and

— whether local production can be achieved without adverse effect on the project programme

In regard to technology transfer, the factors that are considered are as follows

— The need to establish such technology in the country, i e whether a one-off or continuous application,

— the capability of the receiving party to practice that technology in the future so that the country acquires an on-going advantage,

— whether there is a likelihood in future to be cut off from such technology,

— the price that has to be paid for such advantages versus the benefit, and the attitude of the tenderer in respect to full or partial support by CEF (Pty) Ltd, or its subsidiaries, of that price, and

— precautionary measures to ensure the maintenance of the project over its total operating life

MINTEK (COUNCIL FOR MINERAL TECHNOLOGY)

It is always Mintek's aim to achieve maximum local content As far as the transfer of technology is concerned, it is the policy that no project will be undertaken at Mintek without the possible consumer being identified In other words, the possibility of technology transfer must exist before the project is undertaken

ATOMIC ENERGY CORPORATION

— More than 200 local industries had been involved in the construction of the enrichment production plant Support by the AEC was rendered in the form of technology imputs to ensure higher local content

— Approximately 90% of the mechanical systems of the enrichment production plant compose of local content

— The AEC mainly utilizes the services of local suppliers

Due to the inherent strategic nature of the

AEC, it is implicit that the technology is maximally developed and established locally, and where possible, transferred to the SA industry

NATIONAL ENERGY COUNCIL (NEC)

The NEC is still in its initial stage and no items falling in this category, have thus far been ordered

However, emphasis will be placed on local content and the transfer of knowledge and expertise

Aliens Act newspapers furnishing returns

1042 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

Whether any newspapers furnished his Department with returns in 1986 in terms of section 5*quat* of the Aliens Act, No 1 of 1937, if so, (a) which newspapers and (b) how many non-South Africans were being employed as (i) journalists and (ii) photographers by each of these newspapers?

The MINISTER OF HOME AFFAIRS

Yes The hon member is also referred to my reply in this House to oral question No 18 on 23 February 1988

(a)	(b) (i)	(b) (ii)
The Natal Witness	8	2
Sunday Star	4	Nil
Die Volksblad	1	Nil
Eastern Province Herald	5	1
Weekly Mail	2	Nil
South Coast Herald	3	1
Newcastle Advertiser	2	Nil
Sunday Tribune	2	Nil
Kokstad Advertiser	2	Nil
Daily Despatch	6	2
Business Day	13	Nil
Midlands News	Nil	1
Cape Times	8	3
Citizen	8	1
Evening Post	2	Nil
The Star	35	3
Beeld	Nil	Nil
Vaderland	Nil	Nil
South Coast Sun	Nil	Nil
The Sowetan	Nil	Nil
The Representative	Nil	Nil
Total	101	14

Angola: Losses by Fapla/Defence Force/Unita/South West African Territorial Force

1081 Mr J B de R VAN GEND asked the Minister of Defence

(1) Whether the South African Defence Force furnished members of Parliament on 26 April 1988 with information on Angola in regard to troop and military equipment losses by Fapla and the Defence Force, if so, subject to what conditions,

(2) whether he will furnish similar information in regard to Unita and the South West Africa Territorial Force, if not, why not, if so, what are the relevant details?

The MINISTER OF DEFENCE

(1) and (2) The SA Defence Force supplies information on operational aspects on a regular and confidential basis to Members of Parliament Information of this nature can be abused by the enemy and is therefore not divulged

Iscor facilities are working at full blast

PRETORIA — Iscor's profitability is expected to improve because of action taken to raise productivity, says finance manager Eric van der Merwe

The current internal cash flow was fairly healthy and production facilities were being used to the full, he said in the house magazine The Iscorian.

GERALD REILLY

The general debt standstill arrangements were hampering efforts to raise capital abroad.

Financing for the imported portion of plant and equipment was, however, once again possible to a limited extent from certain countries

If anything, Iscor was under-exposed on the local capital loan markets

Its capital expenditure for the current financial year was about R400m — mainly for the renewal of existing plant and for investment in new technology such as the corex plant at the Pretoria works

Sasol takes hard line on protests

B Day
27/5/88 BRONWYN ADAMS 260

SASOL confirmed yesterday that it would take action against unions whose members participated in protests next week, or stayed away, which would result in a factory shutdown which could be dangerous to persons and property.

Sasol spokesman Jan Krynauw said the principle of no work, no pay would also be adopted, but Sasol was eager to discuss the issue with unions as soon as possible to avoid any unpleasantness.

He was commenting on a claim by Cosatu that Sasol, Anglo American, Iscor and other companies had given notice of their intention to take action to halt Cosatu protests next week Cosatu said employers were seeking an interdict and had threatened to sue for damages which would mean liquidation.

Anglo denied it had threatened action against Cosatu, and said it was waiting for Cosatu to clarify its intentions.

An Anglo spokesman said it was open for discussions and wanted at all costs to avoid intensifying conflict, confrontation, and police action.

An Iscor spokesman would not comment on the Cosatu claim.

THE SABC

Is silence golden?

Former SABC Director General Riaan Eksteen may yet spill the beans on the cloak and dagger events that led to his early retirement from Auckland Park That is if he wants to Contrary to popular opinion, the more than R500 000 golden handshake so generously awarded him on his departure did not buy his silence.

SABC Chairman Brand Fourie has admitted to the *FM* that there was no agreement on Eksteen's part that he would maintain silence This was an irate, off-the-cuff reaction to an editorial in *Die Hervormer*, official mouthpiece of the conservative Nederduitsch Hervormde Kerk, lambasting the SABC and "all others concerned" over Eksteen's departure

It is outrageous that the truth about Eksteen's dismissal should be concealed, says *Die Hervormer* "It is not just an impression that the truth is being concealed. It is black on white there will be silence. And we swallow it

"It is outrageous and an acceptance of how deeply our community has become accustomed to untruthfulness (*onwaaragtigheid*)" *Die Hervormer* rejects golden handshakes as a "symptom of a sick and corrupt community"

Fourie says he will react more formally to the editorial once he has seen *Die Hervormer* So far, he says, he has only read reports of the editorial in *Beeld* and *The Citizen* "As far as Mr Eksteen is concerned, no pressure was put on him not to talk," Fourie says "The only rules which apply to him are those conditions of service which apply to all SABC officials and staff members"

However, Fourie declines to explain what these conditions of service are. He will also neither deny nor admit rumours that Eksteen himself offered to maintain silence

Eksteen was out of town on private business and not able to comment and, thus far, he has kept completely silent about his departure

It is clear that Fourie and the SABC board would like the conditions of service to apply to Eksteen, expecting him to abide by them. But a closer look at these rules show that Eksteen has absolute freedom of speech

Under the section dealing with the duties and rights of SABC officials, Paragraph 2 (subsection E) stipulates that no official of the SABC may divulge any information about the corporation. But it has to be remembered that on April 20, Eksteen ceased to be an official of the SABC The rule no longer applies to him It still is possible that the South African public, many of them licence-holders, may one day hear the full story of what happened behind the scenes at Auckland Park and Tuynhuys in the run-up to Eksteen's departure ■

FINANCIAL MAIL MAY 27 1988

SABC reshuffle is nothing but hearsay, claims official

(260) Star 31.1.78

By Toni Younghusband

No announcements of an SABC management reshuffle will be made this week or in the near future in spite of speculation about imminent changes, according to a SABC spokesman

A corporation spokesman said yesterday the rumours were "100 percent speculation" and that changes, if there were any, would not be made known before August or September

It has been reported that an announcement could be expected this week or early next week

The reports said the SABC Board considered this management reshuffle so important that an announcement would be made before the board's next meeting

However, the SABC spokesman denied this

She said the rumours probably resulted because top board members, including the chairman, Dr Brand Fourie, were in Cape Town this week and would be meeting Dr Stoffel van der Merwe, the Minister of Information

However, they were in Cape Town to attend a parliamentary session scheduled for tomorrow, when Dr van der Merwe's portfolio would be under discussion, she said

The spokesman said the speculation could also be a result of the fact that two independant consultants, appointed to investigate the structure of the SABC and its financial management, were still with the corporation

"People may think their results should be ready now I can assure you, however, no announcement will be made before August or September These rumours are nothing but speculation," she said

Yesterday's report suggested that the management adjustments would form part of the corporation's rationalisation policy designed to cut back on spending.

The urgency of the announcement was also linked to feelings of uncertainty and insecurity among employees since the early retirement of Mr Riaan Eksteen, the former director-general

While it is not known who exactly would be affected by a reshuffle, six senior staff members have been named as possible candidates

They are Mr Kobus Hamman and Mr Theuns van Heerden, the two deputy directors, and the four senior directors, Mr D Esterhuyse, Mr Sakkie Burger, Mr P Theron and Mr Carel van der Merwe

on overcrowding and health

No tax aid for us, says Eskom

The electricity supply giant Eskom is an "entirely self-funded independent organisation" and does not get funds from the taxpayer, the commission said yesterday.

Reacting in a statement to what it said was a tendency in the media to include Eskom in the list "of those who are supported by taxpayers' money," the commission said

"Eskom is not, and never has been, in receipt of Government funds collected from the taxpayer."

It was "an entirely self-funded independent organisation which gains its revenue from sales of electricity and loans in the financial market," the statement said. — Sapa.

Namibian gas: test results awaited

WINDHOEK — Soekor was processing and analysing geological information obtained from the third test hole in the offshore Kudu gasfields of Namibia, the Director of Geological Survey, Dr Roy Miller, said yesterday.

The work was being done on behalf of the Namibian State-owned Swakor, which holds concessions for offshore prospecting.

Dr Miller said a report from Soekor on the test results was expected in about four months' time.

"Swakor will decide on its next step on the basis of that report", which would also determine the siting of the next test hole, he said.

In spite of exceptionally good results obtained in the third Kudu test hole this year, Namibia did not have a proven, viable gasfield at this stage, so more drilling was needed, he said.

Swakor chairman Mr Skerf Pottas announced last month that two gas-bearing sandstone layers had been found in the third Kudu hole drilled to a depth of 4 526 m into the Atlantic off Luderitzbucht in southern Namibia.

The combined gas flow from the two sandstone layers was about 1,23 million cubic metres a day.

A flow tempo of about 350 000 cu m a day was considered sufficient for commercial production

Mr Pottas said the gas pressure was almost identical to that of the first Kudu hole drilled in 1974.

The second hole drilled last year did not yield encouraging results, he said.

Dr Miller said Swakor was hoping to attract private-sector investment to help fund the huge costs of exploration. Technology to convert gas into liquid fuel had made great advances in the 15 years since the first dry methane gas was found in the first Kudu hole. — Sapa.

NRP meets to wrap up affairs

DURBAN — The Natal head committee of the defunct New Republic Party met at the weekend to tie up its affairs.

About 50 people representing 13 constituencies in the province attended, a spokesman for the party said

The committee donated R8 500 to Mr Ralph Hardingham, its sole MP, who represents Mooi River, to help finance his constituency office.

About R100 000 was left in the NRP's residual fund in Natal, the spokesman said. This would be used at the discretion of trustees, who include former leader Sir de Villiers Graaff and Dr Fran Cronje

As Mr Hardingham is a sitting MP, the NRP has decided not to deregister.

PUBLIC SECTOR GOVT.

(STATE ENTERPRISE)

1988

JUNE – DECEMBER

Self-censorship at SABC — Mulder

Star 2/6/88

260

Parliamentary Staff

SABC reporters consistently applied self-censorship to their news reports because they knew what was acceptable in their organisation, said Dr Pieter Mulder, official Opposition spokesman for Information, Broadcasting Services and the Film Industry.

Speaking in the House of Assembly yesterday during a debate on this vote, Dr Mulder said SABC reporter Mr Johan Pretorius had been appointed to the new post of political editor and had had no choice other than to move into the Tuynhuys so that he would be on hand should he be needed by the State President, Mr P W Botha, for an interview

Progressive Federal Party media spokesman Mr Dave Dalling said Mr Pretorius had been appointed to the Tuynhuys to "record for public posterity every presidential utterance except his burps"

Both opposition parties attacked the way in which the National Party "used the SABC for its own party political ends"

"Now we hear that there have been specific instructions from the Government to the SABC about how the organisation must write its news reports.

"That might be true, but I'm telling you that every reporter at the SABC consistently applies self-censorship because he knows what is acceptable in his organisation and knows when he runs the danger of being 'eksteened' or 'robinsoned'."

(Dr Mulder was referring to the demise of former SABC head Dr Riaan Eksteen and former political reporter Mr Freek Robinson)

The credibility and autonomy that the SABC had tried to build up over the past 40 years "had been destroyed in the 10 years of President (formerly Prime Minister) Botha's reign".

"The fact that Information and the SABC now rest with the same Minister (Dr Stoffel van der Merwe) is in itself a measure of the Government's philosophy in respect of the SABC and how it should be run"

Referring to people who served on the SABC Board, Dr Mulder said the public was asking whether they had been appointed for their radio and TV competence or for their loyalty to President Botha.

"The answer to this appears to arise from the fact that when former board member Professor Sampie Terblanche withdrew his National Party loyalty, his so-called media expertise was no longer necessary on the Board"

To make matters more complicated, Foreign Affairs Minister Mr Pik Botha had tried to build his little empire at the SABC when the corporation fell under his ministry Few would believe that the appointments of both Mr Eksteen and Dr Brand Fourie (as chairman of the SABC board) were not linked to their foreign affairs connections, said Dr Mulder

Coloureds unwilling to be on TV — Minister

Star 3/6/88

260

CAPE TOWN — SABC-TV made conscious use of coloured people in its programmes, but some were unwilling to take part, the Minister of Information and Broadcasting Services, Dr Stoffel van der Merwe, said yesterday

Replying to the debate on his vote, he said coloured people played important parts in four dramas last year and coloured religious broadcasters were seen regularly.

Magazine programmes were a problem because of the unwillingness of coloured people to appear

Despite this, coloured faces were far more evident on television than five or 10 years ago

He said the SABC had tried without success to obtain the musical "District Six" — Sapa

SABC insiders work out the real reason why their boss got the boot

Eksteen axed 'over TV apartheid row'

Special Correspondent

The real reason for the demise of Mr Riaan Eksteen as director-general of the SABC may be emerging at last. Insiders believe he paid the price for finally confronting the government with the cost of TV apartheid

The Minister in charge of the SABC, Dr Stoffel van der Merwe, gave credence to this theory in Parliament on Wednesday.

Dr van der Merwe mouthed some ritual praise for Mr Eksteen as a hard-working fellow and expressed regret that things had not worked A lack of confidence had developed

He went on to say that although the SABC had to be managed like a business it was not strictly speaking a business organisation. It was rendering a social service and could not possibly be managed on a purely business basis, the Minister said.

"Aha," said the insiders, who have been contemplating and deducing possible reasons ever since their boss was kicked out.

They have had to bear a good deal of uncertainty since he departed their midst — and even trepidation, because they believe more heads are due to roll

Grist to mill

Everyone knows, of course, about the clash with President Botha over the Hendrickse affair on TV, and the suggestions that Mr Eksteen was not sufficiently sycophantic. There has been a lot of talk, too, about the President not even wanting to see Dr Andries Treurnicht and other political figures on the box, never mind the Reverend Alan Hendrickse

But that alone, although grist to the mill, could not have been enough, say those in the know — and in any case attention was always steered by officialdom towards Mr Eksteen's hinted-at (but never baldly stated) managerial incompetence

True, when Mr Eksteen joined the SABC at the end of 1983, he had little more than good diplomatic credentials and the warm recommendation of Foreign Minister Pik Botha behind him He was the first to admit that he knew little about running as massive a broadcasting enterprise as the SABC.

"The essence of the SABC's cultural policy determines that its broadcasting services as a whole will fulfil a unicultural and multicultural role by directing some services definitely to a specific language and cultural community as a provider of knowledge, insight and entertainment, and that other services will satisfy the needs of community audiences irrespective of language and cultural boundaries." — Dr B G Fourie, chairman of the Board, in the latest SABC annual report.

But he set about it with a will and hired independent experts to thin down and improve the management structure Two years ago, under Eksteen's guidance, all 64 SABC departments were scrapped and replaced by less than half that number of strategic business units

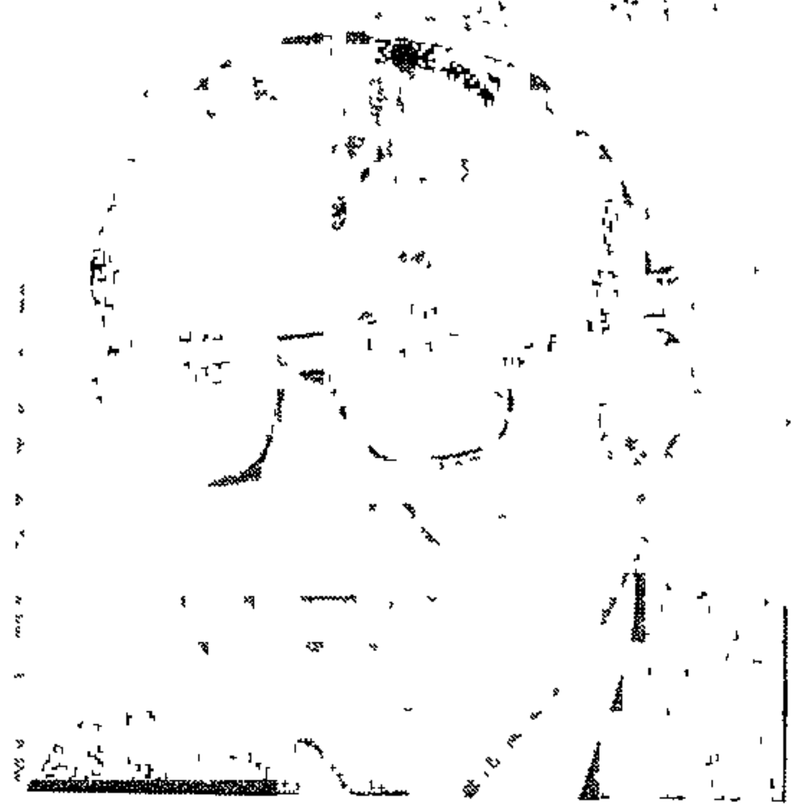
The corporation's operating surplus had been declining and turned the corner into deficit — in large part because of the introduction of the "black" TV2 and TV3 — just when Mr Eksteen arrived.

Initially he had to watch the deficit grow and financial reserves plummet as a result of policies put into operation before his time, but chairman Dr Brand Fourie was able to report to the then Minister, Mr Alwyn Schlebusch, that "the new financial policy began to bear fruit during 1987", when the deficit was reduced from a budgeted R42 million to only R13 million.

This, the insiders say, does not smack of incompetent management.

There is no doubt that managing the SABC is beset with all sorts of problems which the average businessman would want to encounter only in nightmares. One can talk about

- Sanctions and the politically-based unavailability of "canned" material, such as Britain's superbly-made dramas;
- or the need for a national broadcasting service to duplicate costly news teams in South Africa's various big cities,
- or the high cost of technical training for people who are susceptible to poaching by other bodies looking for staff versed in applied electronics.



Mr Riaan Eksteen . . . the cost of apartheid in television services could have cost his job.

These are facts of life for the SABC and there is little it can do (under Mr Eksteen or anyone else) to ameliorate them.

So Mr Eksteen must have sought action in other spheres, such as the unnerving factor that the corporation is about 70 percent dependent on advertising for its revenue

He was at the helm during a recession, which saw an advertising fall-off (while licence fees remained static) and thereby lower income in real terms. He countered the decline by offering advertisers shorter leadtimes, clearer choice of air-slots, and peak or off-peak rates based on the number of viewers tuned in.

He also saw to it that the staff complement fell by something like 20 percent from its peak a few years ago — and employees, though compensated very adequately compared with their fellows in the print media, say their pay packets are not keeping up with inflation

And then, according to the insiders, he must have looked at his corporation's services — especially television

The latest official figures show that, on average, more than 11 million viewers tune to the four TV services each day. Breaking down these figures, TV1 and TV4 account for 8,7 million people, whereas the black channels — TV2 and TV3 together — draw only 2,4 million people

The TV1 and TV4 channels, which are primarily for whites, are almost certainly viable by themselves — all the more so if Mr Eksteen's plans for greater efficiency and productivity, as enshrined in SABC position papers before his departure, bear fruit

No moneyspinner

But black TV has never made money It costs the same to produce a programme for TV2 or TV3 as it does for TV1, while the income from the black services is tiny, for a number of reasons.

- Big-product advertisers see too little buying-power in the black communities to justify expensive air-time. One might be able to sell soap powder and corn flakes to a labourer in Soweto or Nyanga, but the futility of urging that labourer to buy a fax machine is obvious
- Penetration of the black communities by television is in any case constrained not only by the financial inability of most black families to own TV sets but also by the fact that a good proportion of them do not have the electricity to make TV sets work
- Collection of licence fees in the townships is not easy — especially at times of unrest.

The Government had instituted black TV channels by virtue of South Africa's "political realities". The idea was that "white" programmes wouldn't appeal to blacks (indeed, blacks probably couldn't care less about Tant Miems extolling the virtues of white life in Nederblikkiesheuwel, although there appears to be a good market for John Wayne movies in which the Duke intones "Hands up or I'll fill you fulla lead" in his best Zulu)

Black TV was launched in South Africa to the derision of an outside world which, although it understood the concept of segregated buses, simply couldn't grasp the idea of segregated airwaves.

Amid today's talk of privatisation and making the consumer pay the economic cost of the services he uses, the government would like the SABC to be run on business lines as far as possible It has indicated that growing SABC losses are not acceptable.

And there, almost certainly, is the rub — or, in the case of Director-General Eksteen, the rub-out

It was originally a political decision that the SABC should cater to all cultural groups in all areas. The extreme of separate channels for different race groups (as opposed to diversified programming on one or two channels) remains, even though it can not make economic sense

It would not be realistic to have too much cross-subsidisation, either That would involve lowering the present standard of TV1 and TV4, with the obvious consequence of viewers switching off and the further result that advertisers will switch off in turn.

And the Government — while it can argue a case for subsidising a railway line to a resettlement area such as Khayalitsha — would be more than embarrassed if it were seen to be directly subsidising the leisure-time activity of a relatively small number of black people.

This, insiders say, is where Mr Eksteen came adrift. Under orders to be business-like, and finding no other way of getting the SABC to break even, he recommended to the board that uneconomic services either be directly subsidised or be chopped.

And what more logical than to reduce apartheid in broadcasting?

Such action would have required government planners to go back to the drawing board and the Broadcasting Act, to re-think not only the SABC's mission but also the whole of government policy. TV2 and TV3 may not have disappeared completely but airwave apartheid — and the search for "own affairs" hearts and minds — would have been dealt a severe blow

Mr Eksteen, who has no record of antipathy towards the government, and indeed as a diplomat represented it more or less ably for many years, had finally hit upon the economic truth of separate cultural identity and more specifically apartheid That it costs money.

EKSTEEN

RIAAN Eksteen

Weekend Argus Special Correspondent

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The Minister in charge of the SABC, Dr Stoffel van der Merwe, gave credence in Parliament on Wednesday to what SABC insiders have been contemplating and deducing ever since their boss was kicked out

They believe he paid the price for finally confronting the government with the cost of TV apartheid

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He went on to say that although the SABC had to be managed like a business it was not strictly speaking a business organisation It was rendering a social service and could not possibly be managed on a purely business basis, the Minister said

"Aha," said the insiders, who have had to bear a good deal of uncertainty since Eksteen departed their midst — and even trepidation, because they believe more heads are due to roll

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Weekend Argus 4-June 1988 Cont

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So Eksteen must have sought action in other spheres, such as the unnerving factor that the corporation is about 70 percent dependent on advertising for its revenue

HE was at the helm during a recession, which saw an advertising fall-off (while licence fees remained static) and thereby lower income in real terms He countered the decline by offering advertisers shorter lead-times, clearer choice of air-slots, and peak or off-peak rates based on the number of viewers tuned in

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■ COLLECTION of licence fees in the townships is not easy — especially at times of unrest, when it would be a brave inspector who ventured there to ask pirate viewers for money for the box Yet neither Eksteen nor anyone else has found a better way of hauling in the delinquent cash

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Weekend FOCUS 5

TV apartheid — the real reason for his demise?

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Such action would have required government planners to go back to the drawing board and the Broadcasting Act, to re-think not only the SABC's mission but also the whole of government policy TV2 and TV3 may not have disappeared completely but airwave apartheid — and the search for "own affairs" hearts and minds — would have been dealt a severe blow

TV that is racially more integrated might well have been the result in due course, but having more blacks in white living rooms, even if only in corn-flake adverts, would have been an outcome unacceptable to the government, especially at this time of apparent far-right ascendancy

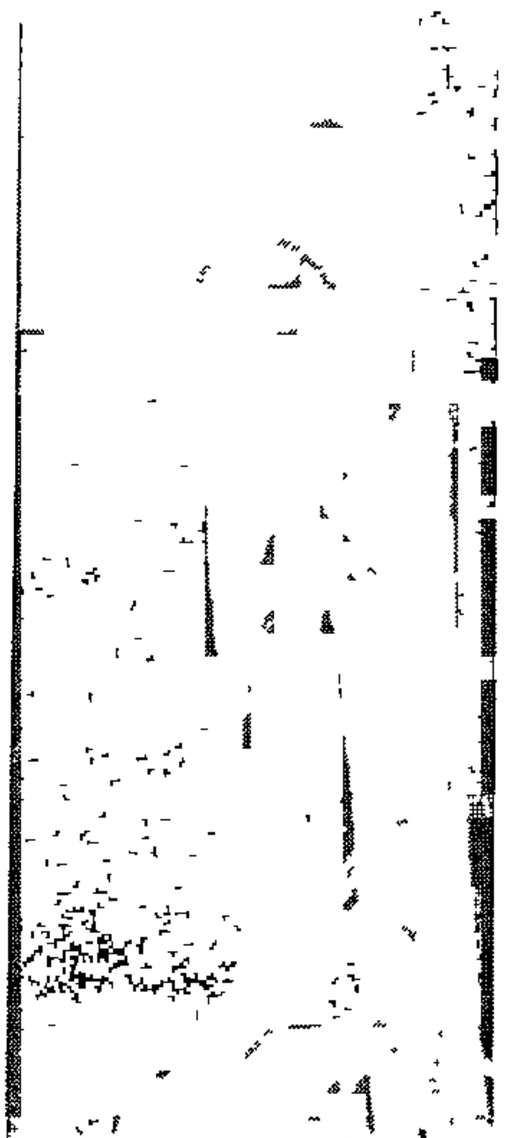
Eksteen, who has no record of antipathy towards the government, and indeed as a diplomat represented it more or less ably for many years, had finally hit upon the economic truth of separate cultural identity and more specifically apartheid that it costs money

Experts say that if the corporation is not allowed to operate on purely business principles and must instead provide services which are uneconomic but seen as politically necessary, it will take a financial Houdini to make it survive for more than another few years

Eksteen is no such Houdini His face-the-facts management style was incompatible with present government thinking And that, according to the insiders, is why he was given the better part of a million rands and shown the door

But in a few years, if decisions are not made now, it may be too late The SABC is such a mammoth organisation that what Eksteen told his general managers and editors-in-chief two years ago is apt it's not easy to turn a super-tanker as it sails along Turn it now, he was saying, or it will run aground

NO MUZZLE ON EKSTEEN, SAYS BOTHA



Dr Stoffel van der Merwe

Dublin	13	10	New York	22	12	Vienna	27	14
Frankfurt	12	7	Oslo	15	9	Warsaw		
Geneva	26	14	Paris	16	11			
Helsinki	31	26	Perth					
Hong Kong								

'Eskom' delegation in Maputo

The Star's Africa News Service

A South African delegation headed by Eskom chief executive officer Mr Ian McRae, arrived in Maputo yesterday for two days of talks on the rehabilitation of the giant Cahora Bássa hydro-electric scheme.

Also present is a representative of the South African department of Foreign Affairs.

According to an Eskom spokesman the talks will centre around technical issues concerning the rehabilitation of the scheme in preparation for talks between South Africa, Mozambique and Portugal, to be held later this month in Lisbon.

Proposal to abandon TV2 rejected

Star 9/16/88

260

Stoffel hints at rise in cost of TV licence

Political Staff

The Minister of Information and Broadcasting Services, Dr Stoffel van der Merwe, hinted at an increase in the cost of television licences when he said that the amount of income the SABC derived from licence fees was "disproportionately low".

During his budget vote debate in the House of Delegates yesterday, Dr van der Merwe said 30 percent of the SABC's income was derived from licences and the rest from advertising

This made the corporation especially vulnerable to downturns in the economy and, although the SABC had kept licence fees low for a long time, "I don't think we will be able to keep this up".

He said the whole system of the financing of the SABC would have to be restructured but this was a subject that would have to be considered "another day"

Dr van der Merwe referred to a suggestion by Mr Pat Poovalingam (PFP Reservoir Hills) that TV2 be scrapped because of the lack of support

Many blacks watched TV1 but the majority enjoyed transmissions in their own cultural medium, the Minister said

TV2 was not a black channel but one that served people in certain indigenous languages.

Blacks were becoming more prosperous and the biggest growth in TV-set sales was among the black community

Despite the fact that TV2 was not economically viable and had a small viewership, there were prospects for it to become a very strong channel, Dr van der Merwe said.

Turning to the affairs of the Bureau for Information, Dr van der Merwe said there was a built-in advantage for majority parties in the three Houses of Parliament in the way the bureau worked

"That's not democracy," an MP protested

Dr van der Merwe defended his statement saying that the bureau's task was to communicate actions that directly affected the daily lives of voters Those actions, he said, were those of the Government

It did not often happen that minority parties affected the daily lives of the voters in the same way and, even when they did, this was usually taken up in the daily media

Positive Government actions were often not seen as newsworthy by the media.

Government action, like the proposed National Council, was discussed at length in political circles but the news media communicated the message of the National Council, for example, "only insofar as it is newsworthy"

Bureau surveys showed that only 14 percent of blacks knew about this proposed instrument which would have "an intimate effect on their lives".

The Government had not yet seen fit to run an information campaign on the National Council.

Power from Cahora Bassa is possible

MAPUTO — South Africa could soon resume imports of electricity from Mozambique, Mr Ian MacRae, chief executive of Eskom, said yesterday.

"If ever there was a chance of getting Cahora Bassa going, now is the chance," he said after talks with Mozambican and Portuguese officials on reviving the huge hydro-electric scheme.

Cahora Bassa, on the Zambezi river in north-western Mozambique, was built in the 1970s mainly to provide cheap electricity for South Africa.

But it has not been able to do so since 1985 because of frequent attacks on power lines by MNR rebels

Mr MacRae said the cost of power imports would now be higher than planned when the plant was paralysed.

However, he said the tariff had to be affordable to South Africa. — Sapa-Reuter

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STEEL AND ENGINEERING

Europeans land Iscor contracts

Iscor has found willing European takers for R400m of modernisation work at its Vanderbijlpark steelworks following the withdrawal of Japanese bidders

The State-controlled steel company has awarded contracts to British, German and French companies to upgrade the plant's ageing hotstrip mill Most of the work will be done by Davy McKee, the South African arm of the British-controlled international engineering group, Davy Corporation

Japan's biggest industrial concern, Mitsubishi, threw a spanner in the works earlier this year (*Business* March 25) when it withdrew at the last moment from bidding for the bulk of the contract. Although nothing was signed, Iscor sources said Mitsubishi had been expected to carry out most of the work

Iscor was keen for the Japanese concern to accept the contract because of its involvement in building the original hotstrip mill. Although Mitsubishi cited technical difficulties for its decision, it is assumed that the deal was the victim of Japanese government pressure on companies to reduce trade with SA Tokyo is embarrassed by figures showing it to be SA's main trading partner

Instead, Davy McKee will now get most of the work at Vanderbijlpark — including the modernisation of the rolling and finishing mills The company, which is understood to have initially bid against Mitsubishi, has done work for Iscor in the past.

Siemag Transplan, of West Germany, and a French contractor, Stein Hurty, have been awarded smaller contracts — Siemag to install crane equipment and Stein slab-handling equipment.

Speculation on the value of the Vanderbijlpark contracts has ranged from R300m to over R600m. Iscor won't officially put a figure on them, but a senior official claims they total about R400m.

Work on the hotstrip mill was originally expected to start late this year, with completion in 1990. Jim McDonald, Davy McKee's project manager on the Vanderbijlpark contract, says his men have already moved into the mill and he expects the work to last about 30 months

The existing Vanderbijlpark plant is about 14 years old Much of the technology is becoming dated and Iscor officials say they must modernise the plant in order to remain competitive.

Meanwhile, Iscor will invite tenders in the next few days to build a new galvanising plant at Vanderbijlpark. The plant will provide specialised steel for the motor industry and other users

"We are still very much in the investigative stage," an Iscor source said this week "However, we expect to start inviting tenders within the next few days"

Like the hotstrip mill, Japanese companies were early favourites to win the galvanising contract But in view of Tokyo's attitude towards doing business with SA, European companies must now have the inside edge ■

NPU goes all out to win ad rands from TV

Sterl 11/6/84

260

Next month a press counterattack gets underway to win back national advertising rands from TV — though the NPU may prefer to call it a research exercise to underpin the advantages of multi-media ad campaigns.

Whatever the semantics, the NPU initiative is expected to endorse marketers who orchestrate strategies which successfully use a range of media — and that, of course, includes print

First findings of an NPU study called "Media Imperatives" are expected early July — a case of the NPU putting its research rands where its mouth

LYNDEN WRIGHT

is

Project co-ordinator is NPU vice-president Jolyon Nuttall

He explained the background "It is almost 10 years since newspapers first witnessed a disturbing phenomenon — some clients saying to their ad agencies 'There's the budget, stick it all on TV'.

"Some thought this approach was triggered by TV's novelty and glamour and would soon pass But elements of that attitude persist

"Newspapers have pointed out that plugging away, repeating the same message in the same medium, raises boredom levels and minimises response

"In the past, we depended on the commonsense of our arguments. Then we quoted overseas research

"Now the NPU has commissioned highly specific research on multi-media campaigns currently running in South Africa"

He added: "The research is covering TV, radio, magazines and newspapers MRA is conducting the research and was asked to evaluate effectiveness in terms of coverage, spontaneous brand awareness, degree of awareness in the brand category, and degree of awareness for the specific brand

"The research will highlight the comparative effectiveness of different media"

The NPU plans to repeat the study at regular intervals.

'Unwell' broadcaster censured

260

By Helen Grange

Sfr 141815

Radio broadcaster Tim Conroy was yesterday censured by the SABC for broadcasting when he "realised he was unwell"

The SABC yesterday conducted an inquiry into Conroy's reading of the 6pm news on Radio South Africa on June 4. The reading was "slurred" and provoked considerable listener reaction.

While accepting that Mr Conroy was unwell at the time of the transmission, the panel imposed a note of censure for broadcasting when he realised he was unwell," an SABC statement said

Pending the inquiry Conroy was relieved of his duties in the studio, but resumed broadcasting yesterday.

Conroy resigned from the SABC on May 1 and leaves at the end of July

He was unavailable for comment yesterday.

Woods on CSIR board

HELOISE HENNING

PROFESSOR David Woods, deputy vice-chancellor (research) of Cape Town University, had been appointed to the CSIR board, the CSIR said.

The appointment was announced by Economic Affairs and Technology Minister Danie Steyn. The three-year appointment became effective on June 1.

According to the new CSIR Act one of the board members must occupy a senior managerial post at a tertiary educational institution.

Woods is a molecular biologist who trained and lectured at Rhodes University for 13 years. In 1975, he joined UCT and became director of the Microbial Genetics and Industrial Microbiology Research Unit.

Last year, he became deputy dean of the science faculty and is deputy vice-chancellor.

A fellow of UCT and recipient of the Claude Harris Leon Foundation Award, Woods has extensive experience of collaboration with SA and international industry in the high-tech field.

260 B/day 13/6/88

Eskom: market to dictate electrification

HELENA PATTEN

ESKOM would follow a market-driven approach motivated by long-term business considerations regarding the electrification of developing areas

This was said by Eskom's assistant regional manager for the central Transvaal region Dennis Ackerman at a JSE function this week

He said Eskom would concede to requests from all municipalities, local government bodies and other community representative bodies to develop affordable electrical infrastructures

"This may include acquisition of funds and total utility management"

He said one of the more important issues to address was that of deregulation of electrification

"Is there any need why we should be paternalistic and impose our present-day standards and regulations on Third World areas, denying them the excitement and pleasure of discovering a way to enhance their quality of life?"

He said there were more than 20-million people in SA who did not enjoy a supply of electrical energy, and it was clear the majority of communities could not afford its price, let alone the costs of infrastructure and installation and the purchases of appliances

Drastic cost savings were necessary in rural reticulation to enable affordable electricity to be supplied to the masses

Motorists may have to bail Sasol out of looming crisis

THE Government and Sasol are sweating over an application by Sasol for increased protection.

Sasol's profits are being pinched by low international oil prices and minimal margins on oil refining

The Government is loathe to grant the protection, which would run to many millions and come out of irate motorists' pockets

A decision in favour of Sasol would be politically unpopular, though Sasol's case is compelling

Sasol is entitled to protection arising out of an agreement dating back to 1979, when it was cut loose from Government and became a listed private sector company

Business Times Reporters

Initially it was entitled to 0,9c a litre as "an excise benefit on fuels produced from indigenous raw materials" It was also entitled to 3,6c a litre "levy rebate"

Sasol voluntarily surrendered the 3,6c a litre in December 1984 just before announcement of an embarrassing taxed profit of R501-million — but terms for its reintroduction were agreed The 0,9c a litre excise benefit was also scrapped in March 1985

The company went from strength to strength and taxed profit in 1986 reached R700 million before plunging to R526-million in 1987

Conditions have continued to deteriorate and in the first six months of the current financial year, Sasol's taxed profit fell 28% to R207,1-million

At the time of its interim report, Sasol said that because of a 20% rise in the price of petroleum products and a 19% rise in the value of the rand, the rand price of petrol had remained virtually unchanged

The prices Sasol receives for its fuel from coal are determined by the landed cost of petroleum products in rands In this area, it prefers high oil prices and a soft rand — the very things SA motorists hate!

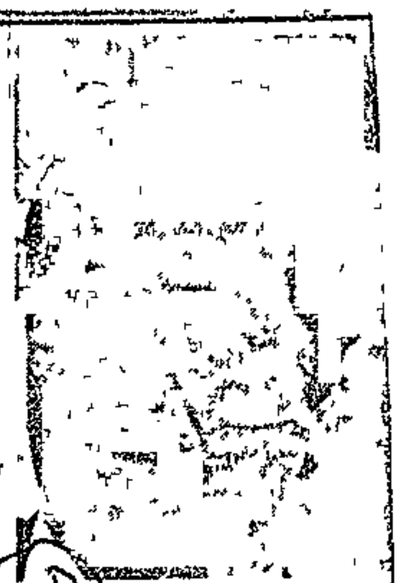
On the refining side which may account a third to half of the business, off-shore prices and currencies are not so critical Margins are everything and at present these are inadequate

Critical for Sasol are the volumes it can extract from its plants and refineries, the prices it gets at the refinery gates — plus protection money from stabilisation accounts

Times have been particularly hard in recent months, thanks to low world oil prices, a slightly firmer rand, and higher refining costs

The 3,6c a litre of protection was reintroduced in July 1986 but now turns out inadequate, hence the present application

Sasol managing director, Paul Kruger said that it would not use its own equalisation fund of about R1ab million to prop up its refining operations It was expected at the time that Government would respond before the end of March



PAUL KRUGER
No fund support

Sasol has not disclosed how much protection it is seeking now but huge amounts of money are at stake in what is essentially a tug o' war between shareholders and motorists with the government as arbiter

Neither party would comment on the matter this week

SABC SIGNS ON DOTTED LINE

By MATHATHA TSEDU

HISTORY will be made in Pietersburg this morning when the Media Workers Association signs a recognition agreement with the South African Broadcasting Corporation.

It will be the first time that the corporation recognises a black trade union Union officials in the far northern Transvaal region said the agreement followed protracted negotiations that started last year.

Mwasa presently represents over 50 percent of black staff employed at Pietersburg, Louis Trichardt and Giyani.

• A Perskor subsidiary in Pietersburg, Morester Printers, has dismissed five Mwasa members for allegedly wanting to resign from the South African Typographical Union, a Mwasa official, Mr Kgalabi Kekana, said yesterday.

The five, Mr Richard Ranoto, Mr Silas Mashele, Mr Hendrik Mashakeng, Mr Johannes Kau and Mr Philemon Baleka, were dismissed on Wednesday.

The dismissals followed a decision by the National Industrial Council of the Printing and Newspaper Industry to reject their application for exemption from Satu membership.

"Our members were told to resign from Mwasa and when they refused they were fired. We are not taking this lying down. A Nactu legal unit and our attorneys are processing the matter. It is absolutely unfair and unacceptable that people should be forced to belong to a union that they do not want," Mr Kekana said.

A Boshoff of Morester Printers yesterday told the *Sowetan* to write him a letter about the matter in order to get a comment. He then hung up.

"Our members complained about the high subscriptions that are deducted for Satu. On the other hand they have no control over the subscription as the union is dominated by whites. They feel more at home in Mwasa," he said.

New generation takes over as . . .

Eskom pulls the plug on power plants

IN A major move to rationalise overcapacity of generating plant, Eskom is mothballing older power stations while bringing on-stream new stations now under construction.

The power station at Hexriver is being decommissioned, while the output from other dated stations is being scaled down

Officials would not name the other stations involved as they said the plan to reduce output was reviewed regularly and depended on grid demand.

At least 1 600 employees keep one plant of 4000MW in production This does not include the miners at the dedicated coal pit

"While we are shutting down and reducing staff we still have an annual growth of 4%, which according to world standards is rather high," said Eskom consultant Bruce Norman

He said the problem of overcapacity and of decommissioning plant was a common phenomenon throughout the developed world.

The electricty giant was going ahead with the construction of new capital projects which were committed in the early 1980s at a time when

HELOISE HENNING

projected growth in electricity consumption was more than 8% a year.

However, with the downturn in the economy after 1982 the growth for electricity consumption also deminished. In 1983, demand growth fell to below 3% but has since recovered to about 4%.

In spite of the lower growth Eskom decided the large projects would continue because cancellation would have meant the loss of the forward exchange cover on imported machinery.

"Due to the depreciation of the rand it would have been more expensive to cancel the projects and reinstate them later than to continue building them," said Eskom expansion planning manager Pierre Rubbers.

He said this effectively meant Eskom was building new plants at 1982 exchange rates when its forward cover was taken and when the rand was worth $1,20. In the meantime the rand had depreciated by more than 50% and was now around $0,4500.

Be smart and take the best, says Maclove's Rainier

Steve 23/6/87 (260)

The future of the South African computer industry does not necessarily lie in developing its own software solutions but in being smart and taking the best solutions used worldwide and adapting them for local use.

To many readers, these words of Mr Rob Rainier, managing director, Maclove Computer Systems, may sound like *de javu* They are right because they are the same as those he used in an article in these columns a few weeks ago.

But this time he is replying to a letter in The Star and an article in these columns which put forward the view that, because of sanctions, it is better for software houses to develop their own software for the industry.

Mr Rainier agrees that software should not be imported willy-nilly and adopted for local use

"There are some locally developed PC solutions which are ideal for the South African market, where international systems would be totally unsuitable. But it would not be the most effective utilisation of manpower, resources and capital to develop software solutions of the nature and calibre of MCBA."

ROB RAINIER — "No point in re-inventing the wheel".

MCBA, a distribution, accounting and manufacturing system, internationally developed, is marketed by Maclove.

He says software developers should adapt the best solutions for their customers' needs, otherwise it would be a case of "re-inventing the wheel". Capital investment would be enormous and it would take many years to develop a product to compare with the likes of MCBA.

"The cost is not so much in initial development as in the continual enhancement of the product to meet user demands and new technology. It is in this area that South Africa cannot afford to bury its head in the sand."

em success

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e Soutar, managing director, Data Tech-

company's joint venture with Paywell,
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ol their expertise to sell and support the
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es.

ntronix advances

Passing on lessons in street fighting

Star 23/6/88

266

By Conrad Berge of the Johannesburg Metropolitan Action Group

After nine years of campaigning against the PWV3 regional highway running east-west through Randburg and Sandton, Jomag has now received an undertaking from central Government that money will be voted to reassess the plan fully It has also promised that proper public participation will be sought.

Credit must go to the State President and the Cabinet, who are showing increasing sympathy for the environmental concerns of urban residents

Jomag can pass on its lessons now that it has helped win this first battle in the war to rescue what is left of the peace and tranquillity of greater Johannesburg's suburban areas

● **Reject old planning.** The PWV3 route is part of a grand scheme of major roads in the PWV area which was planned in the booming '70s.

The plan's authors argued that it was necessary to speed up township development, co-ordinate the major road planning of various municipalities and so avoid one day having to force major roads through built-up areas.

Underlying this argument is a perception that roads are "essential services", like water and sewerage, whose purpose and value are obvious

But now we are entering a different age In the last decade urban residents have come to realise that roads are not at all like water and sewerage — they are major spaces

If dedicated only to cars, roads tend to become fast and frenzied and thus destroy the very amenity they are meant to support — urban liveability

The planned PWV3 is a good example Far from protecting development, the proposed route cleaves several urban neighbourhoods, devastates a major park in each town and slices a big chunk off the campus of a major school

Adding insult to injury, today's economic realities indicate that very little of the grand PWV highway grid will ever be built Why then should today's urban generation be lumbered with its nasty fragments?

● **Demand a balanced approach** Transport planning is dominated by one discipline — civil engineering

The PWV3 was conceived by the PWV Consortium — a group of civil engineering consultants, assisted very thinly by town planners Its urban sections are planned in terms of the Urban Transport Act which hooks-up civil engineers on all three tiers of Government and gives them great power

The public's recent anxious questioning of the wisdom of Sandton and Randburg councils wanting to build a cross-suburban highway to carry traffic from the proposed PWV3 highway merely triggered more number-crunching reports by civil engineers, reaffirming the need for it

Civil engineers appear elsewhere

For example, Mr Olaus van Zyl, until very recently a member of Messrs Brunette, Kruger and Stoffberg (BKS), who are in turn senior members of the PWV3 Consortium, was chairman of Randburg's management committee

He was also that town's representative on the Metropolitan Transport Advisory Board which can recommend approval of a "transport plan" (such as a highway) in terms of the Urban Transport Act.

NOW INCORPORATED

Further, BKS was employed by Sandton to co-ordinate and plan much of its major roads network, including the PWV3 This network is now incorporated in the "transport plan"

In recent times Sandton called twice upon Dr Bingle Kruger of BKS to present the merits of the road to anxious residents And this he did

Finally, Mr Ricky Valente, chairman of Sandton's management committee, which can be considered as BKS's "client", is also a civil engineer and served with Mr Olaus van Zyl on the Metropolitan Transport Advisory Board

It is all above board of course — but the situation cries out for more disciplines at the planning tables, for more points of view to be offered to the public There may be professional people who consider public parks as important as roads

The Government's undertaking to assess the environmental aspects of the road will, it seems, bring in new disciplines But they should have been there from the start

● **Dig out the facts.** As public pressure mounted, Jomag was forced to clarify for the public key information which had been provided by Randburg and Sandton

For example, both towns insisted that their portions of the PWV3 route were merely "local roads" and totally independent of the grand PWV3 plan

Sandton initially withheld an environmental impact study which spelt out the sad effects the road would have on the Field and Study Centre park — but it gave great exposure to engineers' reports favouring the road

● **Put politicians at risk.** The public furore over PWV3 route, especially in Sandton, has contributed to a new civic awareness and this has given rise to a new civic alliance — "The Sandtonians" — who will contest the municipal elections in October.

They could be a winning team

Consumer goods feel pinch on TV

(260) S.Star 25/6/88

Manufacturers of fast moving consumer goods (FMCG) are finding that advertising on television has become too expensive.

Tim Bester, vice chairman of ad agency group, McCann, told Saturday Star this week that a decade ago virtually every consumer goods manufacturer that advertised through his agency was well represented on TV.

CHRIS MOERDYK

He added. "Now, few can afford it any more"

Mr Bester said the problem was twofold.

The supply-and-demand pricing policy adopted by the SABC meant that there was considerable competition for TV time at present.

Secondly, he said, FMCG manufacturers were under pressure from major retail chains in that they had to pay for volume discounts and confidential sales incentives out of advertising budgets

Said Mr Bester "In effect, this means that the FMCG advertisers are having to compete with the service sector — banks, insurance companies and so forth — at a disadvantage

"The problem, of course, is that if they are denied the powerful medium of television it will naturally affect sales and this could have a ripple effect right through the economy.

"While it isn't the SABC's problem, the coporation does possibly hold the key to the solution"

This, Mr Bester said, was on the basis that housewives generally made up the target market for FMCG advertisers and at present the flighting of TV commercials during the evening meant exposure to a far too large and expensive target market

Soap opera

He argued "The solution might well be to go beyond breakfast television into morning TV — from 9 am to noon, for example

"This is the old Springbok Radio soap opera time channel that was a favourite among housewives

"If TV could be extended into this time slot it might provide FMCG advertisers with something tailormade to their target market and consequently a lot more affordable"

Design firm opens SA office

S.Star 25/6/88

Reversing the current disinvestment trend, the Toronto-based Watt Group, one of the world's leading strategic planning and design firms, has expanded its operations to Johannesburg.

The Watt Group specialises in strategic design services to consumer products companies and multi-store retailers.

Its international clients include: Nestle, Kraft, H J Heinz, Nabisco, Federated Department Stores, House of Fraser, IBM, and Philips Electronics.

Watt is best known in South Africa for its repositioning of the Checkers Group in 1984-85.

That program included the design of new Checkers stores, revamp of existing stores, conversion of existing hypermarkets into the Checkers Warehouse format; and the upgrading of Yellowbrand private label packaging.

Said Michael Rubin, managing director of the South African office: "We now have a fully staffed graphic and industrial office in Johannesburg.

"Internationally, we are working on the leading edge of new retail and packaging concepts and this expertise is also available to South African clients from our Toronto office."

Mr Rubin, who was chief operating officer of Watt's worldwide operations for seven years, is a Capetonian who returned to South Africa to oversee the Checkers project.

He added: "Watt has proved time and again that there are great opportunities to make impact on the consumer at point of sale.

"Manufacturers and retailers who miss this opportunity will increasingly find their market share slipping as consumers are attracted to more aggressive competiton"

The Watt Group has already begun strategic design work for a number of South African consumer goods manufacturers and retailers.

Said Mr Rubin: "With the continued brain drain from South Africa, it is often impossible for local companies to afford local talent, even if available.

"Watt affords imported expertise and the latest in world retail trends at affordable cost."

The video flighting now arriving . . .

An interesting advertising innovation is soon to appear in the domestic arrivals hall at Jan Smuts Airport.

It is a 7 m x 3,6 m screen called Videowall and is made up of 72 high resolution TV monitors

It will carry advertising commercials — mostly visually and emotionally impactful" that it would get the advertising message across.

The screen will be mounted above the car hire booths to face the passenger arrival doors

The luggage waiting area will afford the most commanding view

The area will also be served by a speaker system to relay commercial sound tracks

Video and sound material will be sourced from laser-disc

Videowall is scheduled to begin its Jan Smuts Airport screenings in October

Plans are also being made to extend the service to other major airports here.

Local team behind the venture is headed by Multivisio's Johann Kruger.

...iezi said.

...Black leaders have long passed the point where

...ment, Mikey Richards (LP Tockomsrus), said the Promotion of Constitutional

...which could b...

"There is a pl... Afrikaner in t... but there must ... place for all S... cans in the futu...

Richards said ... guest of the M... Law and Order ... ago at Modderb... and John Vorster ... Johannesburg.

"This does not ... a bitter person, it ... proves my foresig...

Instead of detai... ple, the governme... let them share the ... bility for building ... South Africa.

"I have waited ... time for this day. Fi... believe we are begin... move."

Metal workers warn Iscor

BY KERRY CULLINAN

DISCIPLINARY action by Iscor against workers who stayed away on June 6, 7 and 8 in protest against the new labour Bill could spark more conflict, according to the National Union of Metalworkers of SA.

The union claims 7 000 workers from Iscor's Vanderbijlpark plant have been disciplined.

Numsa organiser Bobby Marie said that as a result of disciplinary action, at least 55 workers had been dismissed. Hundreds of others had received final warnings.

"To avoid a national and international campaign developing, Numsa has called for a high level meeting with Iscor head office," said Marie.

An Iscor spokesman, M du Plessis, said disciplinary action was being taken against those workers who stayed away without permission from the company, but each individual's record was studied before action was taken.

He said it was possible that 55 workers who already had final warnings on their files were dismissed as a result of the stayaway.

Du Plessis added that Iscor management would hold a meeting with Numsa this afternoon and the union could raise the matter then.

CP Correspondent
CITY PRESS, June 26, 1988

Iscor dispute threat

UNIONS representing all strata of Iscor's organised workforce were set to declare disputes if their demands for greater wage increases were not accepted in the next few rounds of wage talks, union officials said yesterday

Iscor offered increases ranging from 11% for its skilled employees to 17% for the unskilled categories at the first round of negotiations held last week.

National Union of Metalworkers of SA (Numsa) organiser Bobby Marie said workers had decided at weekend meetings an offer in excess of 20% at the bottom and 16% at the top would be acceptable

Council of Metal and Building Unions chairman Gert Diederiks said the CMBU would first try to get Iscor to better its offer at the negotiating table, but if this failed it would consider declaring a dispute The CMBU represents mainly the skilled workforce

Diederiks said Iscor would also have to guarantee workers that rents would remain the same throughout the year

Meanwhile, said Marie, Iscor had agreed to meet top Cosatu and Numsa officials this week to discuss the dismissal of more than 100 employees and the disciplining of a further 10 000 following the recent stayaways

Iscor confirmed the meeting would take place but was unavailable for further comment

BRONWYN ADAMS

Hansard (260)

HOUSE OF ASSEMBLY

†Indicates translated version

For written reply.

General Affairs

Government Notice No 1249: compliance by SABC

795 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

Whether he is responsible for adjudicating whether the SABC broadcasts its programmes in accordance with the contents of Government Notice No 1249 published in the *Government Gazette* in June 1979, further particulars of which have been furnished to the Minister's Department for the purpose of his reply, if not, (a) who is responsible in this regard, (b) what is the position held by this person, (c) by whom is he employed and (d) what are the relevant contents of this Government Notice?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY:

In as much as the Minister entrusted with the execution of the Broadcasting Act (Act 73 of 1976), has laid down conditions which must be satisfied by the SABC in terms of Article 7(2)(b) of the Radio Act (Act 3 of 1952), there rests upon such Minister the responsibility of ensuring that these conditions are met Due to the broad, general nature of the existing conditions as proclaimed in Government Notice 1249 dated 15 June 1979, the above-mentioned responsibility, which rests upon me as the Minister entrusted with the Broadcasting Act, 1976, is also of a broad, general nature Direct control and management of the SABC is the primary responsibility of the Board of the SABC, and therefore the Board also has a more direct responsibility to ensure that programmes are presented in accordance with the stated conditions This does not however relieve the Minister of final responsibility

(a) Not applicable

(b) Not applicable

(c) Not applicable.

(d) The relevant conditions are stated in full in the Government Notice referred to above

Selectivity at Sasol tough on householders

3/7/88
Citizen
260

CP Reporter

FORMER Sasol employees' hopes of reinstatement were this week shattered when they were evicted from the company's Zamdela houses

The workers, who had been living in the company's middle-class houses, were surprised to receive letters that they had to evacuate their homes by the 17th of this month

This, according to the affected workers, indicated that the company was no longer going to take them back

Sasol One, which has a workforce of over 2 000, had a dispute with workers over wages resulting in a marathon strike that ended early this year

The company has since been re-employing those who were involved in the strike selectively

The Zamdela Committee of Concerned Residents came to their rescue and made a plea to the Lekoa Town Council to provide them with accommodation.

The committee's spokesman, Durban Marumo, said that the council offered to house the families in the hostel's single quarters

He said "Their arguement was that if single persons could be accommodated at the hostels' married quarters, then there was no reason why families could not live in the single quarters"

Former employee Lebohang Matabane expressed his dismay at what – he claims – the company did without consulting them

"We could have devised the means of paying the rent arears without being kicked out

"They only deducted money from our pension funds which they alleged was for rent. They were not prepared to hear how we will keep on paying though we are jobless.

"We were forced to rent them because we could not afford to buy them

"We are even exploited by the council which demands R37, though we are living in the single units with our families We pay out of desperation for a roof over our heads"

Heart-broken Paulina Tabane explained how she had to adapt to the new life after 33 years of ease.

She said "This is the first time I have had to learn to make a fire I was born and bred here in an electrified house This is new to me It is like being sent to the wilderness after a taste of paradise. At least life was easy in those houses we have just left"

260 B/day 29/7/88

Only fifth rise in 12 years — Fourie

TV licence fee goes up to R80

THE TV licence fee is to go up by R8 to R80 a year, an 11% rise, from October, the SABC said yesterday.

Concession licences remain unchanged at R24

Announcing the increase in Johannesburg, SABC Board chairman Brand Fourie said it was only the fifth rise in fee since TV's introduction 12 years ago Since 1976 TV licences had increased by 128%, compared with the 320% hike in the cost of living index.

Had the licence increases matched the rate of inflation, TV licences would now cost more than R200 a year

While the SABC's financial position had improved somewhat in 1987, compared with previous years, an increase in licence fees had become unavoidable The corporation could not increase its dependence on TV advertising revenue to balance its books, said Fourie

Since 1984, up to and including 1987, the SABC suffered an accumulated operating loss of nearly R70m Over the past two years the losses were R27,9m and R13,2m respectively

The corporation had done what it could to cut costs There had been an 11,7% increase in expenses in 1985, 7% in 1986 and 13,7% last year, he said

"This is considerably lower than the rate of inflation over the same period and, in addition, includes the costs of expansions, such as TV4, breakfast TV and operating additional transmitters"

In the process of cutting costs, Fourie added, staff had been cut by nearly 20%

If all circumstances were considered, the SABC would have been justified in raising licence fees dramatically But, in view of the State President's moves to curb inflation, the increase was kept "To the absolute minimum"

Fourie pointed out that keeping concession licences at R24 was costing the corporation more than R13m a year

The new licence fee of R80 a year represented a monthly cost of R6,67 — an increase of 67c a month

If the SABC was to continue delivering high-quality services over a broad spectrum and meet increasing demands in broadcasting, the accumulated deficit would gradually have to be wiped out, Fourie concluded.

Government sources said the SABC had wanted to increase fees by more, but government, which had to approve the increase, had limited it to R8 — Sapa

FM 29/7/88

ESKOM — 1

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Taking a view

Eskom is taking advantage of the fall-off in capital requirements to restructure borrowings Large medium-term foreign loans will need refinancing over the next three years and Eskom is so large a borrower on the local market that any substantial programme makes waves

Capital expenditure is budgeted at around R3bn-R3,5bn annually for the next five years By 1992, Eskom expects expenditure to be declining even in nominal terms Only with the expected "next round" of expansion in 1994-1995 will capex rise again

It is policy to fund up to one-third of requirements internally

Larry Harper, Eskom's GM, finance, says the days have long gone when Eskom simply matched long-term borrowings to long-term investment in generating capacity Today, the aim is a more sophisticated mix, to include short- and medium-term paper too This is in line with practices of European electricity utilities.

In capital market operations, says Harper, Eskom is taking a fundamentally optimistic view of inflation, though he concedes the institutions — Eskom's major lenders through the prescribed investment mechanism — are "more pessimistic"

This difference of opinion could be profitable for Eskom if its view turns out to be correct — Eskom does not see why it should commit itself to paying 16% or even 17% for 20 years on long-term issues

Were the inflation rate to drop to, say, 10% within five years, the long-term rate for Eskom stock could come down to about 12%-13%

It is sheer creditworthiness which enables it to take such a flexible approach, explains Harper Eskom should be able to borrow in most market conditions, so there is little liquidity risk, only a rate risk

And, as Gillian McRae notes in the 1987 annual report, Eskom uses an "integrated treasury management approach" to limit the interest rate risk This implies guidelines for debt maturity, assessments of fixed versus floating rates and the use of swaps, options and caps

A foreign exchange hedging committee was formed in 1987 to manage the forex risk Harper says Eskom is "fully hedged" against forex risks But there could be a "residual risk" when the cover expires — it might have to be renewed at a higher rate ■

MINERALS EXPORTS

Iscor makes the grade

Iscor is hoping to relieve some of the foreign squeeze on its iron ore exports by marketing intermediate, specialised ore grades

About half the ore currently produced at Iscor's giant Sishen mine in the northern Cape is earmarked for export However, like mines in major ore-producing countries such as Brazil and Australia, exports are limited by the overtraded international market

Iscor currently faces extra obstacles because of political pressures from its major export market, Japan The Tokyo government, reacting to figures showing it to be SA's biggest international trading partner, is putting pressure on business to cut trade While that country will continue to buy SA minerals, iron ore is among those whose volumes have dropped

Iscor still hopes to exceed last year's 8 Mt in total iron ore exports Increased marketing of existing grades to Europe, the Middle East and Asia is expected to account for most of the increase, if it occurs

However, corporation sources say Sishen has begun seeking new customers by offering specialised products Standard ores come in two sizes — lump and fine By offering intermediate sizes, Iscor hopes to develop a new international market.

Foreign tests

Experimental batches of the intermediate grades began about 18 months ago A foreign customer is carrying out blast furnace tests on Iscor's first export batch If the tests are successful, Iscor will be encouraged to market the new ores elsewhere.

"Sometimes it's not economically worthwhile to produce in small batches, but if they lead to repeat orders and then new customers, we can make it in economic volumes," says the Iscor source

It's still not as economic as mass production of standard grades, but, if Iscor is successful in marketing intermediate grades, it will create a valuable market that foreign competitors may not be in a hurry to enter.

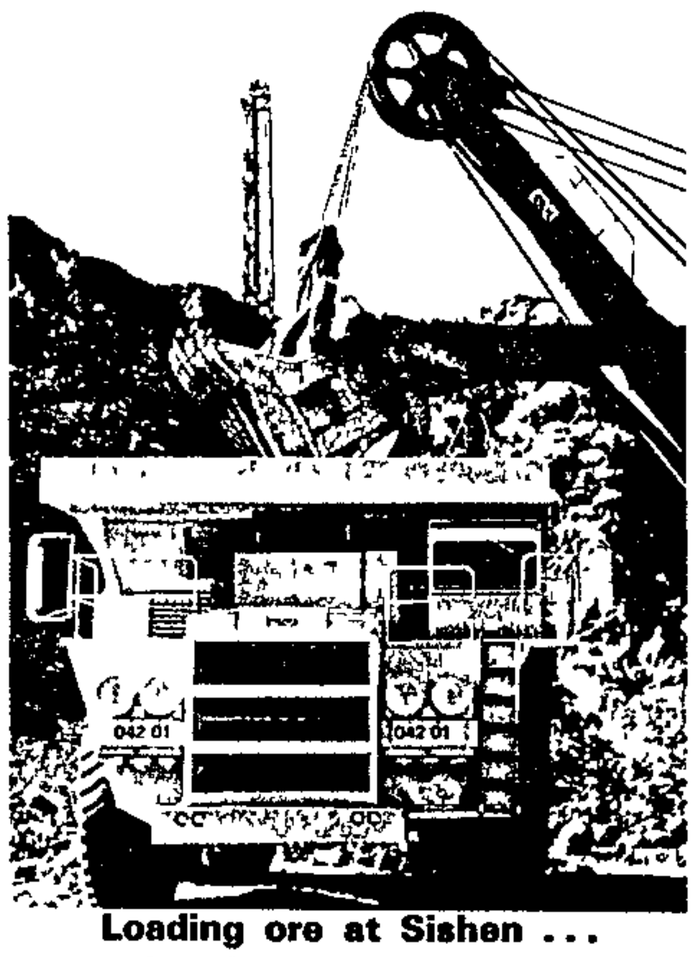
By international standards, Iscor is not a major iron ore exporter — even though Sishen is one of the world's largest open-pit mines Brazil and Australia, "having high-volume facilities, may not find it worthwhile producing low volumes of certain sizes," says the source

Sishen has plenty of scope for increasing exports With an original designed production capacity of 18 Mt a year — improved methods have raised this to a potential 21 Mt — the mine is currently producing about 16 Mt Of that, almost half joins production from the Thabazimbi mine in the northern Transvaal, to be used in Iscor's steelmills

A small amount is bought by other specialist SA steel producers, leaving 8 Mt to be railed to Saldanha Bay for export — along a railway line with capacity for 18 Mt

However, there seems little likelihood of export shipments coming anywhere near the 18 Mt level for years to come Producers all over the world are operating below capacity, and analysts see little short- to medium-term likelihood of the market becoming less crowded

Iscor has iron ore reserves of more than 1bn t at Sishen, which represents current production levels for more than 50 years. It also has mineral rights over extensive deposits just to the south, but it will be a long time



Loading ore at Sishen ... but it could be busier

before these are brought into play

As long as the stagnant SA steel market is unlikely to need major additional iron ore supplies, the only prospect for increased production is from exports

With world over-supply holding down export tonnages and prices and anti-SA pressure increasing, the specialised grades project may have to be only the first of any number of innovative marketing packages to keep Sishen working at even its current depleted levels ■

CAPE TOWN TOURISM

Boast on the coast

Cape Town's proud boast of one day taking over from Durban as the country's premier holiday resort might yet turn out to be just that — a boast

An independent analysis of Captour — the organisation primarily reponsible for promoting the city — has revealed some serious shortcomings

Stellenbosch professor and business consultant Marius Leibold's report (commissioned by Captour) pulls no punches But the organisation has adopted a plan intended by Leibold to address some of Captour's problems

Marketing cities

Leibold researched how cities are marketed locally and internationally He also talked to "stakeholders" those with a direct or indirect interest in the way Captour functions

He found cities are increasingly using professional marketing techniques In most cases, co-operation between private and public sector bodies was marked — something Cape Town has been trying to achieve

But it was around the Captour budget that most problems arose Major rival, Durban, has a R2,2m budget for its publicity association Captour has to get by on R860 000 Moreover, support from the city council outstrips private sector contributions four-to-one

Leibold believes a solution could lie in niche marketing He says it's folly for Captour to attempt to be all things to all men Instead, it should target efforts at middle and higher income tourists by catering to cultural, historical and outdoor needs and ensuring a flow of tourism throughout the year

In fairness, Captour has succeeded in extending the city's tourist season from two months to at least six months a year But it still enjoys only 15% of the national tourist market compared to Durban's 30%

Captour apologists argue the reason for the organisation's limited successes is that it is poorly funded Critics maintain the reason for the lack of support, especially from business, is that the organisation is ineffective

Captour may have a new business plan but questions remain as to its efficacy — and whether it can win both the confidence and financial support of the business community

The structure of the Captour board — largely appointed by the council — and the lack of private sector input, also comes in for criticism from Leibold He suggests more elected members and fewer obligatory appointments from chambers of commerce and industry

In the final analysis, however, reports don't count — only action Already there are doubts being expressed about Captour's de-

Sasol fighting pollution

PRETORIA — Sasol has effectively eliminated or minimised any adverse impact of the industry on the environment, a spokesman said yesterday

In the process, valuable products such as ammonia and sulphur were removed from the stack gases and extensive resources and effort went into resolving environmental problems.

Sulphur removing plants have been commissioned at a cost of more than R50m However, environmental monitoring of the surrounding areas continued

GERALD REILLY

Sasol expected to have fully eliminated the bad odours detected in Johannesburg and on the Rand Sale of sulphur helped cover operating costs.

Apart from sulphur removal, great advances had been made in the areas of dust emission and water effluents and huge amounts of money had been spent in minimising pollution emanating from Sasol plants

260 B/day 29/7/88

Star 29/7/88

TV licence fee rises in October

Staff Reporter (260

The television licence fee is to increase by 11 percent from R72 to R80 a year in October.

The concessionary licence fee will remain at R24

Announcing the increase yesterday, the chairman of the SABC board of governors, Dr Brand Fourie, blamed inflation, exchange rates and spiralling costs

Dr Fourie said it was only the fifth increase in the fee since the introduction of TV 12 years ago Since 1976, the fee for a TV licence had risen 128 percent against the 320 percent rise in the cost of living

Had the licence increase matched inflation, the licence would have cost more than R200 a year by now

While the SABC's financial position had improved last year, an increase in the licence fee had become unavoidable

Since 1984, up to and including 1987, the SABC had an accumulated operating loss of nearly R70 million Over the past two years the losses had been R27,9 million and R13,2 million

The corporation had done what it could to cut costs There had been an 11,7 percent increase in expenses in 1985, 7 percent in 1986 and 13,7 percent last year, he said

In the process of cutting costs, staff had been cut by nearly 20 percent

Mr David Dalling, the PFP's media spokesman, said although the increase would affect the man in the street, the 11 percent rise was not inordinate

"One hopes the SABC will make some effort to improve the quality of their programmes If people are expected to pay more, they should be able to get better programmes than they are getting now," he said

Mrs Lyn Morris, president of the Housewives' League, said South Africans were a captive market when it came to the television licence

"You have to have a licence so you are stuck with it But I really get so angry when people say it's below the inflation rate We'll never bring it down if everybody goes with the rate of inflation It's certainly not an argument," she said.

Eskom 'not to blame' for pollution

By Lloyd Coutts

Eskom power stations in the eastern Transvaal highveld meet all requirements laid down by the Government to prevent pollution in the area, a spokesman said yesterday

Mr Jacques Messerschmidt, assistant general manager (generation), said Eskom had spent about R500 million on anti-pollution devices in the past 30 years.

He was commenting on a report by the Council for Scientific and Industrial Research that most of the pollution in the area resulted from power stations

Anti-pollution requirements were increased from time to time, and new measures had to be taken with each new station built, Mr Messerschmidt said

Dust-prevention devices were expensive, but these costs were added to construction expenses

"Because the eastern Transvaal highveld is a major industrial area, of course you'll get some pollution," he said

"The question is, what level of pollution is tolerable or even affordable? We do not lay down the standards"

SOWETAN, Tuesday, July 26, 1988

Soweto services at a halt

Soweto to end strike

COMMUNITY SERVICES in Soweto yesterday as more than 3 000 council employees continued with their strike which enters its seventh day today.

Cesspools from blocked sewerage pipes were a common sight in Soweto townships such as Chiawelo Maintenance and repair jobs were not done Most council offices could not be contacted through the phone as no receptionist was at work

Council employees, who defied a warning to return to work by yesterday or face voluntary dismissal, vowed to continue with the strike until their salaries have been increased and other demands met

Demand

During the meeting at the Tabernacle Church Hall in Soweto the council workers added a demand for the resignation of town clerk, Mr Nico Malan, who issued the ultimatum, to the list of their demands

Soweto mayor, Mr Nelson Botile, said his council was hoping that the workers would return to their duties this week He said the council was "prepared" to increase the workers salaries according to applicable salary grades, but the council does not have enough money to implement the increases presently

No further action had been taken by the council against workers, he said

Apology

Mr Botile, who was with the chairman of the management committee, Mr Letsatsi Radebe, said his council "apologised" to Soweto residents for the inconvenience caused at the Avalon Cemetery at the weekend

Three caterpillars, reportedly hired from a private company, were digging and extending some graves left-over from last week

A council official at the Avalon Cemetery said there would be no problems at the cemetery at the weekend as they were working to correct all problem areas which occurred because of the protest action by council employees

SA television is a terrible disappointment

By MOKONE MOLETE

THE non-appearance of my column, *TV Review*, was because of deep soul-searching on my part.

The reason for the column not appearing was, ironically, the lack of any good television material to review One may ask how this is possible when we have so many hours of TV2 and TV3 everyday

Moreover, there are TV1 and TV4, M-Net and Bop TV I have in the column largely concentrated on TV2 and TV3 — the "black channels" so to speak Bop TV has featured once in a while My emphasis has always been on programmes made by or for these channels and not on those that are imported or dubbed

I've always used imported programmes as a yardstick against which I measured the quality of homegrown ones

My contention that there has not been any material to review rests on the premise that, if anything, the black television channels offer very uninspiring fare If there has been any changes to the programme/material content on TV2 and TV3 and Bop TV, it has been for the worse

One can speculate on the reasons for this High on the list is that the medium is so rigidly controlled that those who work in the industry have been prevented from understanding it, or, as a corollary, those in charge of the medium have so imposed their will on the workers that the latter just do not understand what they are involved in

Let me explain this television transcends entertainment, it is a mixture of reality and entertainment, a sort of make-believe world which forces one to face reality (news, documentaries, actuality) and at the same time helps one escape it (soapies, sitcoms, etc)

Getting a balance is at best very difficult

In addition, television has another key role to fulfill that of education It is probably the next best thing one can have to a teacher One may argue that computers can fulfill this role — but videos lack the audio element of television

In this context, television has been accused of taking over the role of parenting

Mandela

Because of lack of interaction between the medium and its audience and because television churns out information indiscriminately, television has the danger of being unchallengeable, of being accepted as The Truth That is why the SABC (the South African Government) has refused M-Net permission to broadcast news and also why, several months ago, Bop TV was on the receiving end from Pretoria for running an interview with Winnie Mandela

Television is also tailormade for propaganda — remember Rajbansi's rather flippant complaint that TV1 cameras were not showing him in the "right light"?

People such as Cliff Saunders and John Bishop have become masters at manipulating the medium Notwithstanding our dislike for them, we marvel at the way they use television to suit National Party propaganda

Dogma

Therefore, to treat television as just another medium (of entertainment, information), is dangerous It is not just another way of whiling away time, it is a powerful tool that can be used for good or for evil In South Africa the bias is so much towards propping up unpopular Government dogma that it would serve very little purpose debating whether television has good or bad intentions

Considering other positive activities one can engage in instead of watching television (reading a book, going to theatre), the time one invests in front of a television set is valuable

Why then, does one not just swith off?

Therein lies the power of television It cannot be ignored Its presence invites one to "get tuned" The normal, ordinary human being would need the will of a monk not to be tempted

Lament

In my case, as a paid televion watcher, switching off is not possible

Why then, my lament?

To answer this, I would first have to explain the work of a television critic It is, most importantly, to evaluate the programmes he has seen, bearing in mind the particular audiences they were aimed at

The critic looks at other factors — the genre, the popularity of the programmes, their artistic merit, the personalities involved. His work is therefore not just a simple matter of declaring a programme "good", "bad", "interesting" or "boring"

What should make viewing television interesting is that the "good" must outweigh the "bad", that the programmes must have the ability to glue one to one's seat — making one so receptive that one does mind adverts interrupting programmes

In our case the reverse is the rule

What is the case with the "black channels"?

Let's look at the various programme categories

Variety Programmes such as *Lapologa* (TV3) *Ingxubevange* (TV2) fall into this category If by variety it is meant that one item in the programme differs from the next, then the definition holds true But when you extend the same concept over weeks, the word loses meaning

One *Lapologa* is not different from the next

Problem

Lapologa raises a fascinating problem It is the most popular on TV2 and TV3 yet, to me, the most unteresting and least innovative or prime time television The question is, whose standards are to be applied the critic's or the viewers"? It is this type of badly conceived programmes that lacks imagination which the SABC uses to justify third rate fare for blacks

Ingxubevange on the other hand, shows the power America has over us It was conceived and is run (badly) along the lines of the imported *Solid Gold*

Actuality Examples of such programmes are *Diwetse, Dinakana, Ezasempuma Koloni* It is from these programmes that one is able to judge the talents of television workers as interviewers, sound technicians, cameramen and so on

And this is where one finds TV2 and TV3 at their worst There is no imagination, no creativity

Music Music programmes and content come in two types — those made by the SABC and other local firms and overseas productions

SABC's pop music productions are characterised by poor lighting techniques (usually psychedelic glitter that does more to harm the eye than please it), no choreography (the whole band swaying to and fro) and no special effects (only smoke and more smoke)

Artistic

It is any wonder that local music videos show the same disregard for artistic quality?

Language Despite being meant for Africans who use indigenous languages, TV2 and TV3 use English extensively My column has repeatedly highlighted the way English is tortured on these channels

Not only that, almost every TV personality thinks that correct usage of English is to drawl like Americans, or, more to the point, the way they think Americans drawl The result is badly spoken English with a phoney accent

Boring

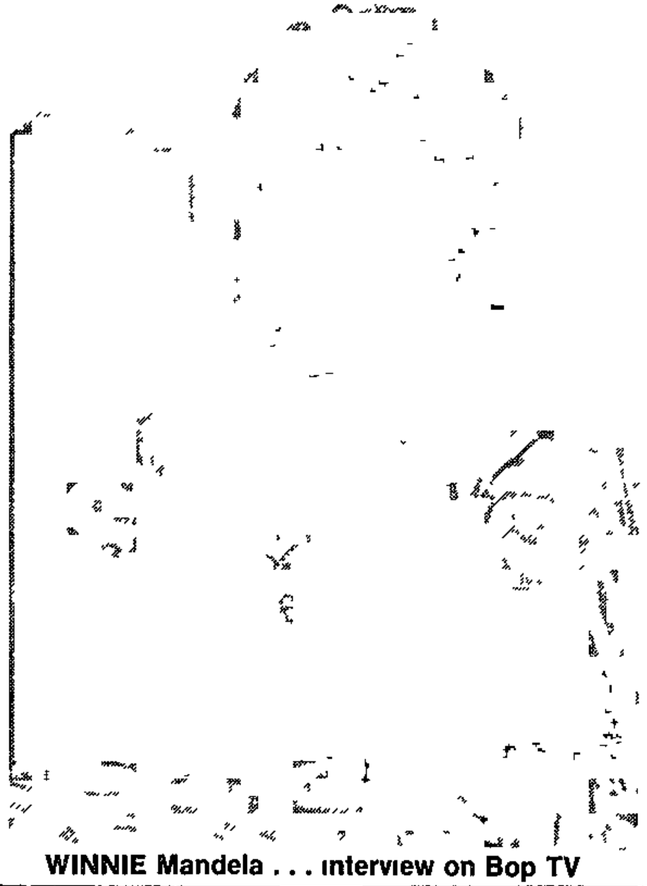
What I have tried to illustrate is that TV2 and TV3 provide one with very little reason to tune in

Yes, there are exceptions, but the tragedy is that I can count them on the fingers of one hand

The problem is, TV2 and TV3 redefine the role of the critic One is forced, week in and week out to point out their mistakes — of which there are many — and ignore whatever good they have One becomes, in the long run, as boring and repetitive as these channels are

The *Sunday Star's* television critic, Ian Gray, once stated that South African television critics are the most discontented he had ever met He beseeched us to get on with the job and stop moaning

Going though his article, I realised that the man did not watch TV2 and TV3, or if he did, the sound was turned off!



WINNIE Mandela . . . interview on Bop TV

Upgraded plant will save R50m

LIZ ROUSE

DORBYL and Iscor, in partnership, are investing R120m in the upgrading and extension of the seamless tube manufacturing facility at Dorbyl's TOSA works in Vereeniging.

The partnership, in which Dorbyl holds a 60% interest, has been concluded with Iscor under the name TOSA Seamless Tubes

Dorbyl CE Dawid Mostert says that the investment was agreed upon as a partnership with Iscor because of the magnitude of the project, the critical technological interface between raw materials (steel) and the end product, and the current and expected growth of the SA seamless tube market.

The existing seamless plant can no longer meet current requirements and a high rate of growth is expected after 1990, mainly due to the needs of the mining industry in which the new technology of backfill and hydropower will make the major contribution

The investment is of national importance as it will produce locally the many thousands of tons of boiler tube currently imported The new mill will also meet specifications which are beyond current capabilities Estimated savings in imports are R50m a year,

The facility will come on stream in January 1990.

260 Times 10/7/88.

Dorbyl and Iscor in R120m mill project

By David Carte

AFTER notching up a 60% first-half earnings increase, Dorbyl is to make its biggest single investment in years

Together with Iscor, Dorbyl will spend R120-million on upgrading and extending Tosa's seamless tube facility in Vereeniging The mill, built in 1927, cannot meet demand

Dorbyl will have 60% of the venture The R120-million includes working capital and plant already in place so Dorbyl's contribution will be less than the R72-million suggested by its 60% holding

Second phase

Dorbyl's capex before this was expected to be R70-million The investment, says managing director Dawid Mostert, represents a second phase in the turnaround of the industrial giant

The first phase comprised absorbing Afgate and Stewarts & Lloyds, then consolidating the group This second phase comprises modernisation of plant Mr Mostert says acquisitions are not a priority yet

The seamless tubes are used mainly in backfill and hydropower in the gold mines, but power generation and petro-chemicals also use them

Dorbyl sought out Iscor as a partner because of the project's size and the close connection between the raw material (steel from Iscor) and the end product Most similar plants abroad are connected to steel mills, hence the get-together in SA

Dawid Mostert .. import savings of R50-million a year

Mr Mostert tells Business Times that the plant will save imports of seamless tube worth R50-million a year

A large part of capacity will be for exports He recognises that, as an industrial major, Dorbyl is in the forefront of the national need to diversify and add value to exports

Group exports are R100-million and rising Exports account for 45% of turnover in some divisions

Mr Mostert says "We have designed the additions to the plant to enable doubling or trebling capacity at relatively modest cost"

The investment will increase Tosa's seamless-tube capacity from 22 000 tons to 50 000 a year Outside diameters will range from 33mm to 180mm in wall thicknesses from 3,4mm to 18 mm Lengths will range from 6m to 20m

The plant will produce tubing to much tighter tolerances and longer lengths and it will be able to use a wider range of materials There will be significant raw material savings

Mr Mostert says that at least two competitive tube plants are on the water, but they are for welded tubes There is overcapacity in welded tubing and he questions the use of foreign currency to pay for extra capacity

Mr Mostert says virtually all Dorbyl operations are running well

"The two soft areas are transport products and heavy engineering In transport products, the cutback by Sats has hurt The bus division is recovering from a low base"

Busaf has built its first ultra-luxury bus It claims the bus is competitive with Europe's best and could become an important export as well as an import replacement

There is a silver lining in heavy engineering and that is Mossgas, which should keep the fabrication shopfloor busy The marine engineering division also hopes for Mossgas work It is benefiting from the takeover of the Sandock Austral shipyard in Durban

The automotive products division is working at full stretch to meet demand Mr Mostert believes it will stay busy even if the motor industry cools later this year

'There is a lot of potential for import replacement"

Mike Smithyman, chairman of the division, expects it to work flat out for some years Structural engineering is picking up, although the industry is still overcrowded Baldwins Steel is benefiting by the boom in consumer durables and white goods in particular Stewarts & Lloyds is trading "steadily"

Dorbyl was haltered last year by a tax bill that doubled At the interim the rate was unchanged at 26% Mr Mostert says the tax rate will rise steadily, but will not be crippling this year Interest costs should also not rise horrifically because debt has been held at reasonable levels

Most earnings accrue in the second half, so the first half rise may not be a guide Dorbyl looks good for a 40% improvement to 253c for the year At 1 100c, the share is only 4,3 times prospective earnings and represents a bargain

CSIR warns on pollution costs

GERALD REILLY

PRETORIA — More stringent controls may have to be applied to safeguard the Eastern Transvaal Highveld (ETH) and adjacent regions from medium- and long-term effects of pollution, a CSIR report says

The report, released yesterday, warns that more stringent controls would be costly, and would have to be weighed against the expected detrimental effects on the ETH environment

It is estimated the desulphurisation of flue gas from a 3 600mw power station would need a capital outlay of R500m as well as an annual running cost of about R100m a year.

Atomic Energy Corporation's D van As said more than 50% of the country's recoverable coal was in the ETH This had resulted in a concentration of industries and power stations producing more than 80% of the country's electricity supply. The pollution budget of the Eastern Transvaal was comparable with the world's biggest industrial areas

In ETH pine plantations, symptoms of foliar damage were diagnosed recently, he said

Upland streams in the vicinity of Sabie and Tzaneen were potentially at risk of acidification.

The report emphasises it is not the final word on the problem as certain essential knowledge is still lacking. It recommends new industries, particulary those burning a lot of coal, should be established in the ETH only if adequate control is applied.

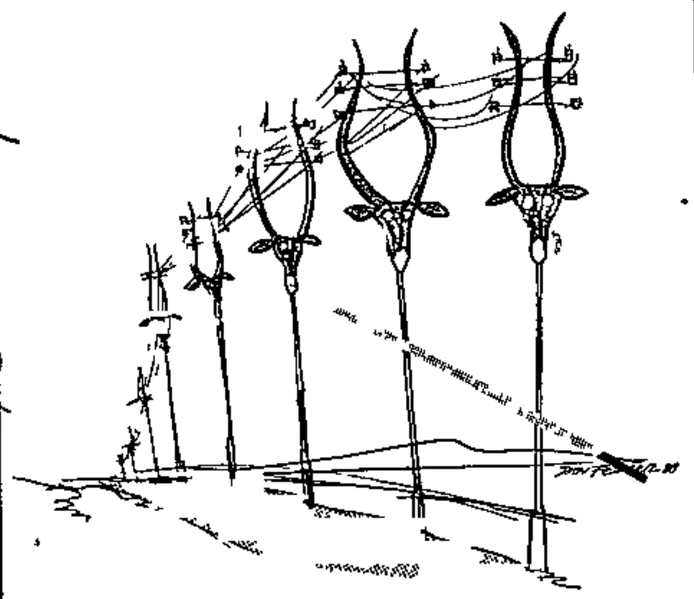
ELECTRICAL POWER

Seeking common ground

Eskom is spearheading a campaign to encourage greater standardisation and self-reliance in the SA electrical power industry.

It wants equipment manufacturers and end-users to co-ordinate their needs, so the industry can protect itself against interrupted supplies from overseas.

The corporation says it is taking the lead in determining local manufacture and technology development, "to guard against the possibility of increasing technological isolation and sanctioned imports."



Eskom has created a Strategic Technologies department to plan an industry strategy It is asking manufacturers, suppliers, consultants and municipalities to give details of where commonality can take place, and how the industry can reduce its dependence on imported components and equipment

GM Ed Ralph says Eskom wants the local industry to agree to standard specifications on a broad range of equipment It has already begun investigating the feasibility of standardising certain components, its eventual target is standardisation of complete electrical systems.

It has also held talks with local municipalities to persuade them to use common systems and components.

However, he says Eskom recognises it is not feasible to produce everything locally and the industry must get together and decide what can be done here and what must still be imported.

The corporation is sending out questionnaires to the industry, asking what level of import replacement can be achieved. It notes the industry is so fragmented, almost no information exists on local and imported content.

In promoting local manufacture, Eskom argues short-term protection against imports may be needed until the new strategy is on its feet Of course, that's an argument all fledgling industries use. The trouble is, short-term protection nearly always becomes long-term, even indefinite. Ask any of SA's uneconomic producers who probably couldn't survive unless they were shielded from competition

Ralph says the first stage of any strategy must be to evaluate existing manufacturing and technological capabilities, then identify areas of strategic importance

The next step would be to decide what components or systems are ripe for import substitution — either "with reasonable potential viability" or "irrespective of viability " The industry must also identify areas of product standardisation and capacity utilisation.

The SA industry must also ensure continued technology transfer from overseas, and decide on local research into alternative technologies and materials It must then ensure it has the resources to carry out its intentions by encouraging greater technical skills among the population

It needs closer collaboration between employers, universities and research organisations — and money Only by paying more for the necessary skills will SA halt the skills drain from the country, says Eskom

It says there are three basic requirements for an industry strategy to succeed "Both the manufacturing and user industries to generally accept the need for a common framework, improved liaison at high level between equipment suppliers and users to give commitment and direction to implementing agreed plans; and, active and co-ordinated participation from institutions and research organisations with government support as required."

The potential is there, says Eskom — all it needs is the will. With Eskom's muscle, it's hard to see anyone being brave enough to refuse. ■

the first time in three years. of the accord.

NUM and Iscor almost agree

BRONWYN ADAMS

THE National Union of Metalworkers of SA (Numsa) and Iscor moved close to agreement on annual wage increases during negotiations on Tuesday.

Concessions were made on both sides Iscor industrial relations manager Neels Howatt said yesterday

He said Numsa demanded an across the board wage increase of 19% for unskilled labourers and 13% for skilled workers, while the CMBU unions dropped their demand from 15% to a 13%.

Iscor increased its offers to 17,9% for unskilled labourers and 11,8% for skilled workers.

Iscor also agreed to reconsider its disciplining and dismissal of 150 workers following the June 6-8 stayaway.

Political comment in this issue by Ken Owen Newsbills by Mike Acott Headlines and sub-editing by Michael Moon
All of Times Media Ltd, 11 Diagonal Street, Johannesburg

INCE

(PO Box 784324, Sandton 2146)

Member of the Barlow Rand group

'Censors silence church service'

By Carina le Grange, Religion Reporter

The South African Broadcasting Corporation has been accused of censoring a Methodist radio service which was due to be broadcast on Sunday.

Dr Peter Storey of the Central Methodist Church said in a statement yesterday that his pre-recorded radio church service was cancelled because of a "threat by the SABC to censor part of the service".

Dr Storey said in his statement that he was told by the SABC after his previous radio broadcast in June that if the "lighting of the Candle of Peace and Justice is lit at each Church's services with prayers for those suffering because of oppression and violence in South Africa, Dr Storey said the Candle for Peace and Justice would be cut".

The SABC's director-general, acting Mr Wynand Harmse, said Peter Storey no request of Dr Peter Storey no record- ing was done from any Methodist church for the coming Sunday because of points under discussion in the Advisory Committee on August 11".

Dr Storey said that at a meeting between him and the Rev Austen Massey with the SABC's Religious Directorate, it became clear it was not the directorate who had decided to censor the service, but that the decision had been taken by the SABC's acting director-general.

"They were the messengers. But we were being asked to submit to political censorship. No service of worship could be part of that," Dr Storey said.

The section to which objections were raised in part "On our altar stands a candle which is surrounded by a coil of barbed wire. The barbed wire symbolises the hurt and oppression in our land".

Radio church service cut

CAPE TIMES 11/8/88

JOHANNESBURG. — The SABC has been accused of censoring a Methodist radio service which was due to be broadcast on Sunday.

Dr Peter Storey, of the Central Methodist Church, said in a statement yesterday that his pre-recorded radio church service was cancelled because of a "threat by the SABC to censor part of the service".

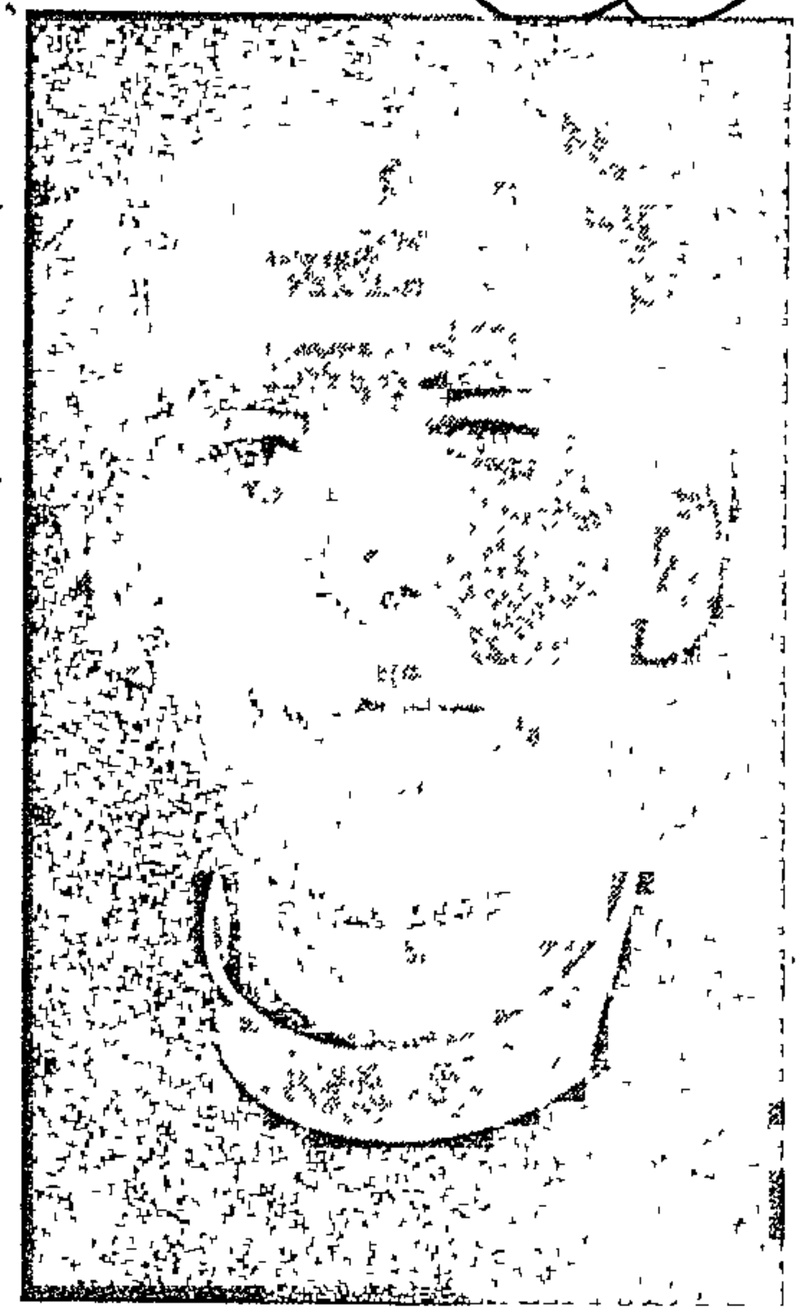
Dr Storey said in his statement that he was told by the SABC after his previous radio broadcast in June that if the "lighting of the Candle of Peace and Justice was included in his next worship, it would be cut".

The Candle for Peace and Justice is lit at each of the Central Methodist Church's services with prayers for those suffering because of oppression and violence in South Africa, Dr Storey said.

The SABC's acting director-general, Mr Wynand Harmse, said that "on request of Dr Peter Storey no recording was done from any Methodist church for the coming Sunday because of points under discussion in the Advisory Committee on August 11".

Dr Storey said that at a meeting between him and the Rev Austen Massey and the SABC's Religious Directorate, it became clear it was not the directorate who had decided to censor the service, but that the decision had been taken by the SABC's acting director-general.

"They were the messengers. But we were being asked to submit to political censorship of a service of worship.



CENSORED ... Dr Peter Storey

No Methodist Church could be part of that," Dr Storey said.

The section to which objections were raised said in part: "On our altar stands a candle which is surrounded by a coil of barbed wire. The barbed wire symbolizes the hurt and oppression in our land." — Sapa

Radio church service cut

Cape Times 11/8/88

JOHANNESBURG. — The SABC has been accused of censoring a Methodist radio service which was due to be broadcast on Sunday.

Dr Peter Storey, of the Central Methodist Church, said in a statement yesterday that his pre-recorded radio church service was cancelled because of a "threat by the SABC to censor part of the service".

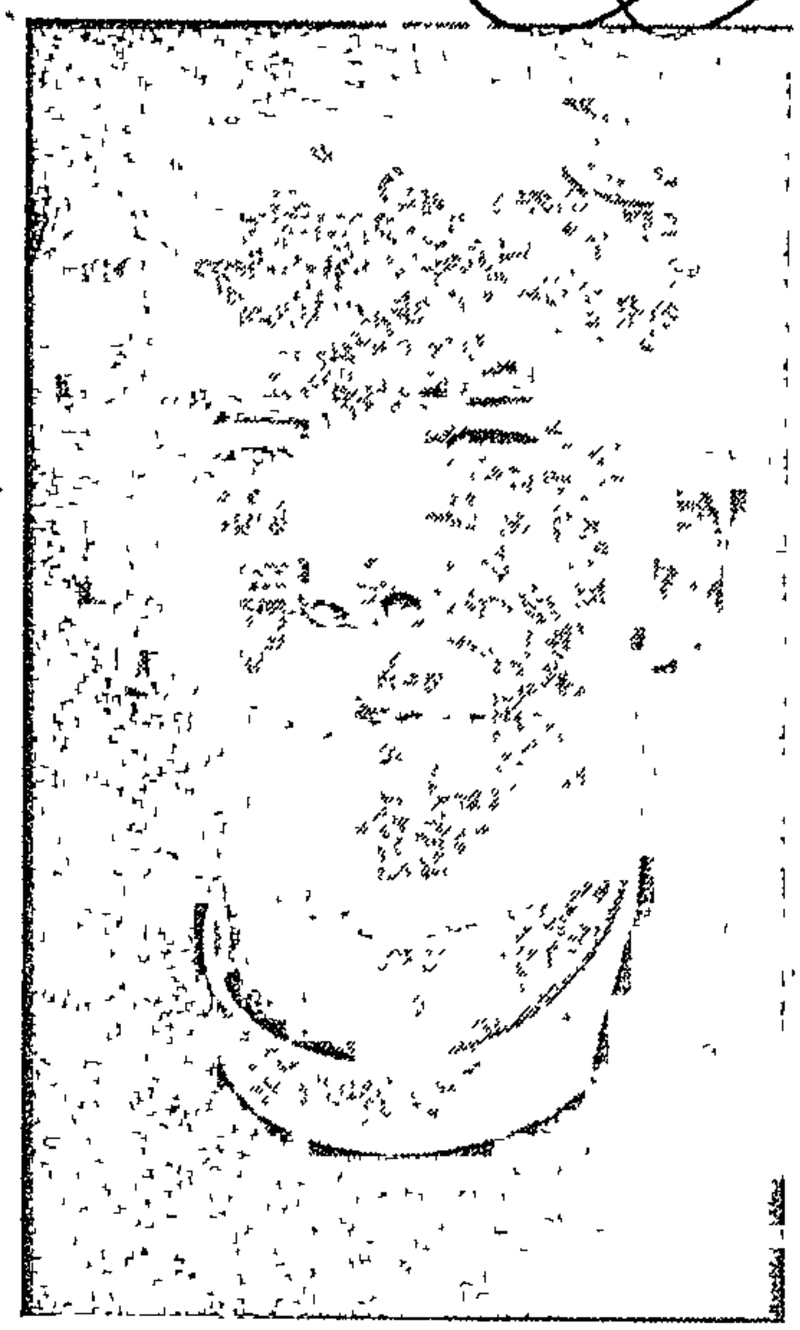
Dr Storey said in his statement that he was told by the SABC after his previous radio broadcast in June that if the "lighting of the Candle of Peace and Justice was included in his next worship, it would be cut".

The Candle for Peace and Justice is lit at each of the Central Methodist Church's services with prayers for those suffering because of oppression and violence in South Africa, Dr Storey said.

The SABC's acting director-general, Mr Wynand Harmse, said that "on request of Dr Peter Storey no recording was done from any Methodist church for the coming Sunday because of points under discussion in the Advisory Committee on August 11".

Dr Storey said that at a meeting between him and the Rev Austen Massey and the SABC's Religious Directorate, it became clear it was not the directorate who had decided to censor the service, but that the decision had been taken by the SABC's acting director-general.

"They were the messengers. But we were being asked to submit to political censorship of a service of worship.



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3/8/1

1/2/8/88 260 B/Day

GLEN SHELTON

Methodists in showdown with SABC over censorship threat

THE Methodist Church of SA has refused to broadcast services on the SABC until the issue of censorship of sermons has been cleared up.

Methodist Church south-western Transvaal district chairman Peter Storey said yesterday political censorship was "something the Methodist Church cannot be part of, and I told the SABC as much in a meeting."

He added "Until such time as they clear this issue up there will be no broadcasting by our church."

The problems arose when the SABC threatened to censor a sermon if the candle of peace and justice were lit.

The candle is lit in solidarity with "those suffering because of oppression and violence in SA", Storey said.

"I indicated for the sake of the hundreds and thousands of listeners that the threat should be lifted unconditionally before we broadcasted again.

"And I say threat because that was what it was. If it was an error on their part then there should be no problem about lifting the threat.

"However, if it is deliberate policy, then it is a different matter."

The SABC's Religious Advisory Council met yesterday afternoon to discuss the issue and acting corporation head Wynand Harmse said a statement would be made as soon as a decision had been reached.

UNISA 'UNIVERSITY OF THE AIR'

GERALD REILLY

PRETORIA — The University of SA (Unisa) will broadcast programmes for students weekly from August 18 on Radio 2000.

This is the first time the SABC and a university have collaborated in presenting programmes for students.

The broadcasts will be presented on Thursdays from 10pm to 11pm and be rebroadcast the following Saturday mornings at 10am.

Each hour-long programme will consist of 30 minutes in Afrikaans and 30 minutes in English. The content will be the same in both languages.

The 10 programmes are part of a research project by Unisa's Department of Didactics aimed at determining the viability of radio broadcasts for students.

Six of the programmes will be directed at students enrolled for the higher education diploma didactics course, while the other four will be directed at all students.

The rising number of Unisa students — nearly 100 000 — made research on the use of broadcasting a necessity.

Depending on the reaction of students, and results of the research project, further possible programmes will be decided.

Eskom wants power for all South Africans

12/8/88 Star 260

BY NORMAN CHANDLER

Power to the people .. Eskom believes electricity is a key to a better life for South Africans.

Eskom wants the Government to place a higher priority on electricity. This would then lead to the total electrification of South Africa — at a cost of R7 billion — and vastly improve the quality of life for all its peoples

The utility — which supplies 60 percent of Africa's total electricity — particularly wants rural electrification to be actively pursued It says that 80 percent of the country lacks electricity

Eskom's chief executive, Mr Ian McRae, told The Star in an interview "It will not be difficult to get the money for such an undertaking Project financing from Europe and possibly the United States would be a distinct possibility"

Mr McRae said the State, as well as Regional Service Councils and local authorities, viewed electricity at such a low profile that it was harmful to South Africa, in general

"What we have noticed, and found, as far as the Regional Service Councils and many local authorities are concerned, is that electrification is not of a high priority rating," he said

"Money, skills and administration are problems for some of these authorities, who tend to see roads, food production and water as coming first We say they should turn it around

"You need power supply The energy base is vital more focus should be placed on energy"

Mr McRae said that a year ago, Eskom — the fifth largest electricity utility in the world — had "tried to bring home to South Africa, and particularly the decision-makers, the need to consider electrification of both urban and rural areas

"We tried to show the economic benefits, and these are considerable

"We advised that electrification would open the door to development of small industries and individual entrepeneurs In other words, it had the potential to open up the marketplace and also to improve the quality of life"

The financing of a major electriciation scheme covering the whole country — "80 percent people in South Africa lack electricity" — was an enormous undertaking but it was not an impossibility

"There are a number of possibilities in regard to financing One is from the Government if they accepted the high priority rating we give electricity, another is through the Regional Services Councils, which also does not place high priority on this commodity, and the third is through the Development Bank of Southern Africa

"I believe, too, that it will not be difficult to get project finance for such a massive undertaking We could, I believe, raise the money in Europe, and possibly the United States as well As it will be used to improve the standards of the Third World sector of this country's population, there may even be a case for soft loans" Mr McRae said

Academics say SABC is selling itself short

A STUDY shows the SABC could have made about R104m profit instead of a R13m loss if it followed generally accepted accounting practices.

This was claimed after the SABC's 1987 financial statements were analysed as part of a research project by the University of Pretoria's School of Accountancy.

Auditing department head Professor Dieter Gloeck, who did the research with senior lecturer Gert van der Linde, said the SABC financial reporting method

MANDY JEAN WOODS

was misleading.

"The SABC referred to its loss of R13,2m in 1987 as justification for recently increasing television licence fees, but if the SABC financial statements are judged according to GAAP (generally accepted accounting practices), the loss changes to a substantial profit," he said.

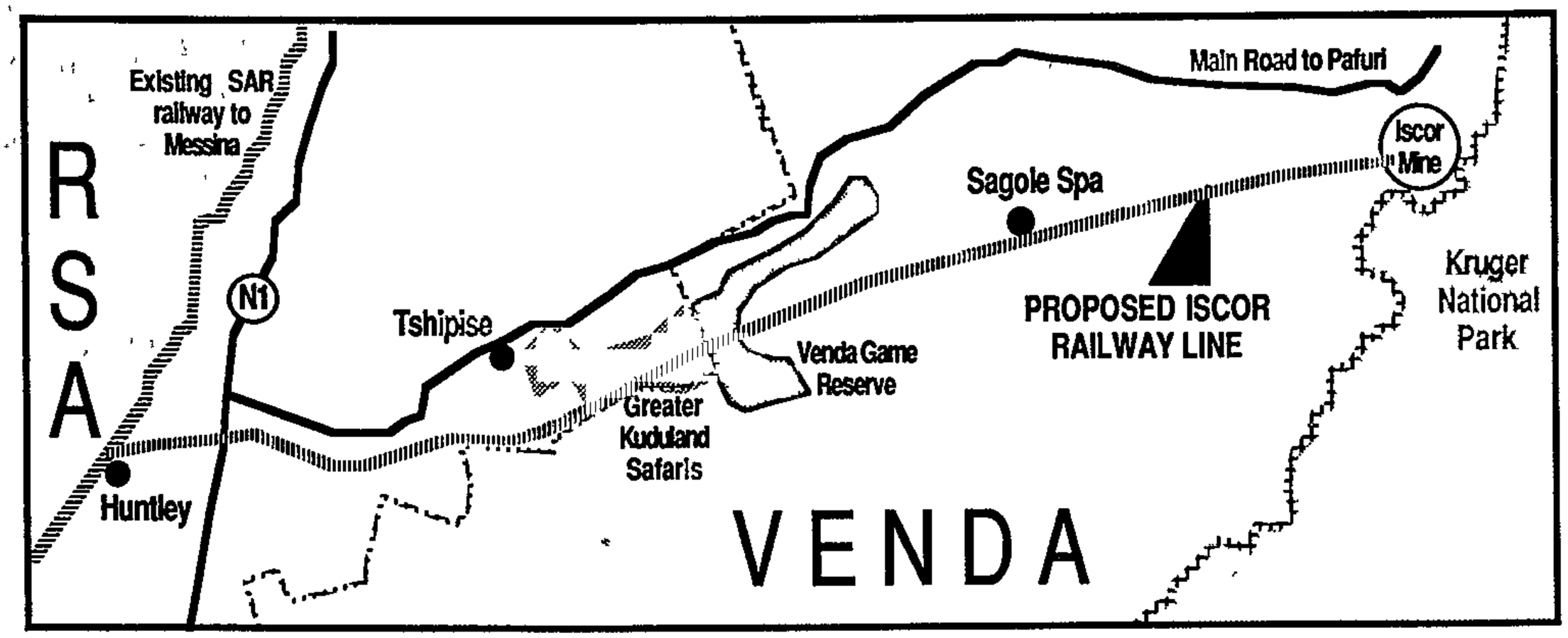
GAAP requires that revenue and costs are matched, that revenue and profits are recognised only when realised, that all items are treated consistently from one period to another and that the entity is a going concern.

He said the accounting practice was not the fault of the SABC board, its management nor auditors.

The problem lay with existing legislation which did not require GAAP principles be adhered to.

He added the SABC had indicated it had changed some of its accounting policies to make GAAP more applicable in future reports.

Line runs through Venda's new national park



Anger over Iscor rail link

By Melanie Gosling

A proposed railway line for Iscor in the northern Transvaal which will cut through Venda's Nwanedi National Park, the Sagole Spa and 25 farms and private game reserves has been slated by landowners and conservationists

One rancher has said the line, which will carry coal from Iscor's Tshikoneni mine on the border of the Kruger National Park, will destroy his game farm and put him out of business

Worried landowners have organised a meeting for later this week to discuss their rights and a course of action

The 123 km railway line will run from Tshikoneni to Huntleigh, about halfway between Messina and Louis Trichardt

Sixty-four kilometres of the line will be in Venda and 59 km in South Africa Construction is planned to start in January next year

Mr Peter Knott, owner of a 10 000 ha game farm, said the line would cut his land in half

"It will put me out of business Once this line goes through it will mess up the environment forever I run game capture operations and hunting safaris.

Hunters

"No overseas tourist is going to come to experience the wilds of Africa if there is a train rumbling past

"There is so little wilderness area left, especially privately owned, that I'm amazed Iscor can even consider doing this," Mr Knott said

He said overseas hunters brought R40 million to South Africa every year Several had written to him saying they would not return to his property if the railway line was built

Mr David Wearne, the manager of Venda Tourism Services and of the local Environmental Education Centre, told The Star he was adamantly opposed to the line going through Nwanedi National Park

"The national park was proclaimed only last year and already there are plans to have a railway line cutting it in half which will have a very negative effect on the reserve The line will also destroy the Sagole Spa and all our plans for game and tourism development in that area "

He said the line would benefit no one but Iscor and would be used for only 23 years

"It is a short-term policy which will be to the detriment of Venda's long-term development "

The manager of Iscor's public relations department, Mr Piet du Plessis, said the route for the line had been decided on after considering economics, the terrain and the environment

"This is a very important project. We need the coking coal Obviously we would like other people to benefit from the project as well We will be creating employment opportunities," Mr du Plessis said

He said Iscor had employed outside consultants to look at the impact of the railway line on the environment

SABC rejects 'R104-m profit' as outrageous

JOHANNESBURG. — The research report by the University of Pretoria on the finances of the South African Broadcasting Corporation is "outrageous", says Mr W J J Harmse, acting director-general of the SABC.

A team of accounting academics at Pretoria University claimed last night that the SABC actually made a R104-million profit last year — and not a loss of R13-million, as it claimed.

At the same time the academics called for legislative amendments to oblige the SABC to report financially as Eskom now had to do.

"The external auditors of the SABC (two separate professional auditing firms) have confirmed officially that the accounts reflect a true and accurate review of the financial position and the transactions of the corporation," Mr Harmse said.

"ACADEMIC PURPOSES"

"In the research done by the University of Pretoria team, certain assumptions have been made for academic purposes, but these, because they are erroneous, give rise to a misleading picture of the SABC's financial position."

The university report said the so-called "loss" on operating results of the SABC was now being quoted to justify an increase in licence fees. — Sapa.

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Problems of privatisation

PRIVATISATION is an essential element in the revitalisation of the SA economy, as resources must be transferred to the generally more efficient private sector Nevertheless, the low level of profitability of the major public corporations is an issue to be addressed before privatisation can become viable

Eskom is widely regarded as the blue chip among the parastatals It has achieved striking advances in efficiency. A loss of R163m in 1984 has been transformed into an untaxed profit of R702m in 1987

However, the corporation still bears very little resemblance to any of the larger public companies For one thing, Eskom is too highly geared with a debt/equity ratio of 285% Provision will have to be made for a partial or total conversion of debt into equity before a listing can be arranged

Deciding on how a monopoly like Eskom should be privatised is not a simple affair In the UK, the Central Electricity Generating Board is to be restructured into a number of competing generating and distributing companies before listing

The most serious constraint to privatisation, however, is Eskom's low level of profitability relative to its capital base If Eskom paid full tax and was valued on a historic price-earnings multiple of five to six, then the market capitalisation of Eskom would be between R1,8bn and R2,1bn, or less than 30% of the corporation's accumulated reserves of R7,3bn

If Eskom had no debt, it would have achieved a pre-tax profit of R2,8bn in 1987 With a clean balance sheet, market capitalisation would be between R7bn and R8,4bn, less than one-third of the corporation's assets of R28bn

A low level of profitability implies one of two things either the organisation is inefficient or the prices charged are too low It is likely that prices charged are too low Due to government's anti-inflation policy, it may take many months or even years before electricity tariffs make Eskom an attractive listing proposition

Like Eskom, Iscor's return on shareholders' funds is inadequate and needs to be boosted before a listing can be feasible

In 1987, the corporation earned a profit of only R93m on shareholders' funds of R3,6bn — a return on equity of 2,6% If government aims to get paid at least book value for Iscor's assets, its profits need to increase by a factor of at least six — something which cannot be achieved overnight

Iscor urgently needs to either improve internal efficiency or to raise prices The latter may not be an easy proposition

Sats is the least likely candidate for privatisation This is despite the fact that it has already taken steps to improve efficiency For example, the number of employees was reduced by 8,6% in 1987 alone Institutions, however, are unlikely to be interested in investing in Sats in its present form

At best, one or two profitable divisions of Sats could be listed on their own The profitable divisions include harbours, pipelines and SAA In particular, SAA showed a pre-tax profit of R109m in 1986/87

If the profitable divisions are privatised, however, the remainder of Sats will incur losses and will have to be subsidised

Privatising the railways would be virtually impossible in the foreseeable future The division lost more than R700m in 1986 and more than R400m in 1987

Foskor is one of the few public corporations that could be privatised relatively quickly — probably over the next two years Foskor has a track record of rising profits from R2,7m in 1985 to R8m in 1986 and R17,5m in 1987

The return on equity is a favourable 15,1%, although this measure may not be very useful for a mining company Foskor should benefit from the falling rand — about a third of its production is exported

Sanctions do not appear to be a problem Prospects for a rise in the international price of phosphate rock over the next year seem quite good A Foskor listing could raise about R100m and would be a good test case for government before any larger listing

What can be done to increase the profitability of the parastatals?

Reducing the labour force through retrenchment is neither sensible nor politically possible The alternative option of not hiring additional staff as the organisation grows is preferable However, it may take a few years before substantial efficiencies can be achieved via this route

Certain public corporations need to increase tariffs, but major increases are unlikely over the next year as this will conflict with government's policy to fight inflation

I have not referred to the issue of under-capitalised parastatal pension funds, but this is a very serious problem which will have to be resolved Finally, the major public corporations need to establish a track record of rising high quality earnings before they can be listed

The road to privatisation is bumpy and, in my opinion, very long, but full of opportunities which the country cannot afford to miss

John Banos, chief economist of stockbrokers Simpson McKie Inc, outlines some of the formidable problems that will have to be overcome in the privatising of public corporations like Eskom, Iscor and Sats.

Botha's bombshell

18/8/88

BY DAVID BRAUN

South Africa is a major producer of uranium and the only country in Africa with a nuclear power station The Star's Political Correspondent analyses the implications if the country signs the Nuclear Non-Proliferation Treaty.

Does South Africa have the bomb? This question has been posed for many years both at home and abroad

Controversy in British and South African newspapers over Foreign Minister Mr Pik Botha's remark that South Africa has the capability to make a nuclear explosive device has raised the question again.

It is not entirely clear why Mr Botha's remark has raised such a storm, as nuclear experts the world over have for a long time known or strongly suspected that South Africa has such a capability

This is precisely why Mr Botha and his colleague, Technology Minister Mr Danie Steyn, were in Vienna negotiating South Africa's possible signing of the Nuclear Non-Proliferation Treaty (NPT) last week

Had there not been such international concern for years that South Africa could misuse its nuclear capability, major countries would not have been so anxious that Pretoria put its signature to the NPT

South Africa stands to gain by signing the agreement, provided this country is treated in exactly the same way as any other signatory

This means it must be guaranteed the right to take part in the international exchange of nuclear technologies, the sale and purchase of uranium, and access to nuclear plants all over the world

In terms of Article IV of the NPT, all parties have the inalienable right to develop research, production and use of nuclear energy for peaceful purposes without discrimination

All the parties to the treaty undertake to facilitate and have the right to participate in the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful use of nuclear energy

Parties to the treaty in a position to do so must also co-operate in contributing alone, or together with other states or international organisations, to the further development of applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapons states that are party to the treaty, with due consideration for the needs of the developing areas of the world

South Africa's obligations as a signatory would be to undertake not to manufacture nuclear weapons while at the same time it must open its own nuclear installations to international inspection South Africa must also share its own nuclear expertise with others

The problem for South Africa is that in terms of sanctions legislation, particularly in America, it might not be able to exercise its full rights in terms of the NPT (such as technology exchanges and the export of uranium)

These are the points on which South Africa has been negotiating behind the scenes with various countries, as well as last week in Vienna

It is not clear how much progress has been made on securing these guarantees

The vague statement issued by Mr Botha and Mr Steyn after the Vienna talks merely stated that South Africa had been given a clearer indication of the implications of its signing the NPT

It also said further negotiations with other countries were necessary before South Africa could make a final decision

It is difficult to know what guarantees the United States could give South Africa, in view of its position that its congressional laws override international treaties

A congressional ban on South African trade could, for example, override South Africa's rights in terms of the NPT to buy and sell uranium in America

There are wider implications for South Africa's becoming party to the NPT

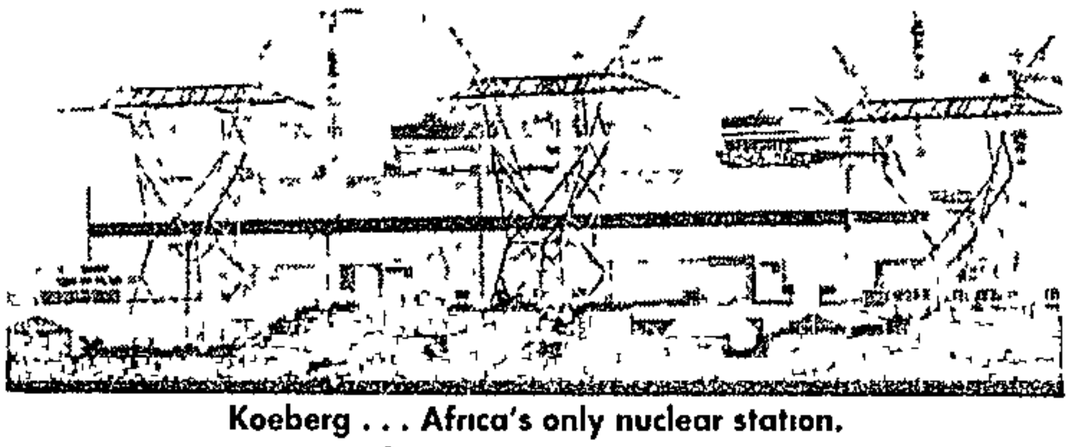
South Africa is currently the only country in Africa with a nuclear power station Nuclear energy is very much the energy of the future

Worldwide fossil fuel resources are expected to start depleting rapidly over the next 30 years, and round about the year 2020 uranium will be a most precious commodity as the cities of the world look for alternative fuels to provide them with energy

South Africa is a major producer of uranium and its reserves of this precious material are substantial

To take advantage of this, the country needs to keep abreast of nuclear technology and to remain locked into the world's nuclear network

South Africa itself must look to building more nuclear power stations over the next 20 to 30 years The Government is already considering a second N-plant, to be located either in the eastern Cape or Natal Access to the latest power-station technology and components would be essential for this



Koeberg . . . Africa's only nuclear station.

On the other side of the coin is the military use of nuclear technology

South Africa has enjoyed a strategic advantage by keeping the world uncertain about whether or not it has acquired nuclear weapons

The use of such weapons for South Africa would be very limited, as it definitely does not possess intercontinental delivery systems Regional targets for short to medium-range nuclear missiles or bombs are hardly likely in view of the massive spillover effects such an attack would have on the South African environment

The possession of nuclear weapons, however, does act as a strong deterrent against an all-out conventional attack on South Africa A desperate government could conceivably use nuclear weapons as a last resort

South Africa is therefore unlikely to ever reveal whether it has nuclear weapons or not

That is why Mr Pik Botha gives enigmatic answers to outright questions of this nature These non-answers in turn cause much excitement as to what Pretoria's game-plan could be with regard to nuclear weapons

The chances are that Pretoria does not in fact possess nuclear weapons, but that it can produce them at very short notice

Anyone who owned a nuclear power station could manufacture nuclear weapons, one international expert was quoted as saying this week

The designs for nuclear weapons have apparently been published in Western scientific journals It cannot be beyond the wit of South African scientists, with the help of a few friendly countries abroad (which have similar international problems), to develop a weapon

The international controversy which greeted Mr Botha's confirmation of this capability last week confirms the nervousness in the world that South Africa may cross the threshold and become a nuclear-weapons state

If South Africa does not sign the NPT, the world will be no closer to knowing the position

Business Report

Eskom aims to expand power net in Africa

C/E Trips 19/8/88 260

Own Correspondent

JOHANNESBURG — Eskom hoped to extend its power network to Angola, Zaire and Tanzania, CE Ian McRae told the SA British Trade Association (Sabrita) seminar in Johannesburg yesterday

He said Eskom had contact with seven of the nine Southern African Development Co-ordinating Conference countries which opposed SA politically but saw the benefit of economic co-operation

Eskom's infrastructure already extended over an area the size of western Europe

McRae said SA had economic contacts with Zambia and Zimbabwe, both of whom rejected any association with the country on a political level

Infrastructure

The fact that these countries, together with Swaziland, Lesotho and Botswana, had taken advantage of SA's infrastructure and markets showed how economics could dictate a country's relations

Co-operation between Southern African neighbours would result in a transfer of technical skills, the tapping of available resources and the identification and tackling of common problems

This would ultimately lead to the development and prosperity of the entire region, as economic stability was a prerequisite for political development. This goal could never be reached without the participation of SA.

McRae said the cost of installations could be halved if some First World standards were dropped, without compromising safety standards

McKrae said SADCC should realize their objectives to develop the Southern African region were in line with Escom's aims. He said, however, this goal would never be realized without the participation of SA He welcomed an opportunity to talk to SADCC

Vacancy at SABC

Cape Times 19/8/88

260

Own Correspondent

PORT ELIZABETH. — Situation vacant: Director-General of the SABC, salary negotiable.

The SABC, yesterday took the unprecedented step of announcing on its radio and television services that it is looking for a Director-General to replace Mr Riaan Eksteen, who left the corporation on early retirement in April this year.

Dr Brand Fourie, chairman of the board, said last night that the corporation wanted as wide a selection of candidates from inside and outside its ranks as possible.

The announcement said the new director-general should be "a competent and professional manager with a business-orientated management style and an approved success record.

"He should also have a thorough knowledge, grasp and background of, and be attuned to, the widely diversified South African cultural, social, political, religious, educational and political needs."

SABC staff members heard the announcement with a mixture of incredulity and hilarity. Vacant posts in the corporation are sometimes publicly advertised, but that of director-general has never been one of them.

SABC and Bop on the lookout for new chiefs

By Clare Harper

The South African Broadcasting Corporation is still advertising its top management job — worth R130 000 a year plus perks — vacated by Mr Riaan Eksteen in April

And the Bophuthatswana government is now also advertising for a director-general of broadcasting.

Applications for the SABC director-general post close on September 9, which means the new appointment can be made only at the board's next meeting in October

According to a report in The Sunday Star, the advertisements are a last-ditch attempt to find a suitable candidate because "no one wants to work for President Botha as his 'in-house' propagandist and risk getting the chop at the drop of an ill-tempered phone call"

The Minister in charge of broadcasting services in the Office of the State President, Mr Stoffel van der Merwe, told The Sunday Star that the SABC board was awaiting consultants' reports on financial and management structures that could influence the appointment of the new director-general

BENEFITS

He said the search for Mr Eksteen's successor had not begun in earnest, but admitted the delay was unfortunate

The Bophuthatswana Ministry of Broadcasting is also advertising the post of director-general in Mmabatho, with negotiable salary and fringe benefits

The acting director-general is Mr Jan Ackerman

The MINISTER OF LAW AND ORDER

Yes

(a) and (b) Fall away

CSIR: funds received from private sector

1282 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

(1) Whether the Council for Scientific and Industrial Research has been receiving funds from the private sector, if so, (a) since when and (b) what percentage of its budget was financed by the private sector over the latest specified period of 12 months for which information is available,

(2) whether any conditions are attached by the private sector to funds so provided, if so, what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(1) Yes
(a) At least since 1963
(b) 4,42%

(2) Yes, normal conditions of contract, viz that the funds are used for specific research purposes

Cape College of Education, Fort Beaufort

1285 Mr K M ANDREW asked the Minister of Education and Development Aid

(1) (a) Who are the members of the council of the Cape College of Education in Fort Beaufort and (b) what are their (i) occupations and (ii) qualifications,

(2) (a) how often does this council meet and (b) on what dates did it meet in 1988?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(1) (a) Messrs W A Staude, S T Bantom, S Anderson, L C Koch, Mrs A N Tukulu, Mrs Maneli

(b) (i) and (ii) Mr W A Staude
Regional Director, Cape Region, Department of Education and Training, BA and Post-graduate Certificate of Education

Mr S T Bantom
Inspector of Schools, Department of Education and Training, Higher Primary Teachers' Certificate

Mr S Anderson
Managing Director, Maybaker, SA (Pty) Ltd, Not available

Mr L C Koch
Chief Director, Community Development, Cape Provincial Administration, Not available

Mrs A N Tukulu
Principal Education Adviser, Education Auxiliary Service, Department of Education and Training, BA (Hons) and Higher Primary Teachers' Certificate

Mrs W Maneli
Principal, Department of Education and Training, BA (hons) and University Education Diploma

Note According to the relevant regulation the Governing Council shall consist of seven members At the moment one position is vacant

(2) (a) Once a quarter in accordance with the relevant regulation

(b) 23 March 1988 and 23 May 1988

Marine products exported

1286 Mr R J LORIMER asked the Minister of Environment Affairs

(1) (a) What quantity of (i) white fish, (ii) rock lobster and (iii) abalone was exported during the latest specified period of 12 months for which statistics are available and (b) what was the rand value or estimated rand value of these exports in each case,

(2) what is the policy of his Department in regard to the quantities of marine products exported

The MINISTER OF ENVIRONMENT AFFAIRS

(1) I do not deem it in the national interest to pubicly divulge export statistics in respect of the relevant species I am however, prepared to furnish the honourable member with the statistics privately

(2) The Departmental policy regarding the quantities of exports of marine products, is aimed at satisfying the domestic demand for sea fishes, having regard to the need to generate foreign currency

Western Transvaal Area Development Board: dissolution

1287 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the Western Transvaal Area Development Board has been dissolved, if so, (a) on what date, (b) what was the value of this board's (i) assets and (ii) liabilities at the time of dissolution and (c) to whom were these (i) assets and (ii) liabilities transferred?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

The Western Transvaal Area Development Board, has been dissolved,

(a) 1 July 1986;

(b) (i) and (ii) — Details are not available

(c) (i) and (ii) — To the Administrator of the Transvaal in terms of Government Notice 2885 of 31 December 1987

Central Transvaal Area Development Board: dissolution

1288 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the Central Transvaal Area Development Board has been dissolved, if so, (a) on what date, (b) what was the value of this board's (i) assets and (ii) liabilities at the time of dissolution and (c) to whom were these (i) assets and (ii) liabilities transferred?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

The Central Transvaal Area Development Board, has been dissolved,

(a) 1 July 1986,

(b) (i) and (ii) — Details are not available

(c) (i) and (ii) — To the Administrator of the Transvaal in terms of Government Notice 2885 of 31 December 1987

East Rand Area Development Board dissolution

1289 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the East Rand Area Development Board has been dissolved, if so, (a) on what date, (b) what was the value of this board's (i) assets and (ii) liabilities at the time of dissolution and (c) to whom were these (i) assets and (ii) liabilities transferred?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

The East Rand Area Development Board, has been dissolved,

(a) 1 July 1986,

(b) (i) and (ii) — Details are not available

(c) (i) and (ii) — To the Administrator of the Transvaal in terms of Government Notice 2885 of 31 December 1987

East Cape Area Development Board. dissolution

1290 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the Eastern Cape Area Development Board has been dissolved, if so, (a) on what date, (b) what was the value of this board's (i) assets and (ii) liabilities at the time of dissolution and (c) to whom were these (i) assets and (ii) liabilities transferred?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

The Eastern Cape Area Development Board, has been dissolved,

(a) 1 July 1986,

(b) (i) and (ii) — Details are not available

(c) (i) and (ii) — To the Administrator of the Cape of Good Hope in terms of Government Notice 2885 of 31 December 1987

Eastern Transvaal Area Development Board, dissolution

1291 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the Eastern Transvaal Area Development Board has been dissolved, if so, (a) on what date, (b) what was the value of this board's (i) assets and (ii) liabilities at the time of dissolution and (c) to whom were these (i) assets and (ii) liabilities transferred?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

The Eastern Transvaal Area Development Board, has been dissolved,

(a) 1 July 1986.

(b) (i) and (ii) — Details are not available

24/8/88 B1 Day

Rise in petrol price will affect Sasol

R60

The increase in the petrol price from September is expected to have a marked effect on Sasol's profits. Market analyst STEPHEN RICHTER examines the share's prospects.

WITH the petrol price due to be increased shortly, Sasol appears to offer excellent value at current levels.

After rising to a high of R15,75 at the top of the bull market, Sasol is now selling at less than half of that price.

Consequently, its historic earnings and dividend yields have risen to 10,7% and 6,5% based on last Friday's level of 735c

Sasol's profit margins have been under pressure during the past few years.

Most readers will have no trouble remembering when the cost of petrol was more than R1/*l*

When the fuel price was reduced to where it is now, Sasol felt the effects on its bottom line performance

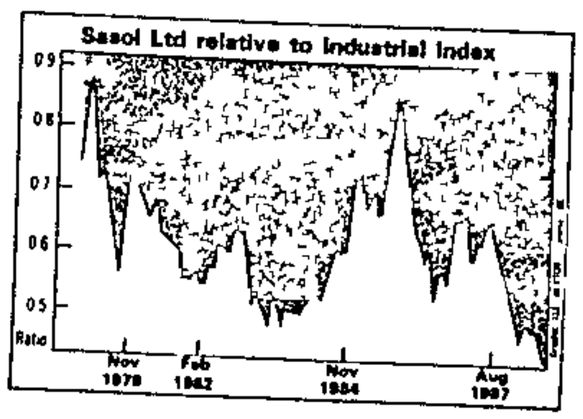
Pressure

Not only are profits being squeezed by the lower petrol price, but the high inflation rate that exists in this country puts pressure on the company from the cost side of the business as well

Therefore, it should come as no surprise that Sasol's profits have been falling since 1986

But the increased petrol price should help to reverse Sasol's earnings slide which could help boost its share price from current levels.

Provided we are not about to witness another severe market decline, there is further evidence to suggest



that Sasol must be close to a bottom

The accompanying chart measures the company's performance against the JSE actuaries industrial index from the time the share was first listed in 1979.

The ratio shown in the chart is arrived at by dividing Sasol's share price by the value of the industrial index at any given time

As can be seen, shortly after Sasol was listed the ratio quickly rose above 0,85.

It then fell sharply and only found renewed strength once the ratio fell below 0,5

After this level was reached, the ratio again entered a bullish phase and rose above 0,85

The fact that Sasol could not advance above this level a second time confirms that significant resistance now exists above 0,85 based on Sasol's price in relationship to the industrial index.

Looking at the current situation, the ratio has again slumped below 0,5 which is only the second time this has happened since the company was listed.

Support

Just as the 0,85 ratio level appears to offer significant resistance, the 0,5 ratio reading could act as a support level.

Practically speaking, Sasol shareholders who kept a close eye on this chart would have been wise to switch out of the company once the ratio rose above 0,85 and moved into more promising investments.

But with the ratio now below 0,5, investors have a golden opportunity to purchase Sasol at a cheap level in relationship to the overall market

Therefore, a switch from other shares into Sasol could prove rewarding during the next few years, as the chemical giant could be poised to outperform most industrial shares over that period.

SA science in the doldrums

'Task force' to see PW

Pretoria Correspondent

A three-man "task force" is to approach the State President, Mr P W Botha, to negotiate a new deal for science in South Africa, it was decided at the closing session of a congress on People for Research and Development at the CSIR

"The task force will formulate problems facing South African science, and seek short, medium and long-term solutions to our present problems," the CSIR's group executive for research, development and implementation, Dr Brian Clark, said

The congress was sponsored by the Associated Scientific and Technical Societies (ASTS) of South Africa

The top-level three-man team will consist of Professor D M Joubert, rector of the University of Pretoria, Dr Chris Garbers, president of the CSIR, and Mr Marius de Waal, chairman of Iscor and the Industrial Development Corporation (IDC)

"There is a general lack of research management at all levels in South Africa

Blueprint

"There is an overwhelming need for a blueprint to guide South African science out of its present doldrums Otherwise, we could face catastrophe," Dr Clark said

Sanctions against South Africa, he said, would get worse and would definitely hit South Africans

"In addition, we are losing the cream of our skilled manpower

"Women and blacks should be trained to play a far more vigorous role in South African science

"The impact of fragmentation has now hit us We have, for instance, 21 bureaucracies running health alone and this is nothing but living in cloud cuckooland," Dr Clark said

"We need clear thinking if we are to keep pace with overseas developments And the only way we can do this is with the help of the Government A holistic approach is required if the national interest is to be best served by its scientists

"The pragmatic view must prevail if we want to be part of the new world," he said

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26/8/88 B Day

NEWS FOCUS

Eskom's pollution claims challenged

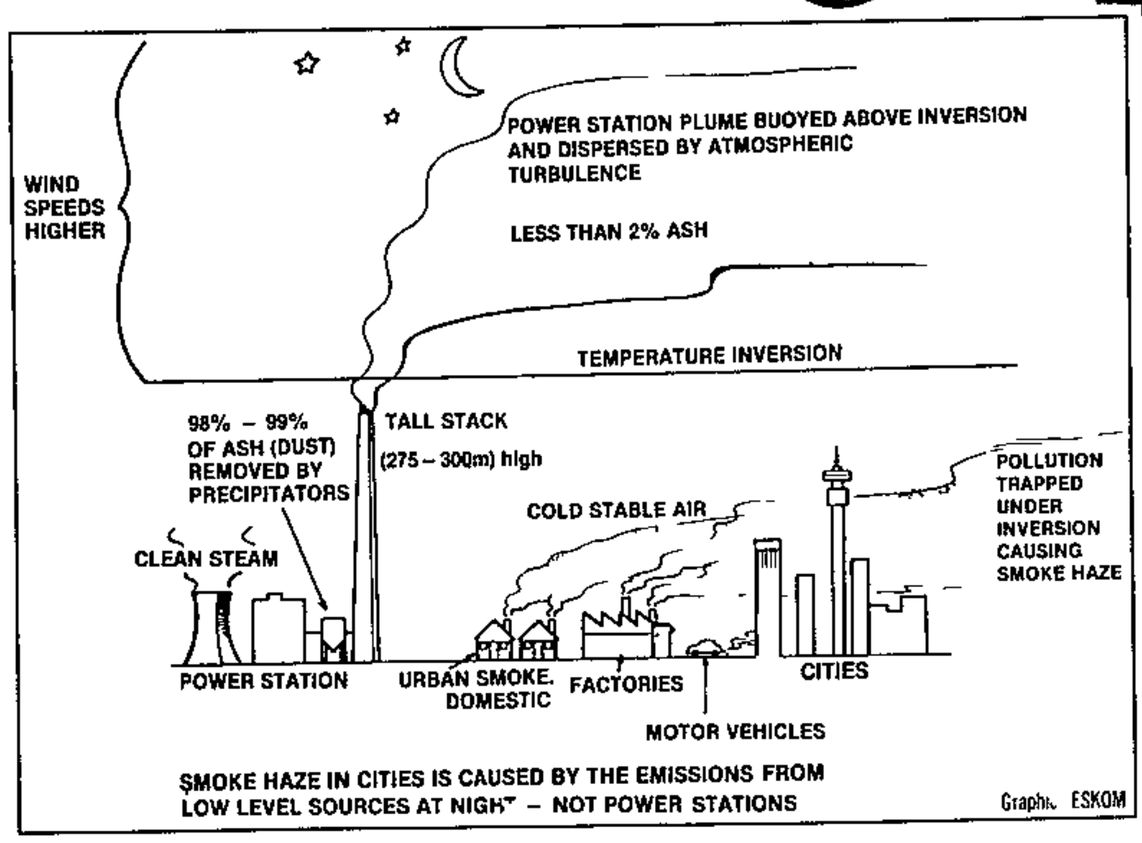
ESKOM announced this week it was to set aside R122m over the next six years to upgrade air pollution control equipment, asserting itself as "an anti-pollution force"

But claims about the effectiveness of pollution control at Eskom power stations were immediately challenged by some environmental experts, who referred to various reports on the high levels of air pollution caused by power stations and industrial plants, particularly in the Transvaal

In Eskom's statement, GM in charge of environment control Herman Edeling said every power station built since the late Sixties was equipped with precipitators costing R100m Eskom had spent R800m over the past 20 years to combat air pollution. But improvements still needed to be made

"In the provision of electricity to improve living standards, a balance must be maintained between people's health, utilisation of resources, appropriate technology, costs and impact on the environment" Eskom claims the precipitators can remove "between 98% and 99%" of coal dust from the waste product before it is released, with the remaining 1% or 2% being released above the stable air layer or inversion level by tall chimneys

For more than 10 years Eskom had been involved, in conjunction with the CSIR, in investigating pollution effects. It had spent about R1m on the project, contributing 70% of the data of the CSIR report applied



GLEN SHELTON

On "acid rain," Edeling assured the public there was no reason for concern. SA had a very low sulphur content — the active ingredient in acid rain — in the atmosphere "At present the sulphate and nitrate deposits in SA are much lower than those of comparable areas overseas"

However, other researchers expressed concern about the accuracy of these findings Although Eskom met all governmental requirements to prevent pollution, there could be a discrepancy in how these were

the type of preventive action used in SA is similar to those used in other climates and, according to Colleen Vogel of Wits University's Geography Department, the SA atmosphere is not conducive to this type of dispersal process

"The PH levels can differ according to the context of the climate," she said "Depending on the volatility of the environment, the pollution levels differ

"We have a very stable winter environment, which collects the waste rather than clearing it The Eastern Transvaal is the worst possible place for coal burning"

The CSIR report on pollution mentioned that power stations and industrial plants in the Eastern Transvaal have created among the worst conditions in the world Plants on the Highveld pump sulphur into the middle level of the atmosphere This is turned into "acid rain" and carried as far as Natal and the Free State

A study two years ago by Professor A M Coetzee of Pretoria University found children exposed to air pollution in the Sasolburg area were much more susceptible to certain respiratory illnesses

Eskom's Greg Tosen, a researcher into pollution control, said many of the studies were contradictory and no final answer was available He could not explain reports recently that claimed SA had the dirtiest skies in the world

He acknowledged that although he could make statements on the levels of pollution in the air, he was not a medical doctor

"I can't speak on the health of the population, but I can tell you the levels of sulphur dioxode in the Eastern Transvaal Highveld are not a problem in terms of internationally accepted standards"

Jo'burg PFP leader furious over TV 'axeing'

SUE OLSWANG

THE SABC has been accused of allowing itself to be deliberately used as a medium for the "partisan advancement of the National Party in the forthcoming municipal elections"

This accusation comes from Mr Tony Leon, leader of the Progressive Federal Party (PFP) in the Johannesburg City Council, after the cancellation of his proposed appearance on Friday night's "Sundowner" magazine programme.

In an exclusive interview with the Saturday Star, Mr Leon said he was approached by Mr Dave Charles, producer of "Sundowner", and Ms Karen McCann, production assistant, and asked to appear in an interview with Mrs Flo Bird of the Parktown Association.

"They approached me on Monday August 22 and asked me to appear in an interview on Friday the same week," Mr Leon said.

"I was due to appear with Mrs Bird in an interview on the question of municipal financing and ratepayers' involvement in local government.

"The interview was confirmed by Ms McCann on Tuesday but the following day, without having discussed the programme with anyone else, I was advised by the secretary of Mr Danie van Zyl, leader of the National Party in the Johannesburg City Council, that she had heard through the grapevine that I was to appear on 'Sundowner'.

"I find it quite extraordinary that members of the NP in Johannesburg are privy to the guest schedule for SABC TV magazine programmes.

"I was also advised, by another member of the

● TO PAGE 2

GAGGED: Tony Leon, who will not be appearing on TV. ● Photograph: Karen Fletcher

TV drops PFP man

● FROM PAGE 1

Johannesburg City Council management committee's staff, that the NP contingent on the management committee were determined to stop me appearing on TV."

Mr Leon said Ms McCann contacted him on Thursday night and advised him that an instruction had been received from SABC TV management. He was not to appear on the programme because he was a candidate in the municipal elections.

"The only inference to be drawn from the chronology of events is that the NP in the Johannesburg City Council is determining the content of SABC TV programming and is also exercising a right of veto over guests," he said.

"This attitude of preventing municipal candidates from appearing on television is most alarming as it is only directed against the PFP

The NP's Mr Danie van Zyl had made at least three appearances on 'Network' to deal with the issue of tollgates.

He said Mr Cecil Bass, city councillor for Hillbrow, and Mr James Dryja, vice-chairman of the Hillbrow Traders' Association, were recently interviewed for a TV programme on Hillbrow but the interviews with them were cut from the final programme, despite the fact that both are closely involved with Hillbrow. Both men are PFP candidates for the municipal elections

The same programme featured Mr Danie van Zyl, a Nat candidate for the same elections.

Mr Leon said last night that during the screening of "Sundowner", presenter Penny Smythe said a number of people on the Johannesburg City Council had been approached to appear on the programme but that for one reason or another they had been unable to make it Thus, he said, was not true — he had accepted the invitation but had been axed.

The Saturday Star was unable to obtain comment from the SABC

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Official's evidence at fraud hearing

How 'strangers' got R22-m from Eskom

By Celeste Louw

An Eskom senior financial officer thought it safe to hand over cheques for R22 million to strangers because the cheques were not negotiable, a Johannesburg magistrate heard yesterday

The financial officer was giving evidence in the trial of Mr Angelo Capo of Ponte City, Berea, and Mr Donald Bryan Hempel of Pretoria

The two men, who have pleaded not guilty to charges of fraud and theft, allegedly posed as employees of companies that did contract work for Eskom

It was alleged that they induced employees of Eskom to give them four cheques amounting to more than R22 million made out to Sieva (Pty) Ltd and Powerline on September 29 last year

According to the charge sheet the men defrauded Volkskas by pretending that Mr Hempel was the lawful holder of a cheque made payable to Powerline

The men were charged alternatively with stealing the cheques

Mr Hempel said in a statement handed to the court that Mr Capo wanted to register a company in his (Mr Hempel's) name but he was unable to do so as he had been declared bankrupt

"On September 29 he took me to Eskom and asked me to get an envelope at the reception desk. He asked me later that day to deposit a cheque made out to Powerline into one of the accounts," Mr Hempel said

The court heard that Mr Hempel deposited another cheque for Mr Capo and withdrew R25 000 after a third company cheque was deposited

"When I deposited a fourth cheque, the manager of the bank asked me to go to his office and I was arrested by the police," Mr Hempel said

Mr Capo told him that "in construction, this is only a drop in the ocean"

The Eskom official, Mr Nicolaas Venter, told the court that he handed out cheques to contractors who did work for Eskom On September 29 he handed a cheque of more than R17 million to a man who said he was employed at Sieva

On the same day he also handed three cheques made out to Powerline to a man pretending to be employed by the company. He was not worried because it was not cash

Eskom realised the cheques had been stolen when the two companies inquired about their money

Mr Venter said Eskom had since "tightened the system".

The trial continues.

The Star Finance

Iscor shrugs off sanctions

By Roy Cokayne

Despite sanctions affecting Iscor's performance in the export market, it looks set to record its fifth consecutive profit in as many years

In addition, it now appears almost certain Iscor's profit for the 1987/88 financial year — to be announced at the end of October — will exceed the R71 million Iscor Ltd profit and the R92 million taxed profit of the Iscor Group for the last financial year

PRIVATISATION

This will undoubtedly result in renewed calls for speeding up the privatisation of the corporation.

Provisional production figures for its financial year to June this year, published in the latest issue of its in-house journal, *The Iscorian,* reveal that liquid steel production was more than 500 000 tons below the bugeted target, but that sales of iron ore exceeded budget by more than 450 000 tons

Steel consignments — the actual steel tonnage which left the various Iscor works in the year — were more than 346 000 tons below budget because of altered orders and consignment arrangments

But the under-production of liquid steel is not necessarily a pointer towards poor results because in the past Iscor has produced good results despite failing to meet budgeted production targets

Iscor's general manager in charge of finance, Eric van der Merwe, said in May — the second-last month of the corporation's financial year — Iscor foresaw an improved profit performance because of actions taken and being taken to increase productivity and, consequently,profitability

Mr van der Merwe said in an interview in *The Iscorian* that although Iscor had originally budgeted for a very low profit for the 1987/88 financial year, it was, in terms of current indications, "looking forward to a larger profit than that of last year"

He said that generally Iscor was doing much better than budgeted for two reasons They were

- The demand for steel in the local market had improved fairly dramatically, compared with that of the previous financial year, which allowed for a larger percentage of production to be sold locally
- Iscor's operating cost performance was much better than budgeted and, for the year to date, the corporation's actual operating costs were below those budgeted for

Although exports earn valuable foreign exchange, the increase in the domestic demand for steel is important because it is more profitable for Iscor to sell its steel domestically

This is largely because of high transport and shipping costs and fierce competition

However, both the demand for and the dollar price of steel on world markets have improved since the third quarter of last year, which has been beneficial for Iscor and has offset its loss of market share abroad because of the effects of sanctions.

Going to sleep on the job down at the SABC

Sunday Times Reporter

THE top brass whose faces don't fit may be shown the door and a king's ransom thrust into their hands. But pity the poor ordinary SABC employee who steps out of line.

A code of discipline booklet handed out at Auckland Park this week sets out a whole bracket of punishable offences — including sleeping on the job.

The booklet lists different categories of offence.

Less serious offences, include losing, damaging or abusing SABC property, slack work and poor supervision.

For these, a hapless SABC staff member would be warned three times — twice in writing — before being sacked.

For *more serious offences* — like abusive behaviour, insubordination, misconduct and repeated unpunctuality — warnings are reduced to two.

Really serious offences — going AWOL, inciting strikes, sleeping during working hours, indulging in rough games or pranks, insulting conduct and threatening violence — get only one warning before the axe falls.

Striking

Into this category falls anyone found saluting or shouting or showing slogans or giving signs or publicly associating with groups, thus damaging the image of the SABC as a "politically neutral body".

For, *terribly serious offences* like theft, fraud, forgery, corruption, assault, negligence, abuse of drugs or liquor, sabotage, striking, and breaking contract terms, dismissal is instant.

The same fate would befall an employee responsible for "negative reporting of SABC affairs in the media".

But, the booklet says, the purpose of the disciplinary procedures is to ensure "fair and consistent enforcement of discipline, without victimising or discriminating against any employee".

The objective, it adds, "is to correct unacceptable behaviour, rather than to punish".

Eskom power station on backburner

12/9/88 (260 SMH)

By Therese Anders, Highveld Bureau

Mothballing has already begun at one of Eskom's Transvaal power stations prior to the expected announcement this week of power station closures and shutdowns because of the serious oversupply of generating capacity

An employee at Komatie, south of Middelburg, said the station was working at only half capacity with two of the generators already in the mothballing process

The man, who did not want his name published, said all the workers at the station were worried about their jobs

"We don't know what's going on. Some have applied for transfers to larger stations but these have been refused

"We've had surplus generating capacity for a very long time, in fact for years, it's not just something that came along last week.

"What has upset us is that Eskom is trying to get Cahora Bassa going again, which will mean even more overcapacity and more jobs at risk"

A worker at Camden, one of Eskom's older stations 15 km outside Ermelo, said there had been numerous rumours about mothballing, "but so far we've been kept in the dark".

"All we know is that Camden is so old it is falling apart and is due for a rejuvenation, but whether Eskom will go ahead with this plan I can't say"

He said Eskom had notified its white workers at Camden that they had to be out of the 400-house station village by the end of next year Workers had been told they would be accommodated in Ermelo

"It doesn't make sense to us We've asked management a hundred times what they're doing but they don't tell us"

He said he felt confident Eskom would not lay off staff and, at worst, employees would have their hours cut.

Majuba's commission is deferred until 1996

260 B/day 14/9/88

HELOISE HENNING

ESKOM is partly deferring construction of its fledgling plant Majuba near Volksrust and has extended the first commissioning date from 1991 to 1996.

Eskom expansion planning manager Pierre Rubbers told Business Day the six imported boilers and turbo generators would be mothballed in accordance with a previous programme.

Local contracts not yet placed would be deferred to comply with the new commissioning date

Rand Mines' Majuba colliery would also slow its development, Rubbers said

He explained this plan of action was considered the most economic way to deal with the current oversupply of electricity, the lowering of costs for future electricity generation and was being done with the least social and labour disruption.

Overseas equipment was being brought in at favourable forward-exchange cover agreed upon in 1982 when the rand was worth $1,20

However, local contracts for development such as for chimneys, water purification, electric motors and manning of the plant would be delayed to September 1996

A Rand Mines spokesman confirmed urgent and confidential talks were continuing with Eskom on tailoring production at the mine to the power station's needs.

On completion of the talks, the mining house would be in a position to issue a definitive statement regarding the impact of the proposed changes, he said

Cutbacks threaten 5 300 Eskom jobs

● From Page 1

germane to the plans to rationalise

Eskom's decisions were in the interests of the consumer and tariff targets, but were not taken without great concern for employees

Smaller, mostly coastal, plants which had come to the end of their economic life were being closed, while newer plants — more efficient and environment-sensitive — were being brought on stream

The schedule for shutting or slowing generation would be

☐ By December 1988, Umgeni and West Bank would be closed and the partial mothballing of Wilge, Camden, Ingagane, four OFS generation plants, Grootvlei, Komati and Salt River would take place,

☐ Eskom planned to put into total storage by December 1990 Ingangane, Wilge and the OFS generation plants By 1990, the number of jobs that could be lost at generating plants would in the region of 3 760

About 1 850 service and auxilliary jobs could also be lost by then

Human resources GM George Lindeque said Eskom had given its assurance to its employees and the unions that everything would be done to avoid retrenchments

● See Page 9

Coal-fired stations to be hit by cutback

260
SMH 19/9/88

By Therese Anders, Highveld Bureau

More than half Eskom's coal-fired power stations will be affected in the drastic scaling down announced yesterday.

Two uneconomic coastal stations, Umgeni at Pinetown and West Bank at East London, are to close before the end of the year.

A further nine stations spread throughout the country will be put into storage or be partially mothballed over a period of two years.

The affected stations are:

- Wilge near Witbank.
- Camden near Ermelo — half its generating units mothballed.
- Ingagane near Newcastle — to be mothballed.
- Grootvlei near Balfour — four units will be shut down.
- Komati near Middelburg — to go on half production.
- Salt River, Cape Town — to go into partial storage.
- Free State stations Highveld, Taaibos, Vaal and Vierfontein.

Eskom has also announced that it is "rescheduling" its giant R6 billion Majuba station near Volksrust. Although Majuba's first unit will be completed in 1991, it will be mothballed until 1996.

About 5 000 Eskom workers, mostly blacks, are to lose their jobs in the rationalisation.

Eskom's general manager in charge of power generation, Mr Paul Semark, said the excess generating capacity meant management could swing production from the "environmentally sensitive" older plants to the newer generating giants.

260

5 000 Escom jobs may go

S Wetton
16/9/85

MORE than 5 000 Escom employees — mainly unskilled blacks — may lose their jobs due to the scaling down of activities of the company in the next three years

Addressing a Press conference in Johannesburg yesterday, the company's generation general manager, Mr Paul Senmark, said as a result of changing circumstances in the environment certain activities within the company would become redundant

He said Escom had presented revised and updated facts affecting the operation of the organisation to 15 trade unions

The unions include the National Union of Mineworkers, National Union of Metalworkers of SA, SA Boilermakers and the Electricity Workers' Union

Mr Senmark said Escom as "a responsible and concerned employer," will try to avoid retrenchment by exploring all viable alternatives, but the retrenchment of some employees would be unavoidable

He announced that the company would hold further talks with the unions on September 22 and 30

Sanctions root of Eskom cuts

By Therese Anders, Highveld Bureau

Eskom has blamed economic sanctions for the country having a substantial electricity over-capacity

Last week Eskom announced it was to shed up to 5 000 workers over the next three years — 2 000 before the end of this year — and mothball or close 13 power stations.

In an advertisement printed in national newspapers yesterday, Eskom's chief executive Mr Ian McRae said "many nations" had imposed a wide range of economic sanctions on South Africa in the period between the planning and commissioning of new power stations

SLOWING

He said the sanctions had had the effect of slowing down the economy and therefore the overall demand for energy.

It took about 15 years to plan, construct and bring on line a major power station.

Mr McRae said Eskom was "deeply concerned" about the impact the scale-down of operations would have on staff.

"We have calculated that about 5 000 jobs may become redundant over the next three years.

"But that does not mean 5 000 people could lose their jobs Some could be absorbed as maintenance crews on the 'mothballed' stations.

"Some we will re-train in skills that will serve them even better in the future Others will be assisted in placements in other organisations, and some, regrettably, we will not be able to accommodate"

He said he wanted to stress that the cutback decision was in no way influenced by the recently proposed reinstatement of Cahora Bassa.

"Power from this source will not come on stream for at least 18 months and it will not account for more than 1,7 percent of our total demand"

He said if Cahora Bassa came on stream it would have no negative influence on job opportunities

Eskom reassures on tariffs

ESKOM does not foresee an unprecedented increase in electricity tariffs resulting from privatisation.

Finance GM Larry Harper said yesterday Eskom's aim to privatise would not eclipse its commitment to keeping tariffs below the inflation rate

According to an annual international survey by National Utility Services (NUS), privatisation set UK electricity prices among the most expensive in the world It attributed the hikes to the need to raise capital for new power stations.

Average increases of 5,45% made the UK's tariffs second most expensive of the 11 countries surveyed The UK was also the only country to show an upward trend and prices could eventually overtake those in Germany.

TANIA LEVY

Harper said Eskom's financial department "had its thinking cap on to avoid the UK experience". The Electricity Council had already brought "private enterprise managerial thinking" into the corporation and he hoped this would lead to expanded cost savings.

Last week Eskom announced the closure and mothballing of several plants, including new installations, to prevent, among other things, tariff increases.

Iscor mine is election flashpoint

By Therese Anders,
Highveld Bureau

MIDDELBURG — A proposed Iscor open-cast colliery 1,5 km from a plush Middelburg suburb has overtaken "keeping the town white" as the hottest municipal election issue.

Residents of the suburb — Gholfsig — charge that the Nationalist-controlled council did not notify them adequately about the R3 million Iscor deal.

They have drawn up petitions, collecting 1 500 signatures, and plan a protest meeting this Friday

The beleaguered council, which unanimously voted for the Iscor tender about six months ago, last night took the unusual step of calling an extraordinary full council meeting to "address the Iscor mine hysteria"

The council quashed a suggested referendum of residents, but decided to hold a meeting with mining and environmental experts, Iscor and council officials within the next week

Councillors emphasised that the deal was not final

POLLUTION

A Nationalist councillor admitted privately that he had not considered possible pollution and damage to the environment the Iscor mine might cause

He is now being besieged by anxious residents They fear clouds of coal dust, air pollution, cracked swimming pools from nearby blasting, and industrial noise around the clock.

"This is a great issue to beat the Nat council over the head," said a CP member

One of the organisers of the petition against the mine, Mr Mike Wolhuter, questioned the way in which the council called for objections for the mine

"It was a small notice in the local paper and it said portions of the farm Rietfontein ... now there are many Rietfonteins in this area, and it could have been anywhere"

The advertisement did not mention that the mine was adjacent to Gholfsig

An Iscor spokesman said last week the corporation had successfully tendered for the mining rights on condition objections were called for and considered.

(20)

Star 22/9/88

It's mothballs for a selfish nation

By Dr AZAR JAMMINE,
Director of Econometrix

We'll all go the way of Eskom unless we change our ways

Eskom's decision to mothball 13 of its power stations has drawn criticism from many quarters Several thousand jobs stand to be lost, not only at Eskom but in coal mines and construction companies dependent on its workload Trade unions are up in arms

One group of critics accuses the electricity giant of abysmal strategic planning Another group sees the Eskom moves as the first fall-out from a misguided government policy of privatisation

The criticisms from both sides are somewhat unfair

Eskom's retrenchment decision represents no more than a symptom of the generally poor state of the South African economy and the bleak and uncertain future which the country faces

In such circumstances, it is wishful thinking to expect corporations to invest billions of rands in long term infrastuctural and capital projects.

In many respects, Eskom's decision represents the first major foretaste of the disaster awaiting South Africa if all sectors of the economy — including the Government, employers and workers — do not sacrifice their own selfish vested interests to work together for the common good of the whole population

Euphoria for all

With the benefit of hindsight, there can be little doubt that Eskom grossly overestimated future consumption of electricity when it took the decision to build many of the power stations now to be mothballed

Eskom's action is merely the most conspicuous example of the many companies now in the process of closing down plants or postponing investment in the face of a gloomy, volatile and uncertain economic future.

The early 1980s witnessed an unprecedented boom in investment aimed at assuring adequate supplies of electricity through to the end of the century The decision to undertake that investment presumably was made around 1980, at a time when the economy was booming, the gold price stood at around $700 an ounce and businessmen were in a state of euphoria

With a prevailing growth rate of 8 percent, and prospects for gold still looking rosy, a long-term strategic plan, devised around an assumption of a sustainable 5 percent growth rate, did not seem grossly optimistic

One can point to several other examples in the private sector of investment decisions made at the time on the basis of extrapolating high historical growth rates into the future the motor industry invested for a passenger car market of

Dr Azar Jammine highlighting the errors in political and economic management

600 000 new vehicles a year; the hotel industry for a market of a million foreign tourists every year, and so on

Instead of pointing a finger at Eskom for past malinvestment, one ought rather to be highlighting the errors in the country s political and economic management which transformed the economy from one of the most vibrant in the world to its current laggard status and rendered many past investment decisions faulty

It is incorrect to lay the blame squarely at the door of economic sanctions as Eskom has done in defence of its moves

Lack of access to foreign capital has not been and by all accounts is still not an inhibiting factor on Eskom's current ability to generate electricity The real reason for mothballing power stations is prospective weak demand because of a sluggish economic outlook.

For the current weak state of the economy one can blame those crucial mistakes which were committed a good few years before sanctions even became a significant reality

The benefits of the gold boom in the late 1970s and early 1980s were dissipated in a splurge of state expenditure combined with foreign exchange controls — a combination which led to a massive build-up of liquidity which generated a series of credit explosions and wild cycles of interest rate fluctuations

These factors caused the longer term inflation rate to increase and generally created an air of uncertainty about the future, dissuading businessmen from undertaking long-term investment

Not only did persistent inflation divert funds from real investment towards investment in financial assets, but it also came to be used conveniently by the Government to extract an increasing proportion of tax revenue from individuals

The rise in salaries directed at keeping their purchasing power intact against inflation drove individuals into higher tax brackets, thereby helping to finance the burgeoning trend in state spending

In the process, however, the after-tax purchasing power of individuals declined progressively, leading to lower growth in consumption and investment expenditure and the economy as a whole

The resultant unemployment in turn contributed to a spate of social and political unrest which diminished confidence in the future still further

Clearly, much of the blame for the deterioration in the economy, which has led to Eskom's mothballing moves, must be carried by excesses in state spending

It is therefore very disappointing to observe the attack being made on Eskom for adopting its latest measures

First, it is extremely unrealistic to expect the Government somehow to reduce its long-term involvement in the economy in a meaningful way without some major form of privatisation

Secondly, how else can Eskom attract buyers of its shares if not by moves to establish itself on a profitable footing by ceasing unprofitable activities?

No free lunches

The country cannot have its cake and eat it at the same time. Those who justifibly call for reduced government involvement in the economy as a means of restoring its health should be prepared to accept some of the unattractive short to medium term implications of such a policy

Even Britain under Mrs Margaret Thatcher initially had to undergo some anxious moments of increased unemployment and hardships before the country could begin to reap the rewards of "people's capitalism" five years later

The ramifications of past mistakes cannot be overcome overnight In the world of economics there is no such thing as a free lunch

The sooner South Africans — politicians, businessmen and workers alike — come to recognise that the halcyon days of rapid economic growth and prosperity are over, and that they must endure some harsh economic realities as the price to be paid for past mistakes, the better

At the same time it is expecting too much from business enterprises such as Eskom to provide massive funding for projects aimed at catering for the 21st century so long as uncertainty persists and there is a total absence of any vision of what the future, even the 1990s, might look like.

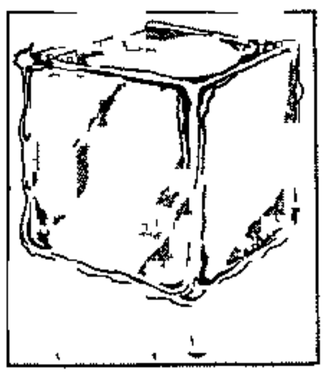
At present they are not receiving adequate guidance from the Government as to the long-term direction of economic policy — and still less clarity as to the political framework of the future

The country desperately needs strong leadership on both the economic and political front to show the way for others to follow

ESKOM'S CUTBACKS

Saving time

■ The power giant is matching output to need — painful, but rational



Eskom's plans to shut down or mothball 13 power stations — and delay completion of the giant Majuba plant by up to five years — have provoked some surprising reactions. Why all the fuss? It is a market-related move.

Comments from the unions — expressing bitterness at the loss of members' hitherto "safe" jobs — were to be expected Less predictable has been others' reaction.

It's been a private-sector rallying call for years that inefficiency and over-staffing in the public sector is costing the country billions of rands Privatise or reduce staff — preferably both — and we'll all be better off, according to conventional wisdom

Eskom has not privatised yet, although the appointment of chairman John Maree three years ago to oversee the introduction of harsh private-sector realities to the corporation was the first step Since then, staff has been cut by more than 14%. If the latest cuts are carried through, Eskom's payroll will have fallen from 66 000 to about 52 000.

The decision to close down or mothball uneconomic stations is part of the same process of cutting costs — which suggests a degree of hypocrisy in some of the criticism levelled at Eskom since the announcement After all, the critics include those who have been most vociferous in support of more cost-effective State activities

That's not to say Eskom's cutback programme is flawless By no means — it is simply unavoidable If it can operate more efficiently with fewer people and fewer power stations, it must do so The alternative is for Eskom to continue subsidising 13 500 unnecessary workers and a handful of uneconomic stations

Ultimately, of course, it is not Eskom which is doing the subsidising, but the consumer through higher electricity tariffs. Generation GM Paul Semark estimates the latest job cuts will save Eskom about R650m in the next five years Without those savings, he says, Eskom can't keep to its intention of maintaining annual tariff increases at 2% below inflation

The main problem facing Eskom, in deciding how to cut costs, is historical. From taking a decision to build a new station, to bringing it on stream, takes about 12 years

At the time Eskom was planning its huge power station programme for the Eighties, electricity demand was expected to grow by 8%-9% a year until the end of the century. Reality just hasn't kept pace with expectations and growth has fallen to about 4,5%, with little prospect of recovery in the years ahead.

Electrification of black townships, expected to be the mainstay of Eskom's market growth, is proceeding at a snail's pace

CE Ian McRae largely blames international sanctions against SA and their impact on the country's economy — both urban and industrial — for the slow growth That may be one reason, but political uncertainty, economic mismanagement and high inflation are at least as important

In the event, Eskom found itself sitting on an enormous over-supply of electricity Delaying the commissioning of new power stations for the last two years put off the problem, but didn't send it away The decision to permanently close two stations — only a year ahead of schedule, mind you — and mothball several others became inevitable

Current Eskom generating capacity of nearly 30 000 MW (**see graph**) exceeds demand by nearly 50% Without mothballing, potential capacity would rise to more than 36 000 MW by 1991 and demand to less than 23 000 MW Were Majuba to become operational on schedule and other plant continue as planned, 1995 capacity of 42 400 MW would outweigh demand of 26 200 MW

Semark ... the alternative is tariff hikes

And that's without taking Mozambique's Cahora Bassa hydro-electric scheme into account It can supply SA with a further 1 400 MW — at cheaper than average domestic costs, even though, according to Semark, "it must prove itself We have to run it for a couple of years to see if it's dependable. At this stage, it doesn't figure in our calculations "

The cutbacks are not as drastic as they might at first appear Total capacity to be closed or mothballed amounts to about 4 000 MW — the equivalent of a single new power station like Kendal or Majuba The delay in commissioning the latter will reduce potential by a similar figure.

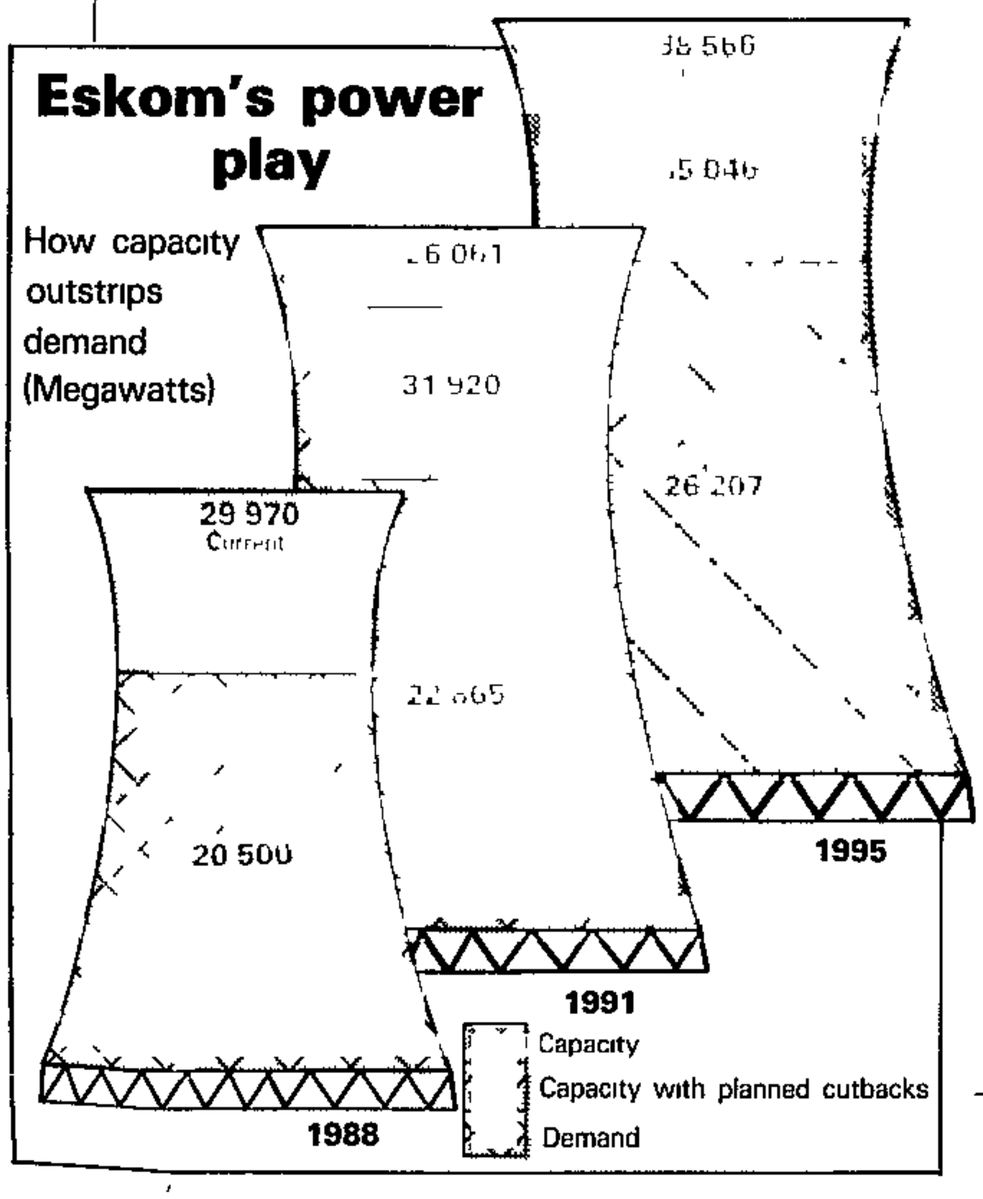
The mothballing will also permit Eskom to keep its mid-range plants going until well into the 21st Century Closures will allow technicians to modernise and add a potential 25 years to their life — at a fraction of the cost of new replacements.

"It would probably cost R6bn to replace that 4 000 MW at the moment," says Semark "We think we can go through a comprehensive refurbishment for about 20% of that "

The latest job-cutting programme is the third since 1985 The first cut numbers from 66 000 to 57 000 The second, in March this year, made redundant another 500 The current scheme will account for another 4 800

However, Human Resources GM George Lindeque stresses that the numbers apply to positions rather than people Many of those whose jobs have disappeared have been redeployed elsewhere in Eskom. Resignations and retirements have accounted for thousands of people, others have accepted the corporation's early retirement package, and a moratorium on appointments from outside has reserved vacancies for existing employees

Lindeque says that of the 9 000 job losses in 1986-1987, only 1 500 were the result of forced retrenchment He expects a similar proportion this time — unions permitting



FM 23/9/88

Lindeque will meet union representatives on September 22 and again on September 29, when he hopes for final agreement on the terms of the programme

Once again, part of the reason for overmanning is historical At the time Eskom was planning its huge power requirements for this decade, it was seen by government as a suitable area for job creation

However, Semark insists that the fact that so many jobs are expendable doesn't mean Eskom had become a bloated bureaucracy Some jobs were unnecessary, but others became redundant as Eskom introduced more modern and efficient power stations

Of the latest jobs under threat, just under half are unskilled or semi-skilled Lindeque says professional victims include architects and civil engineers

A difficult problem — and one which Eskom hasn't come to terms with yet — is the effect of remote station closures on the communities that have sprung up around them The closure or mothballing of these will cost these communities their very livelihood

Eskom officials say they sympathise, but there is little they can do And even there, they are selective The greater sympathy is reserved for towns for which the station is an

DOWN AT THE COALFACE, SHARING THE PAIN

There wasn't that much shock: shares in coal companies hit by the production cutbacks at various Eskom collieries have barely reacted to the news In a number of cases the measures were expected and planned for by mine managements Also, the strengthening export market should offset some of the losses in earnings that occur because of reduced Eskom business.

However, while the affected coal companies are playing down the effects of the Eskom measures, the long-term implication is bearish for the SA coal industry — there will be *no* new growth in Eskom business until the next century. Still to be built from the last round of power station tenders awarded in the mid-Seventies is the Lekwe station, for which Anglo American Coal Corporation (Amcoal) will supply the coal.

On the growth estimates used in the mid-Seventies, Eskom was forecast to call for new power station tenders in the mid-Eighties That was subsequently pushed out to the early Nineties as SA's economic recession took hold and growth estimates were revised One industry executive now tells me his forecast is there will be no new Eskom power station tenders awarded until 2005

That's bad news for the major coal companies, all of which are holding on to large blocks of coal reserves earmarked for future Eskom business. A 3 600 MW power station burns up to 15 Mt of coal annually.

The coal producers have traditionally seen their business as having two main components. Eskom formed a solid, domestic foundation while the export market provided the more profitable cream. The Eskom trade has gone flat and the events of the past two years have shown how exposed the SA coal export business is to sanctions, and how vulnerable the profits of the coal companies are to any setbacks in export business.

Effects on Amcoal's earnings will be minimal but the closure of two collieries and cutbacks at a third mean some 1 450 jobs will be lost Gold Fields Coal's earnings will also be only slightly affected but the closure of Coalbrook colliery makes some 670 people redundant, of whom an unspecified number will be placed elsewhere in the group

Trans-Natal appears to be more seriously affected but MD Hans Smith is quick to correct this view: "There will be no effects on Trans-Natal's earnings in the current financial year from the cutbacks and the effect in the following financial year will depend on negotiations currently underway with Eskom

"The closures of the Camden and Komati power stations affecting our Usutu and Blinkpan collieries were already planned for in our budgets It's only the closure of the Ingagane power station by December 1990 which is a new development, affecting our Kilbarchan colliery which supplies some 70 000 t/month to Eskom

"However, Kilbarchan also sells some 30 000 t/month on the Natal inland trade and has in the past exported coal The export market has improved to the point where exports from Kilbarchan could again become feasible.

"We are negotiating with Eskom over the terms for the end of Kilbarchan's business and we are not pushing for a fast answer because, as we see it, we have two years in which to negotiate on the issue There are a number of future options for the colliery "

The Eskom measures pose a different problem for Rand Mines-controlled Witbank Colliery because the decision to defer commissioning the new Majuba power station by 4,5 years means lower-than-forecast earnings growth Income due to start flowing to the group from 1990-1991 will now not be forthcoming until about 1996 Until then growth in the group's Eskom business will be restricted to the developing Kendal power station

Wit Colls chairman Allen Sealey points out that in the short term the group's cash flow position could improve. That's because purchase of the equipment needed to expand the Majuba mining operations will be deferred

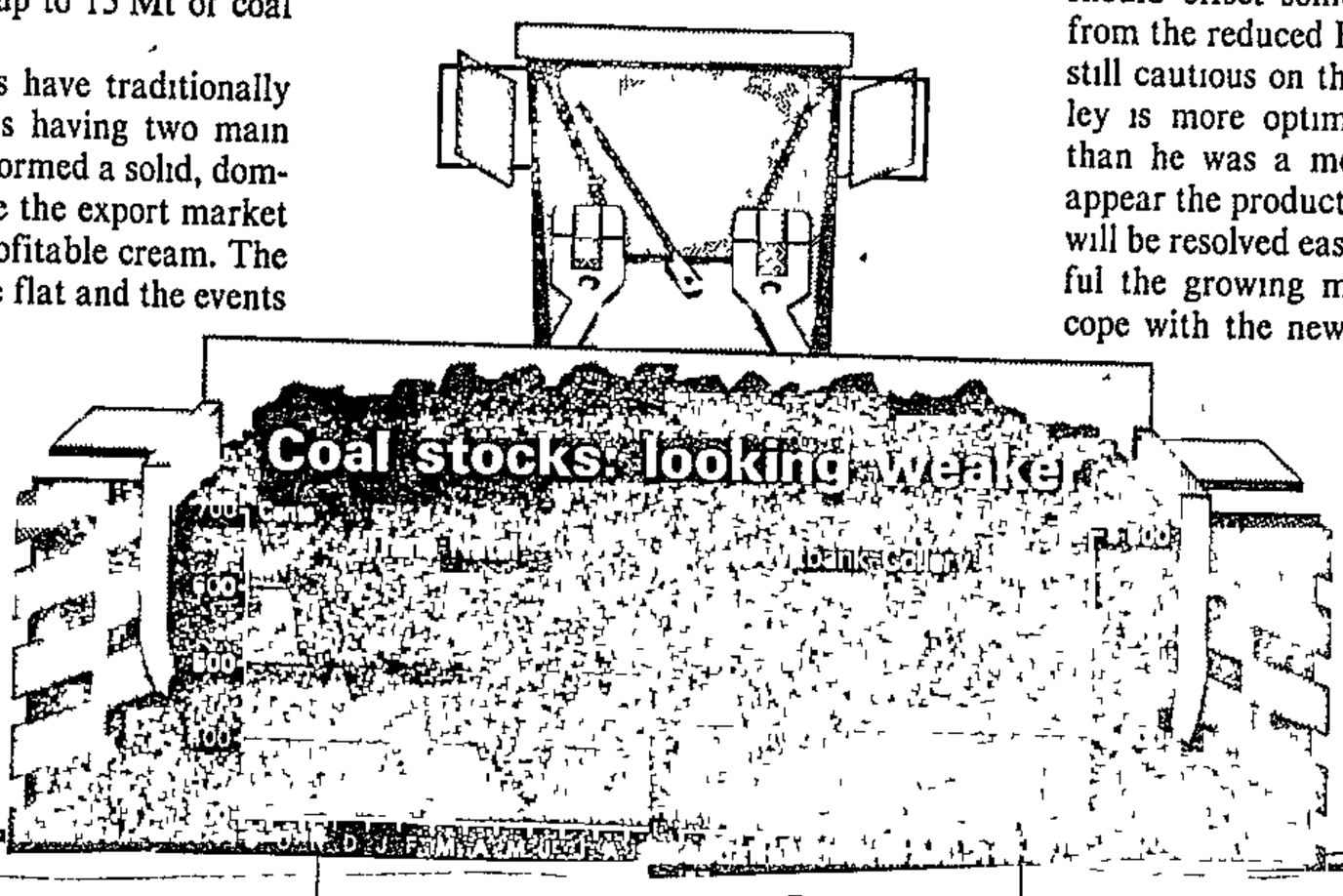
"We will go ahead with development of the Majuba mine on a very much reduced scale, getting to know the geology of the deposit There will be no retrenchments," he says

The group has already spent some R140m on setting up the mine and this will lie at the heart of negotiations between Rand Mines and Eskom regarding compensation for the effects on Wit Colls' earnings of the delayed commissioning. Sealey declines to be drawn on the specifics of the negotiations

He says the improving export market should offset some of the lost earnings from the reduced Eskom business While still cautious on the export market, Sealey is more optimistic on its prospects than he was a month ago It does not appear the production problems in China will be resolved easily and Sealey is hopeful the growing market will be able to cope with the new production from Colombia.

He is in no hurry to see SA production stepped up "I'd like to see the market get firmer by keeping the coal supply a little short for a while to let a bit of pressure build up on the demand side "

Brendan Ryan



important source of employment — not communities for which the station is the very reason for existence.

Says Semark. "We are a lot more sensitive where there is a small town largely centred on the power station — but I don't think you can discriminate between employees in different areas Special deals? You can't keep subsidising people indefinitely."

It's not just Eskom employees who have to worry about the cutbacks The mines (**see box**) stand to lose thousands of jobs — as do the engineering and construction industries.

The decision to delay commissioning Majuba means these industries will continue to work on the R6bn project — but rather more slowly "It would be economic insanity to buy our way out of these contracts — quite apart from the damage it would do to industry — so we have negotiated an extension to the programme," says Semark "We will build over a longer period."

That's some consolation to industry, but perhaps not enough For in addition to the slower pace at Majuba, Eskom had already delayed — probably until the 21st Century — development of its next scheduled power station at Lekwe, in the eastern Transvaal

Development of a second nuclear power station could also be delayed Eskom is still looking for suitable sites, but it's not clear what will happen once one has been found Eskom won't need the extra capacity for years — but the decision may not be its alone

Government officials concede that strategic considerations may override other constraints.

Eskom contracts once accounted for up to 10% of all civil engineering work in SA That's down to about 6% and is destined to fall lower, says Kees Lagaay, CE of the SA Federation of Civil Engineering Contractors And this doesn't include engineering work on mines to service Eskom's needs

Lagaay doesn't quantify the number of jobs to be lost through the cutbacks — particularly at a time when other public-sector work is already at low levels — but, like others in his industry, he is pessimistic "It's not just things like Majuba and Lekwe, but the indirect effect on our industry This is not good news for us "

While one can sympathise with the comment this week by an Eskom trade union official — "If this is the effect of privatisation, no wonder our people don't want it" — the corporation, having embarked on rationalisation, can't afford to step back There is no alternative, as Margaret Thatcher sometimes says.

If only other public-sector-linked bodies had similar courage

ESKOM'S CUTBACKS

Saving time

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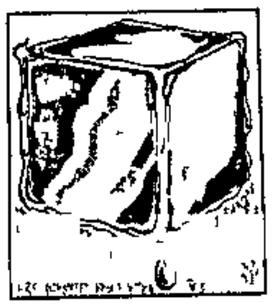

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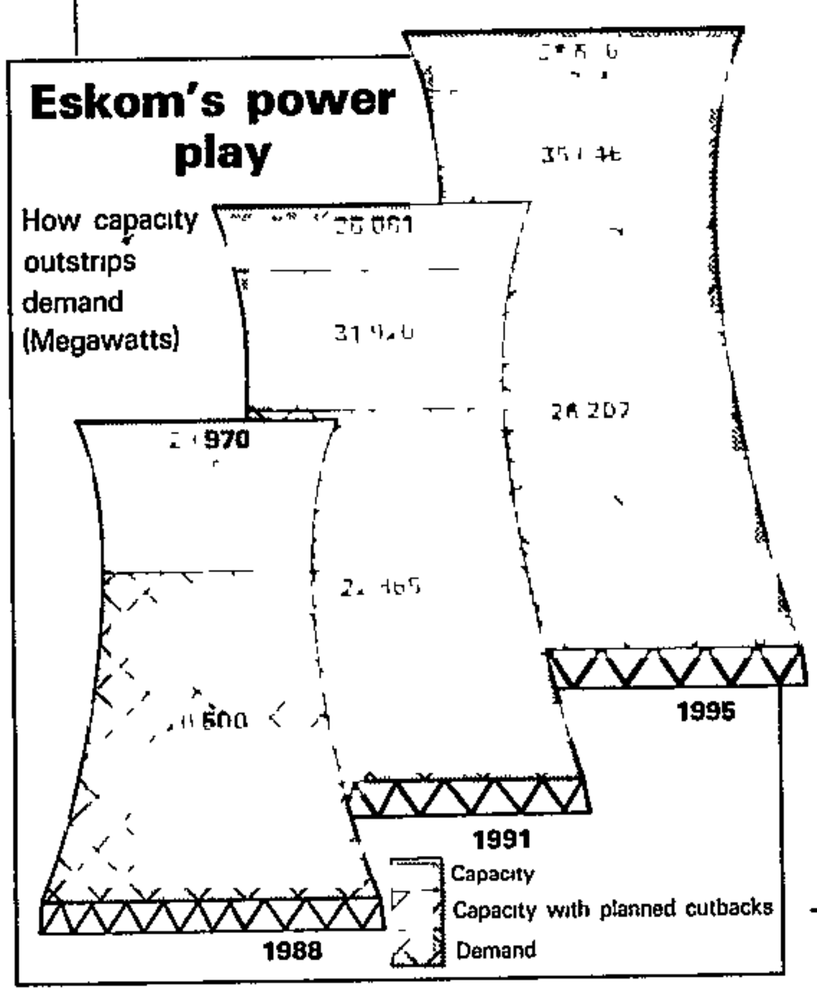

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240 B/day 23/9/88.

NUM WARNS ESKOM ON RETRENCHMENT OF 5 000

BRONWYN ADAMS

THE National Union of Mineworkers (NUM) rejected Eskom's decision to retrench 5 000 workers in the strongest terms yesterday, warning management that failure to accede to demands for negotiations would jeopardise the peaceful climate of labour relations.

NUM said this could also affect Eskom's attempt to raise loans internationally.

NUM assistant general secretary Marcel Golding said Eskom's decision to scale down its operations reflected mismanagement over the past decades, for which workers now had to pay.

He said the decision to mothball various power stations was unjustifiable, as thousands of the country's black community still did not enjoy electricity in their homes.

Golding questioned Eskom's motives, claiming the decision to retrench workers was part of a broader programme of privatisation and greater profit-making at the expense of consumers and workers.

He demanded that no retrenchments should proceed until NUM was satisfied that the reasons necessitated a dramatic reduction in the workforce and that economic viability required such actions.

Golding also demanded a programme for the retraining of workers for other sectors of the industry.

Eskom met 15 trade unions yesterday and the parties are to meet again on September 30.

Band stands for 'racial harmony'

SABC gags songs by the new Friends

While the nation is set to rock to the sounds of a new band whose cry is racial reconciliation, the SABC has banned three of the group's songs from the airwaves

Friends First, an eight member township jive/crossover combo, is celebrating the release of their album, "Another Friend in Another City", with a national tour, but their hopes of taking the country by storm have been spoiled by the SABC's sour note

Mr Roelf Jacobs, head of Radio South Africa and chairman of the SABC's "record committee", confirmed that three songs from the album, "Khululeka", "One and the same Heart", and "Umkhululi Wethu", would be refused airplay.

He said the committee considered only the lyrics of each song, but refused to say why the three were "undesirable"

The group is astonished by the SABC's decision as they insist their music promotes interaction among the races and not friction

"I can only imagine it's because of the upcoming municipal elections," said manager Malcolm du Plessis, in Durban this week for the second leg of the group's tour

"The SABC desn't want to cover anything that promotes racial mixing and harmony

"It's such a shame because we are committed to seeing healing in our country," said bass player Victor Masondo, who was the first black student to complete the Natal University Jazz Diploma course with jazz supremo Darius Brubeck.

Some of the lines which may have offended political sensibilities at Auckland Park are

To a blind man a question of colour would be so hard to work out; Made in the same Godly image but categorised by the skin, Our precious lives moulded and shaped by the cruel situation we're in

Harden not your hearts for freedom is near, Your chains will be severed, there'll be no more mourning; Your days will shine with no more fear

Let's put one voice together, upset the hidden evil, Bring the beast down, build our liberty

"It seems the moment you talk about freedom and liberty in this country the powers that be think you mean communism and overthrow," the Friends First's manager said. "But we're not so much protesting as wanting to provide a musical platform for racial communication

"We're more than a multiracial band, we're friends, we're a community We want to communicate that spirit to the country"

The band said their specific cry was for blacks and whites to develop at least one friendship across the divide of city and township.

The group's album has been released by EMI in this country and they are negotiating with Virgin Records (London) for an overseas release

Friends First sharpened their strings on two overseas tours last year and also won the 1987 best performance award at South Africa's National Song Festival After a week at the Durban Exhibition Centre the group will swing through East London, Port Elizabeth, Cape Town and Johannesburg.

Hansard.

HOUSE OF ASSEMBLY

†Indicates translated version

For written reply

General Affairs

N13 Highway: proposed toll road

1429 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

Whether the Department of Transport has at any time consulted the Johannesburg City Council in connection with the proposed toll road on the N13 highway, if not, why not, if so, (a) (i) with whom and (ii) when were these consultations held and (b) what was the outcome thereof?

The MINISTER OF TRANSPORT AFFAIRS

No, not as such but discussions were held on 8 June 1988 at which an official of the Johannesburg City Council was present

Talks on SWA cost

1431 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(a) What was the total cost to the State of the recent visits to (i) Brazzaville (ii) Cairo and (iii) New York in connection with the discussions on South West Africa (b) what was the duration of each visit, (c) how many members of each South African Delegation had their expenses paid by his Department, (d) (i) how many members of each such delegation were representatives of Government Departments and (ii) which Departments were represented and (e) what were the functions of these members during the above-mentioned discussions?

The MINISTER OF FOREIGN AFFAIRS

(a) (i), (ii) and (iii) Some of the expenditures which have to be borne by the respective foreign governments have not yet been determined and consequently total costs cannot accurately be established at this stage

(b) The duration of each visit was as follows

(i) Brazzaville 12 to 14 May 1988

(ii) Cairo 22 to 25 June 1988

(iii) New York 7 to 15 July 1988

(c) The relevant government departments involved in the peace talks and the media representatives who accompanied the delegation to Cairo each paid their own expenses

(d) (i) All members, with the exception of the media representatives who accompanied the delegation to Cairo

(ii) Department of Foreign Affairs, SA Defence Force, National Intelligence Service

(e) The members of the delegation performed integrated official functions

SADF, charges against serving members

1436 Mr C J DERBY-LEWIS asked the Minister of Defence

(1) Whether the South African Defence Force has laid charges relating to refusal to perform military service against any of the serving members of the Defence Force whose names appeared in a certain newspaper report, particulars of which have been furnished to the Defence Force for the purpose of the Minister's reply, if so, (a) what charges and (b) against whom if not,

(2) whether he intends taking any steps in this regard, if so, (a) what steps and (b) when, if not, why not?

The MINISTER OF DEFENCE

(1) and (2) No, because no charge can be laid against persons who only indicated that they would refuse to do Military Service Where offences, however, are committed, suitable steps in terms of the Defence Act, 1957 (as amended) will be taken

Municipal elections financial assistance to candidates

1466 Dr W J SNYMAN asked the Minister of Information, Broadcasting Services and the Film Industry ?

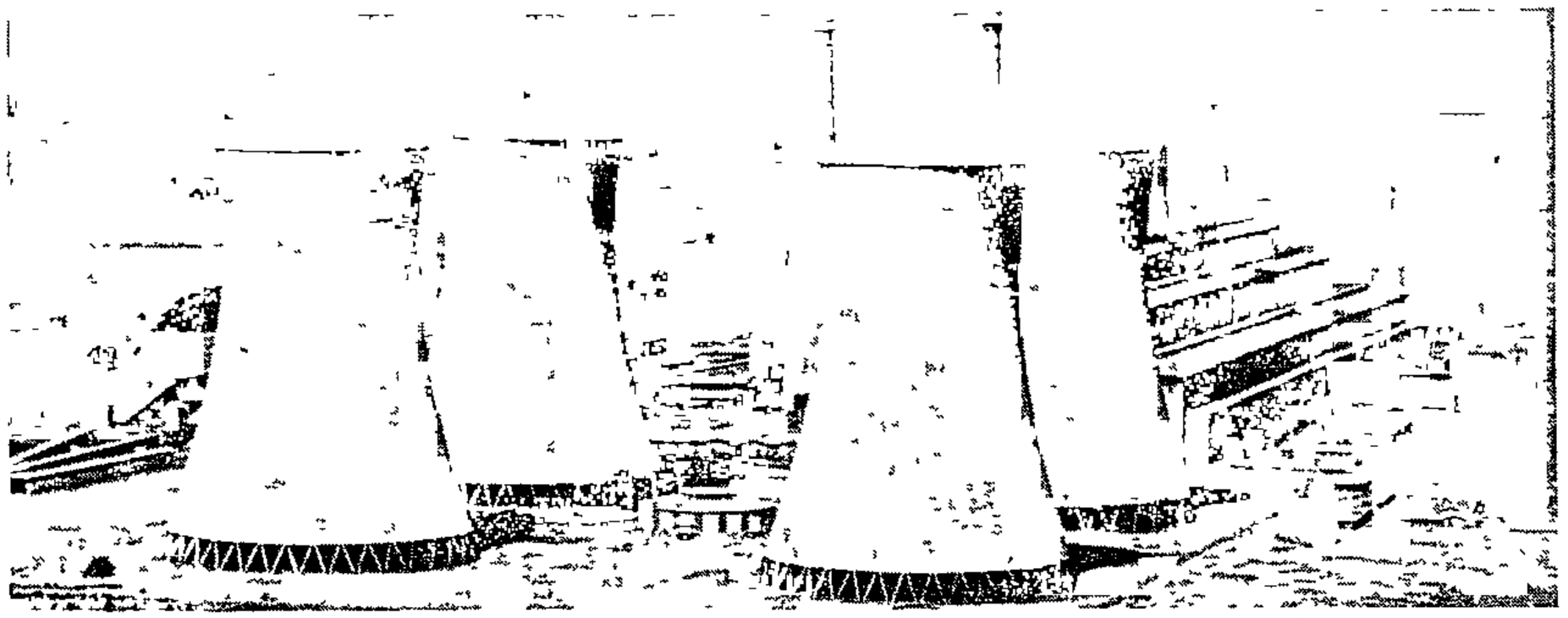
(1) Whether candidates in the municipal elections of October this year have been promised any financial assistance by his

Star 3/10/88

260

Eskom states case on workforce cutbacks

Eskom recently announced a rationalisation programme involving cutting back its workforce by 5 000 and mothballing 13 power stations Eskom's chief executive, Mr Ian McRae, said economic sanctions were the reason why the corporation has a electricity oversupply Below, Eskom replies to a number of questions posed by **THERESE ANDERS.**



Hendrina power station. Eskom says it will have to close 13 power stations to eliminate an electricity surplus.

Question Eighteen months ago I was told by a senior Eskom employee during a visit to Kendal (power station) that Eskom at that time had a major problem with overcapacity Why has it taken so long to react to this problem, during which time the situation has obviously worsened?

Answer Eskom's position of overcapacity goes back beyond 18 months in fact before 1983 signs of a drop-off in demand-growth became evident Since then various initiatives have been launched to manage the surplus, and the media were kept fully informed throughout Actions included the delaying and extending of contracts at Lethabo and Tutuka, followed by similar moves at Kendal and Majuba We also instituted reserve-storage programmes at the stations which are being mothballed and Klip power station was closed down ahead of schedule Our present action is merely the latest step in a series

Q Two unions leaders claim the downscaling is really Eskom paving the way for privatisation They also predict that there are substantially more retrenchments on the horizon as Eskom goes down the privatisation path Your comments please

A Since our actions began several years ago, there is obviously no link with privatisation This is the responsibility of a specially appointed task force which has been kept distant from operations and line management As a result, privatisation has not been allowed to play any part in our planning or decision making

A decision on privatisation has still to be taken Any possible effect on staffing is, therefore, pure speculation, and would have to be seen against a background of many factors, including the trend in demand for electricity

Q What effect will Eskom's rationalisation have on tariffs in the near and medium term?

A Eskom has been able to keep tariff increases below inflation for the past two years and the current phase of rationalisation will assist us to repeat this in 1989 It should also help us to contain costs for some years to come The main purpose of our current action is to keep the cost of electricity as low as possible, even though Eskom has to endure pain in the process

Q Has the public's money been wasted through the over-capacity that has developed?

A Please note that Eskom does not use "the public's money" — all our revenue is generated by sales of electricity or funds borrowed on the financial markets It is incumbent on Eskom to be able to meet the demand for electricity at all times, so spare capacity is vital It is not wasted, it will be required later in the next decade even if growth in demand continues to be slow

Q There has been strong public criticism of why the rationalisation was necessary Has anyone in management been reprimanded, disciplined, demoted or dismissed for bad planning on this issue? Or will they be?

A It is an oft-quoted fact that it takes up to 15 years to get a power station from the drawing board to fully operational When our latest stations were planned, both the country and demand for power were in an upward phase No one foresaw a significant downturn So our current situation is not the result of bad planning, and to talk of reprimands and dismissals is inappropriate

Q Almost 5 000 of your workers are to be retrenched Are your remaining staff having to pull in their belts?

A Yes, belts are being pulled in For the past three years at least Eskom has cut costs to a minimum, while still maintaining a high quality of supply Eskom has contained salary and wage increases to the point where we have disputes on our hands Apart from this, a significant number of jobs identified as redundant will not result in retrenchment, other arrangements, such as redeployment, will be made for many affected employees

Q Have terms of retrenchment been negotiated with the unions?

A Terms of retrenchment are being negotiated with trade unions

Q In reacting to the cutbacks, a union leader said Eskom had until very recently continued to advertise for operators and craftsmen for its new power stations Was this after attempts to recruit men internally from the old power stations due for closure?

A Eskom has attempted for years without notable success to retrain and transfer certain categories of specialist operators, while shortages for artisans and other categories of staff still exist Prior to this latest announcement, an embargo was placed on advertising for recruits in areas of surplus

Q One union member charged Eskom with planning bordering on "folly grandeur" He said Eskom charged ahead building bigger, better and more expensive power stations despite the economic recession of the early 80's and the unpredictable nature of our economy Comments please

A Our latest generation of power stations were agreed to after decades of stable growth and before the economic recession of the early 80's Bigger power stations are more efficient, their economies of scale keep tariff increases down below where they would have been with small, inefficient stations

Q Several coal mines are also seriously affected by the planned closure or mothballing of the power stations Is any compensation being offered to the mines?

A Eskom has helped some coal mines to find other markets which have, at least in part, compensated for our reduced consumption Eskom is not paying compensation to coal mining companies as this would have a negative effect on our tariffs, we are operating within the terms of our current contracts with the various mining companies

Q Who will pay for the retrenchment of mineworkers resulting from the power station rationalisation?

A The costs associated with retrenchment are always the responsibility of the employer

Q To what extent would you say pollution factors had a bearing on which power stations would be affected by the rationalisation?

A In as much as our oldest power stations are also the worst polluters it is logical that they would the first candidates for reassessment

Q To what extent did the possibility of Cahora Bassa hydro-electric power from Mozambique influence your decision to rationalise the Eskom power grid?

A The possibility of power from Cahora Bassa was deliberatedly excluded from this decision-making process

Q If an assured supply of Cahora Bassa electricity does come on stream from 1989, will this force a further rationalisation of Eskom's internal power grid?

A Even if the governments of both countries assured the supply from Cahora Bassa, no such assurance is possible from natural phenomena such as lightning, earthquakes, forest fires and floods, all of which manage to interrupt power supplies with distressing regularity Eskom is compelled to maintain backup generating capacity to meet these eventualities, so Cahora Bassa in itself will not lead to further retrenchments

Blasting by Iscor gives Middelburg suburb the shakes

260

Star 4/10/88

By Therese Anders,
Highveld Bureau

MIDDELBURG — The suburb of Gholfsig is being shaken by huge shocks from Iscor's test blasting for the proposed controversial "suburban" open-cast mine 1,5 km from the nearest houses.

The test site is not on the land Iscor is hoping to mine, but in a brickworks even closer to the suburb.

After yesterday's 11 am blast, a strong wind blew a large cloud of thick black dust for several kilometres away from the town.

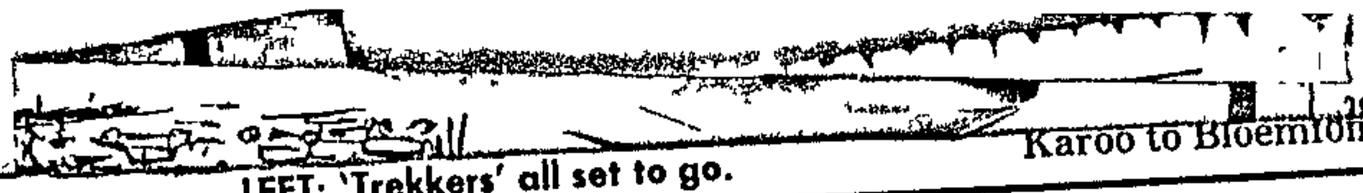
Already 50 loaded coal trucks a day are leaving the site, which is well inside Middelburg's 16-ton-truck-free zone.

One resident, Mr Charles van Breda, claimed that cracks had begun appearing in some houses "and it seems coincidental that they should appear at the same time the Iscor blasting has started".

Mr van Breda said many residents were "extremely perturbed because this area has taken some massive shocks since the blasting began".

A final decision on the mine was shelved by the Middelburg Town Council and Iscor last week pending the results of a full environmental impact study.

Iscor public relations manager Mr Piet du Plessis said the testing had to be done before the corporation made a final decision



LEFT: 'Trekkers' all set to go.

Mixed views on power price rise

Star 5/10/88

260

Staff Reporters

The price of electricity will increase by 10 percent from January 1.

Eskom's chief executive, Mr Ian McRae, said in Johannesburg yesterday the increase was substantially lower than the current inflation rate — as Eskom had promised in 1986.

This was despite the fact that inflation had been higher than expected and sales of electricity in money terms had been lower than foreseen.

Eskom recently announced it would mothball or close 13 of its power stations and reduce staff by 5 000 over the next three years.

Electricity consumers on the Reef may face increases of up to 8 percent next year.

Johannesburg's city electrical engineer Mr Ron Leigh said the municipality would increase tariffs by 5 percent as it bought only half of its electricity from Eskom.

Sandton's Mr Tony Hugo forecast an increase of about 8 percent and Randburg's Mr Max Clark estimated an increase in the region of 7 percent.

The price increase has elicited both praise and criticism.

Yesterday Assocom said that while it was concerned at the increase it did not consider it unduly high.

The Consumer Council was seriously concerned and said standards of living would erode even more.

The consumer price index was often misused to excuse a price increase.

The Consumer Union could not praise any increase in a basic commodity but would wait to see how much of the increase would be passed on to the consumer and what would be absorbed by municipalities.

The South African Federated Chamber of Industries commended Eskom for keeping its increase below the current inflation rate, but was concerned at the continued impact on inflation of administered prices.

Sister, brother see parents die

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Nafcoc not happy with Eskom hike

B Day 6/10/88

THEO RAWANA

THE major portion of the Eskom tariff increase should be borne by whites and the rise should be subsidised by government in black areas, the National African Federated Chamber of Commerce (Nafcoc) said yesterday

Reacting to the 10% increase announced on Tuesday by Eskom CE Ian McRae, Nafcoc public affairs manager Gab Mokgoko said the majority of blacks had no access to electricity.

He said "Electricity, with the additional 10% increase, would now become well beyond the affordability of low-income groups, the majority of whom are black.

"This matter is highly sensitive and brings to the fore political issues where blacks pay equal taxes and yet are not represented in Parliament where Eskom is accountable"

However, Sapa reports that the Chamber of Mines said it welcomed efforts by Eskom to keep its tariff increase within the limits of 1986 estimates but that it would raise mining costs by about R150m

CHG Times 6/10/88 (261)

Court rules to promote doctor

JOHANNESBURG — A Rand Supreme Court judge yesterday ordered that a Baragwanath Hospital doctor be given promotion denied her since she signed a letter expressing deep concern about conditions at the hospital.

Mr Justice R Goldstone ruled that not only must the decision not to confirm Dr Beverley Traub's employment as a senior house officer at Baragwanath Hospital be set aside, but he ruled that her appointment must be confirmed without further review.

Dr Traub was one of 70 doctors who signed a letter published in the South African Medical Journal (SAMJ) about conditions at Baragwanath Hospital.

Dr Traub was told she was "unsuitable" for the post of senior house officer, an appointment necessary for her to become a specialist in paediatrics

The judge said young South Africans should be encouraged to further their careers here, and he took judicial notice of the "brain-drain" which has reached serious proportions

In December last year an urgent application for a fair hearing was launched after some of the doctors who signed the letter, and who were junior members of staff waiting for their appointments at the next level to be confirmed, were told they were considered "unsuitable" because of the letter.

Dr Traub had apologized for some of the comments in the letter which had been shown to be incorrect but had refused to apologize for others

Another doctor who had not apologized had his appointment confirmed

The judge said if Dr Traub had refused to apologize at all, he might have come to a different conclusion He said she had played a minor role in the publication of the letter, and for reasons of conscience was not prepared to sign a wide apology

This was an unusual case, the judge said, because of the seniority and number of people behind the letter.

He said the wide publicity which the matter had attracted was more a consequence of the Transvaal Provincial Administration's response than the original letter — Sapa

Wynand Harmse new SABC chief

Star 7/10/88 260

By Esmaré van der Merwe, Political Reporter

The SABC's acting director-general, Mr Wynand Harmse, was yesterday permanently appointed to the R130 000-a-year seat of power within the organisation.

He has held the position temporarily since April this year when Mr Riaan Eksteen left the corporation.

The vice-chairman of the SABC board, Stellenbosch academic Professor Christo Viljoen, was also named as the next chairman in the place of Dr Brand Fourie, whose term of office expires in June next year.

Mr Harmse, previously the SABC's deputy director-general in charge of finance, was chosen from "a large number of good applicants", the SABC's board said in a statement.

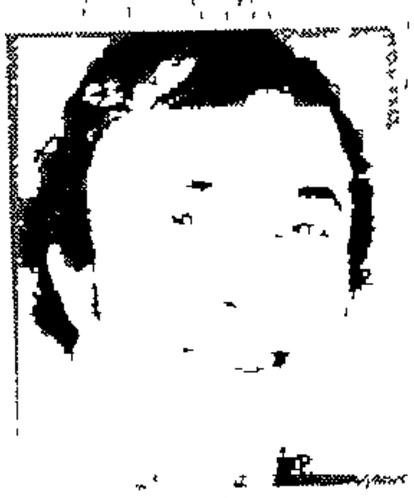
Some of the candidates who had applied for the position had "impressive records", a factor which had made the final choice difficult.

Mr Harmse's 25 years' experience of the SABC and his intimate knowledge of the corporation's internal systems and structures weighed heavily in his favour, the board said.

Mr Harmse, a former school teacher, is a personal friend of Finance Minister Barend du Plessis, who on his turn is one of State President P W Botha's favourites.

Mr Botha, who takes a personal interest in the SABC's affairs, was said to have had a personal vendetta against Mr Eksteen, who was ousted director-general after an apparent fall-out with the State President.

It was said that Mr Botha was particularly angered by the SABC's handling of the resignation of the Rev Alan Hendrickse as a Cabinet Minister.



Mr Wynand Harmse .. in the SABC hot seat.

The Minister of Information, Broadcasting and the Film Industry, Dr Stoffel van der Merwe, announced yesterday that the State President had approved the appointment of Professor Viljoen as chairman-designate of the SABC.

The SABC's board also announced some important changes to its organisational structure.

"In future the SABC will be managed according to business principles, as a result of which there are already indications of improved prospects."

REJIGGING

The top management structure had been altered in accordance with recommendations made by external consultants who had studied the SABC.

It was of cardinal importance, the board said, that appointments to the top structure and the additional refinement of the approved organisational structure be done in close consultation with the director-general.

The new structure consisted of the chairman and board of directors at the head of the SABC, with the director-general directly responsible to them.

Three directors-general would report to the director-general, those of programme services, finance and administration, and technological services.

A new post had been created for a chief director of news and public affairs, who would report to the director-general.

Opposition political parties yesterday expressed the hope that the SABC, under Mr Harmse's leadership, would make balanced reporting a priority.

The Progressive Federal Party's spokesman on the media, Mr Dave Dalling, said it was encouraging that the position had been filled from within the SABC's own ranks.

Mr Dalling said Mr Harmse would be successful if he could get the corporation's finances into order.

The Conservative Party's spokesman on information, broadcasting services and the film industry, Dr Pieter Mulder, said the CP wanted to congratulate Mr Harmse on his appointment.

"Mr Harmse is in the unique position of having to restore the SABC's credibility. We hope he has learnt from his predecessor's dilemma that political obedience in the end did not save him, but badly damaged the SABC."

The National Democratic Movement also congratulated Mr Harmse on his appointment.

In a statement, Mr Wynand Malan's NDM said "We hope that this appointment marks the end of political appointments."

Mr Harmse last night said he was honoured to be appointed head of such a huge organisation.

South Africans should feature more prominently in SABC programmes, something which could only be achieved when the SABC's financial position improved, Mr Harmse said.

● See Page 13

ISCOR

Going for the gaps

■ A contracting economy and sanctions intensify the pressures to export

Iscor appears to have a few more irons in the fire — specifically, its ore exports. Indeed, production levels at the Sishen iron ore mine in the northern Cape suggest it is recovering lost export business

Iscor spokesman Piet du Plessis says the mine is producing at full capacity of 1,5 Mt a month and expects to operate at the same level for the foreseeable future.

What Iscor won't say is how much production is going to the export market. However, if steel industry sources are correct in predicting that domestic demand from Sishen this year will improve only slightly on last year's estimated 7 Mt, then clearly added production is destined for foreign sale.

Increased production is welcomed at Sishen where, as recently as July, production was running at 15,5 Mt annualised. If production can be maintained it would mean an annualised 18 Mt — design capacity

Though corporation sources say new export orders continue to come in, Iscor is making no predictions on how long production can be maintained. However, management is confident exports will top the officially-stated 7,7 Mt of 1986-1987, perhaps

recovering to the 9 Mt of two years ago

Marketers said early this year they hoped to increase sales to Europe, the Middle East and Asia And industry sources say improved exports are likely to come from existing customers rather than new markets.

Assuming the official Sishen production figures are correct, they will bring much-needed relief to Iscor Without new contracts, production at the export-orientated mine was in danger of stagnating.

SA isn't alone in feeling the effects of an over-traded world market — a situation that shows no sign of easing Mines in Australia and Brazil, the biggest producers, are also operating well below capacity SA is a minor player in comparison — Sishen may be one of the world's biggest opencast iron ore mines, but exports make up only a fraction of the world market

Politics is a far more uncertain factor Anti-SA sentiment and the sanctions campaign complicate marketing in many parts of the world Though Iscor insists it hasn't been the victim of outright sanctions, there's no doubt competitors make use of anti-SA feelings in their sales pitch In an over-traded market, customers find it easiest to submit

Japan, the biggest customer, is sensitive to the fact it has become SA's biggest trading partner. As long as it can easily obtain its needs from other sources, Japan sees iron ore as a no-risk (to itself) means of demonstrating its intention to reduce two-way trade

Sanctions exacerbate existing marketing problems. Though iron ore producers around the world use basically the same technology, a low production rate increases unit costs compared to foreign rivals Transport to foreign markets is also a problem; Brazil is close to the US, Australia to the Middle East, and SA to no one Transport costs are therefore proportionately higher

"We have to compete basically on price," say Iscor officials, so the corporation must trim margins to remain in the export field

On the credit side, Saldanha Bay is the third deepest ore loading harbour in the world, and bigger ships should mean lower costs per ton Further savings come from technological developments in explosives, which have reduced blasting and drilling costs in recent years They are small advantages — but everything helps in struggling to remain internationally competitive

Iscor also hopes to find additional markets through innovative intermediate grades Traditional bulk grades are lumpy ore (between 8 mm-25 mm) and fine ore (below 5 mm) Now Sishen is producing intermediate grades for specialist needs

The first experimental batches were produced early last year, and have been undergoing blast furnace testing by a European customer

If he's satisfied, Iscor expects further orders to follow It has the capacity to increase these specialist grades to 15% of total production

"Sometimes it's not economic to produce small batches, but if they lead to repeat orders, then new customers, we can make it in economic volumes," says the Iscor official

It may never turn into an enormous market but Iscor thinks it may become a valuable niche, that high-volume Brazilian and Australian producers won't pursue Iscor is small enough to be adaptable, but foreign competitors would probably find it uneconomic to deal in small, specialist orders

Iscor benefits from every extra ton it sells The Sishen mine has a design production capacity of 18 Mt of ore a year, but potential for 21 Mt

Each export ton helps Sishen achieve its target of reducing delivered ore costs to Iscor steel mills by 2% a year, and to earn reasonable returns on the Sishen-Saldanha export rail line

Business could be better

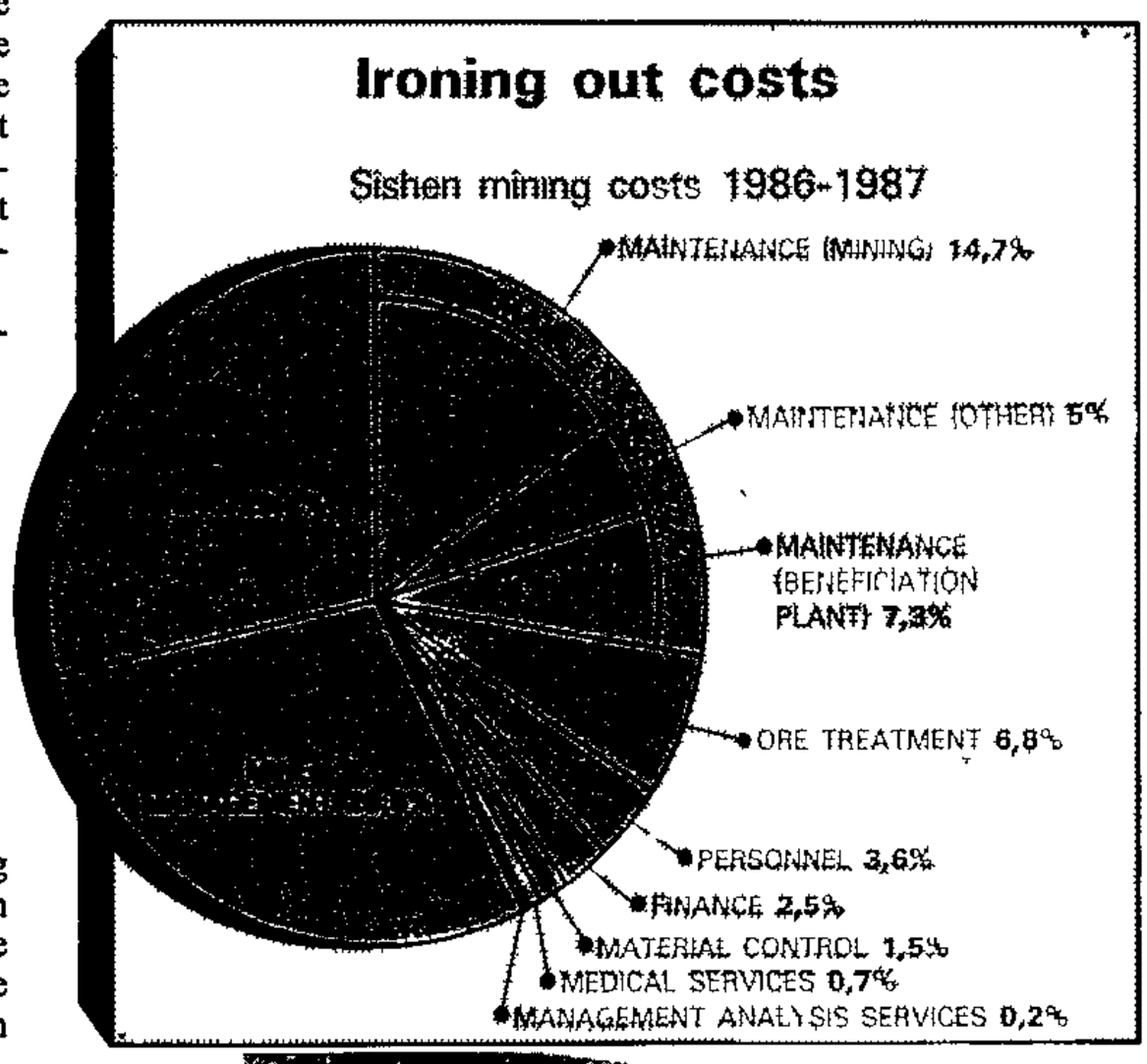
Since Treasury took over Iscor's R800m loan commitment on the under-used line, a control board — of Iscor and SA Transport Services (Sats) officials — oversees repayment to government of the capital loan All surplus earnings go to redemption Profits from the line go to government, surplus cash to Sats and Iscor

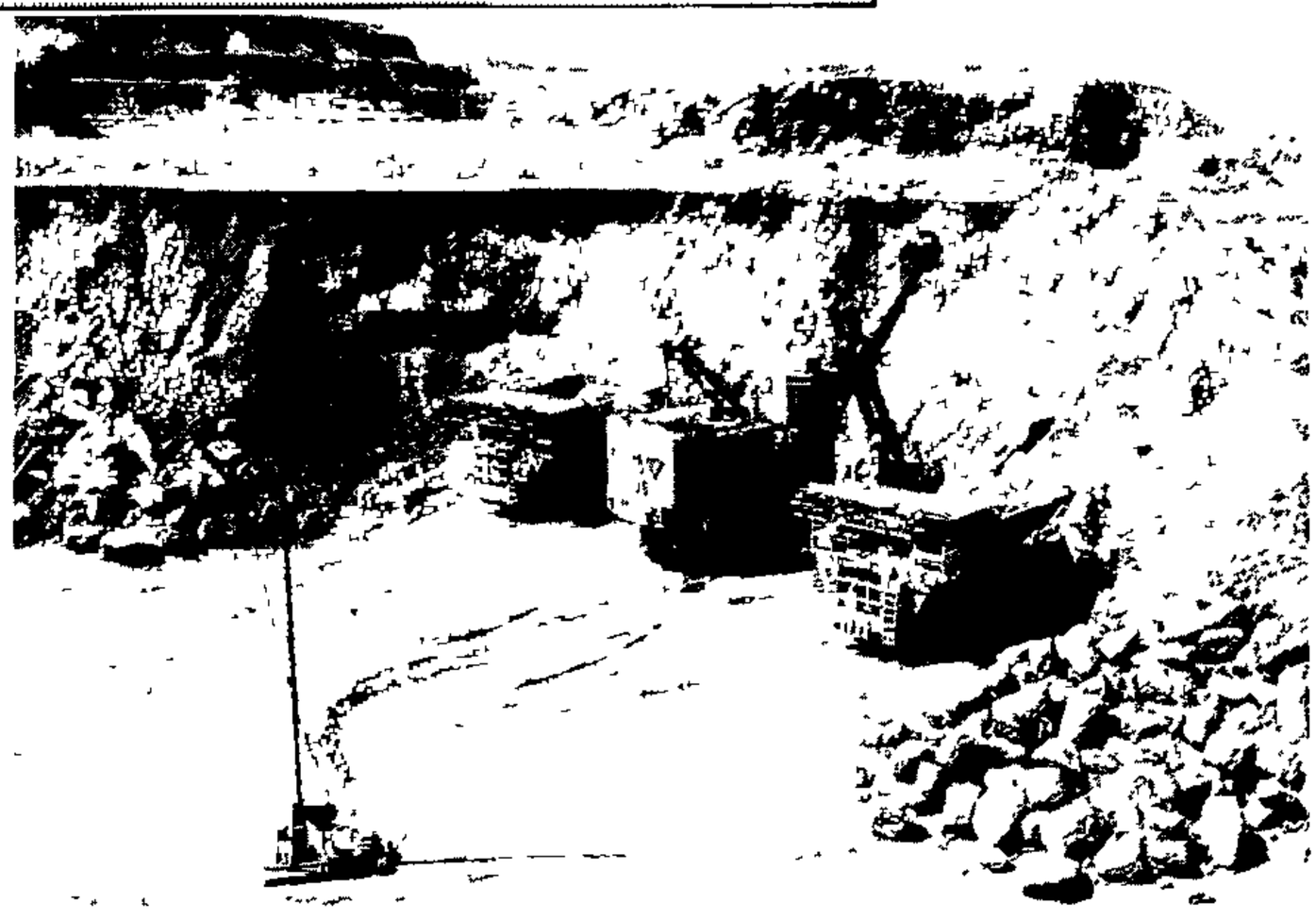
But with the line used at less than half capacity — it was designed to carry 18 Mt a year — business could be better

Just over half Sishen production goes to exports Iscor would like the share to be higher. With limited domestic potential, exports are seen as the only growth area.

Sishen is sitting on 1bn t of high-grade iron ore deposits, with access to further deposits of low-grade. It also has mineral rights in another potentially rich area around Postmasburg about 70 km south of Sishen Unless exports pick up significantly, it's going to be sitting on them for a long time yet

So it needs to learn the arts of survival in a tough world — and change its entire market orientation in the process There is only one way for it to grow — outwards ■





Sishen mine . . . going for intermediate grades

260

Eskom unions in talks

B/day 7/10/88 BRONWYN ADAMS 260

ALL trade unions organised at Eskom, ranging from the left to right, met yesterday to discuss a common strategy on the pending retrenchment of thousands of workers, National Union of Mineworker's (NUM) organiser Cwede Mantashe said.

Worker opinion on meetings with Eskom to date were gauged and common proposals to be submitted to management were drawn up during the meeting.

Arrangements for a multi-union rally next weekend designed to direct worker action were also to be made, Mantashe added.

Where's that R4bn c

PRETORIA — Finance Minister Barend du Plessis must tell the country urgently where he intends getting the R4bn needed to finance public servants' pay and pension hikes, PFP finance spokesman Harry Schwarz said last night.

He told a meeting in his Yeoville constitutency his guess was GST would be raised before it was abolished to make way for the introduction of VAT.

There were three other options: Government could borrow, increasing the public

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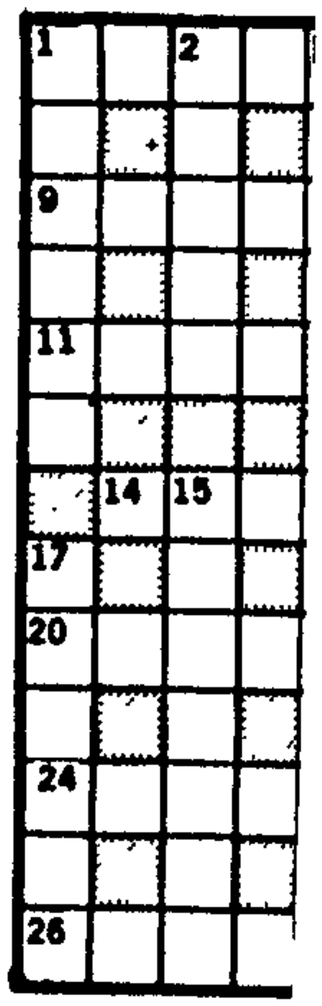
10 MINUTE X-WORD 7185

ACROSS

1 Uninterested (5)
4 Group of whales (6)
9 Haughtily (7)
10 Correct (5)
11 Male cattle (4)
12 Archbishop (7)
13 Lyric poem (3)
14 Couple (4)
16 Encounter (4)
18 Age (3)
20 Refrain (7)
21 Festival (4)
24 Fashion (5)
25 Totally (7)
26 Considered (6)
27 Lowest point (5)

DOWN

1 Vote (6)
2 Ransack (5)
3 Platform (4)
5 Magnetism (8)
6 Work (7)
7 Steps (6)
8 Short-sighted person (5)
13 Fine muslin (8)
15 Strict (7)
17 Endured (6)
18 Listlessness (5)
19 Woodcutter (6)
22 Pungent (5)
23 Render unconscious (4)



SOLUTION TO CROSSWORD PUZZLE No 7184

— Across: 1 Father; 4 Aweigh; 7 Spaghetti; 9 Rule; 10 Snag; 11 Verge; 13 Wombat; 14 Endear; 15 Beetle

products handled by this

Harmse the new SABC supremo

Own Correspondent

JOHANNESBURG — The SABC has named acting director-general Mr Wynand Harmse as successor to Mr Riaan Eksteen in the hot seat of director-general.

The corporation also announced the State President's approval of the appointment of Professor H C (Christo) Viljoen as chairman-designate of the Board of the SABC to succeed Dr Brand Fourie when his term of office expires next June.

Mr Harmse became acting director-general in April this year after Mr Eksteen was axed. He was chosen at a meeting yesterday to fill the R130 000-a-year position.

The SABC emphasised it would be managed according to business principles in future and underlined Mr Harmse's financial experience.

Prof Viljoen is at present dean of the Faculty of Engineering at the University of Stellenbosch and has been serving as vice-chairman of the board since April, 1987.

Eskom plans electricity price hike in new year

260
Chron
9/10/88

By SIBUSISO MABASO

CONSUMERS are in for another shock – electricity tariffs are to be increased from January 1989

Eskom has announced that from January 1989, electricity prices will rise by 10 percent, an increase below the inflation rate

Addressing a Press conference in Johannesburg this week, the company's chief executive, Ian McRae said "In 1986 we promised to keep our next three price-rises below the inflation rate.

"Based on cost escalation estimates at the time, we undertook to keep increases to 12 percent in 1987, 10 percent in 1988 and 10 percent in 1989

"The escalation rate exceeded the projections made at that time, but we have kept our promise nevertheless

"In addition, sales of electricity have been lower than foreseen," said McRae.

He said fulfilling the promise meant that Eskom had to apply strict business management principles

"Eskom has tightened its belt each year and says it will be tightening it even more in the future

"Its costs are composed of three roughly equal components, fuel cost, interest on loans and operating costs

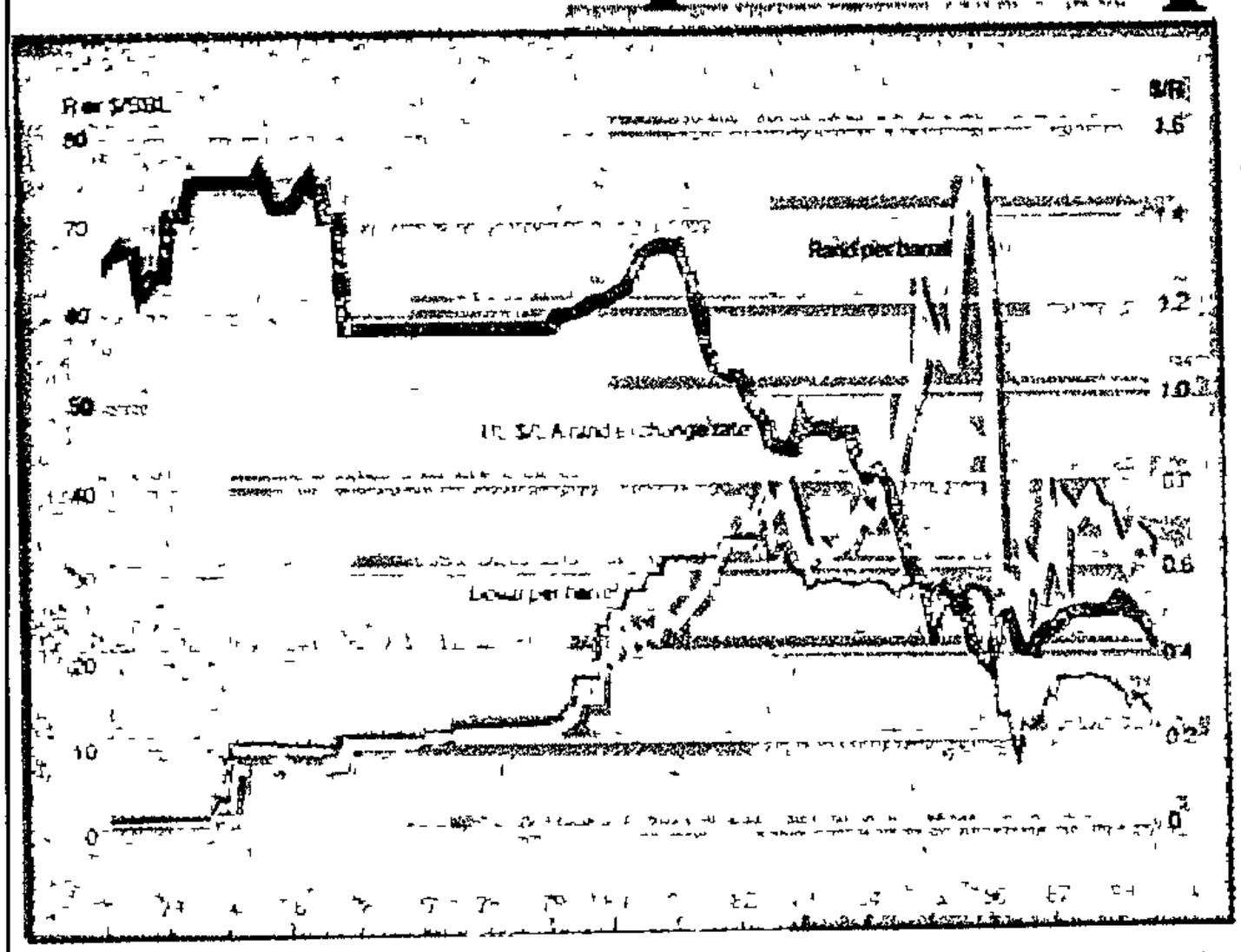
"Management has paid attention to all these areas, improving the utilisation of coal and money while keeping a constant watch on operating expenses," he said

McRae said Eskom had been steered down the road of professional management since 1985

One of the effects of this initiative was that new levels of efficiency were being achieved

"By holding down our price increases, we reaffirm our undertaking of 1986 to keep our prices increase below the rate of inflation, in the best interests of consumers," he said

Sasol hopes for protection



The landed cost of crude oil in rands has fluctuated sharply in the past few years. From the movements in the yellow line, which gives the rand/barrel price (left hand scale), it can be seen that the local price of crude oil, after trading at R30 a barrel in 1983, soared to R75 a barrel in 1986, only to collapse to R20 a barrel in 1987

Shareholders in Sasol, the country's main producer of synthetic petrol, should know by the end of October whether the Government will accede to its request for increased protection, says the chairman, Mr JA Stegman, in his annual statement issued today

The Government gave Sasol an undertaking in 1979 when it was privatised that it would provide it with protection should the rise in costs "differ materially" from the rise in the price of petroleum products

JA Stegman

Mr Stegman says that 1987-88 was an extraordinary difficult year for synthetic fuels and the division's contribution to profits dropped sharply

He blamed this on the local producer price of liquid fuels rising at only half the rate of inflation

"The recent increase in fuel prices did not address the problem of the synfuels industry No provision was made for increased tariff protection for this industry"

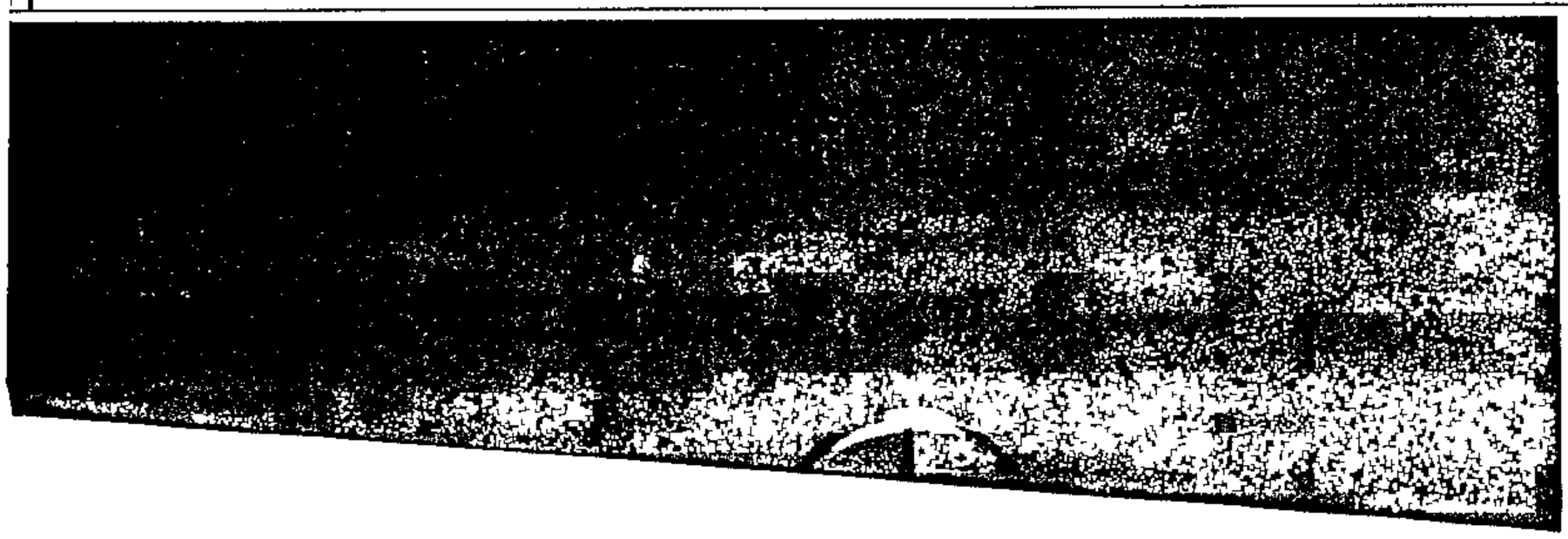
October promise

Mr Stegman said that the Government has said it would deal with Sasol's request by the end of October

Referring to the non-synthetic fuel division managing director Paul Kruger said he expected the rationalisation of the fertilizer division and the explosives division to make significant contributions to profit during the current financial year

He said the fertilizer division had contributed to profits for the first time during the year Sasol took a significant stake in Sentrachem fertilizer division, when the division was sold

Capital expenditure would remain high in view of a R500 million to be built in the Secunda area



Inhold pitch

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during the current financial year.

He said the fertilizer division had contributed to profits for the first time during the year. Sasol took a significant stake in Sentrachem fertilizer division, when the division was sold.

Capital expenditure would remain high in view of a R500 million to be built in the Secunda area.

Huge increase in Taiwan's gold imports

TAIPE — Taiwan imported 291,6 tons of gold worth almost $4,6 billion in the first nine months of 1988, a Finance Ministry official said

Physical imports comprised 289,04 tons of gold bars worth $4,25 billion and 2,56 tons of coins valued at $345 million, the official said in an interview

This compares with imports of 23,9 tons of gold bars and 1,54 tons of coins in the same 1987 period

The official, who declined to be identified, attributed the rise to a surge in private sector gold imports after the removal of a five percent sales tax on gold trading on July 1

Bullion dealers said private sector imports, mainly by jewellery shops and trading companies, have been rising since mid-September due to weaker prices

"The private sector is expected to import more gold in the final quarter of 1988 because of rising demand in Taiwan," said Judy Yeh, assistant vice president of the China Trust Precious Metals

The dealers said imports could reach about 325 tons for the whole of 1988 Last year, Taiwan imported 87,3 tons of gold bars and coins, according to official figures

Yeh said a growing number of stock investors were switching to gold due to a sharp fall in share prices following the government's decision to re-impose a tax on capital gains from stock sales in January 1989.

Reduced demand for mohair

Gubb and Ings has reported a slight increase in attributable profit to R9,7 million, while earnings per share rose from 464,4c to 477,9c for the year to end-June

While turnover rose from just R270 million to R313,9 million, interest paid rose by R4 million to R10 million The directors also stated the high price of mohair reduced demand for the product.

A dividend of 50c has been declared for the year. The directors expect better profits during the current year — Sapa

Inhold pitches cash offer at 330c

Finance Staff

Investec Holdings (Inhold) shareholders, who do not accept the share restructering, which will lead to the listing of Investec Bank, are now being offered a cash alternative of 330c a share, instead of the originally estimated 300c

The offer presents a premium of about 12 percent on the current share price of 295c

Inhold, Investec Bank and Metboard, the group's asset management company, announced in August that Investec Bank would be listed, based on the allotment of ten million Investec Bank shares on the the basis of one Investec Bank share for every two Inhold shares

Shareholders will have the right to allotment of the ten million shares at 60c each or take up the cash alternative.

Inhold will hold a minimum of 50 percent in Investec Bank, which in turn controls 100 percent of Metboard and 100 percent of newly formed Investec Management.

Sasol investing R890-m in Eastern Transvaal

Star 12/10/88

260

By Derek Tommey and Sven Forssman

Business activity in the Eastern Transvaal will receive a shot in the arm from Sasol's plans, outlined yesterday, to invest R890 million in the area in the next four years

Sasol is to spend an estimated R500 million on developing a new coal mine and a further R390 million on plants to supply raw materials to the plastics industry

Sasol's managing director, Paul Kruger, said yesterday the mine would be in the Secunda area and should be in full production by 1992

Open-cast operations would be interlinked with underground operations The mine would produce about 7 million tons of coal a year and would boost Sasol's coal production by about 20 percent

Sasol already has four coal mines producing just under 35 million tons a year, equal to about 27 percent of SA's total output

Mr Kruger said the decision to open another mine was the result of Sasol's success in expanding synthetic fuel production at Sasol II and Sasol III

The result was that Sasol's own mines could provide only 88 percent of its requirements and it had to buy the balance from other producers

Shift of emphasis

Despite the increase in synfuel production, Sasol would gradually shift its emphasis from fuel production to the chemical industry because of poor producer product prices of liquid fuels and rising costs, Mr Kruger said

Big improvements in profitability were made in all Sasol's sectors of business, with the exception of the synfuel division, in the past financial year.

"The company's future lies in areas of greater business opportunities where value can be added and where the company can enjoy a competitive advantage," Mr Kruger said

"The company is reorganising itself in order to broaden its base in the chemical industry in South Africa and internationally

"There is usually a good demand for petrochemicals when crude oil prices are low"

The synfuel division at Sasol I will be scaled down and gradually phased out as part of a blueprint to rejuvenate Sasol

"The synfuel division at Sasol I will eventually be replaced by a chemical plant," Mr Kruger said

In support of this move, Mr Kruger said Sasol was already erecting a 150 000 tons-a-year propylene plant to be integrated into the Sasol II infrastructure, and a 120 000 tons-a-year polypropylene plant

The two plants would cost R390 million, have a 53 percent local content and be in operation by the end of next year.

The polypropylene market had been growing at a rate of 10 percent a year and Sasol planned to capture the imported polypropylene market, as well as exporting extensively

The first products from this project should be available to the market towards the end of 1989 Propylene would be produced at Sasol II for the group's own polymer requirements and for the local monomer market

Sasol's entry into the polymer business had opened the way for the expansion of the group's ethylene production capacity, he said

Sapa-Reuter.

figures. Sapa.

Sasol's R900m plans include new coal mine

PLANS to spend almost R900m on new projects in the eastern Transvaal have been unveiled by Sasol MD Paul Kruger.

Speaking after the corporation's AGM in Johannesburg, Kruger said the expenditure would be spread over the next four years and would include R500m to develop a new coal mine and R390m on plants to supply raw materials to the plastics industry.

"The mine will be in the Secunda area and should be on stream by 1992."

Open-cast operations would be interlinked with underground workings. The mine would produce about 7-million tons of coal a year. It would boost Sasol's coal production by about 20%.

Sasol already has four mines producing just under 35-million tons of coal a year, equal to about 27% of SA's total output.

Sasol's success in expanding synthetic fuel production was responsible for the decision to open the new mine.

The stage has now been reached when Sasol's existing coal mines could supply only 88% of its needs, so that it is having to "buy out".

In spite of the increase in synfuel production, Sasol would gradually shift its marketing direction from fuel production to the chemical industry because of poor producer product prices, said Kruger.

Major improvements in profitability had been achieved in all Sasol's sectors of business, with the exception of the synfuel division, in the past year. — Sapa

Teacher's plan for 72 dogs

GLEN SHELTON

A TEACHER charged with neglecting 72 dogs, denying them water and giving them inadequate shelter at his Rosettenville home, told a Johannesburg Magistrate's Court yesterday he was planning to start a breeding centre.

Willem de Waal, 40, said he and [illegible] yesterday

— including peacocks kept in a garage — were found.

The six cats at the house were found to have feline AIDS.

Both men have pleaded not guilty to charges under the Animal Cruelty Act.

Yesterday De Waal denied that

WYNAND HARMSE

Risky business

On his appointment as director general of the SABC last week, Wynand Harmse (48) announced that "the SABC must be as politically objective as possible"

Noble his intentions may be, but "objectivity" means different things to different people In any case, the SABC has admitted that it has an editorial policy which it is not ashamed to enforce, and there is no sign that Harmse will wish to change it — or, indeed, is empowered to do so

Riaan Eksteen, Harmse's predecessor, fell from favour under circumstances that still provoke speculation Although government statements implied Eksteen's demise was due to weak management and financial control, many observers — including former SABC board member Sampie Terblanche — are convinced he incurred P W Botha's wrath over the SABC's handling of Allan Hendrickse's resignation from the Cabinet

In fact, it was thought that Harmse's position as deputy director general (finance) might be questioned, in the light of the SABC's poor financial performance over the past three years The corporation sustained a loss of R27m in 1985 and R28m in 1986, with a further R13m in 1987. After all, Eksteen was a former professional diplomat, and it could be assumed that he had relied heavily on his senior financial advisers.

But Harmse clearly has the confidence of the board, and some observers believe that, given the prevailing economic circumstances, no one could have done better than Eksteen and his senior staff in keeping down costs The implication of financial mismanagement seems to have been a red herring

Harmse has been with the SABC for 25 years. Starting as an administrative assistant, he was appointed director of finance and administration in 1980, and senior director of finance in 1982 By 1985 he was deputy director general (finance) His experience of the SABC's internal structures cannot have counted against him getting the R130 000-a-year hot seat

Although Harmse is said to be a personal friend of Finance Minister Barend du Plessis, his previous position at the SABC did not naturally expose him to political controversy After taking over as director general in an acting capacity from Eksteen, he kept a low political profile — perhaps inevitably Now, confirmed in the job, the winds from all sides will blow stronger and colder

Harmse does not expect direct interference from the State President's Office, and believes he can survive if he adopts "a reasonable approach to all political viewpoints" He admits that "it will never be easy, far from it, as you get it from all sides."

But Harmse may not have to agonise over political decisions There are indications that the SABC board will, to a much greater exent, determine and execute policy. Judging by the official statement when Harmse was appointed, this has been the case since Eksteen's departure "During the past five months (Harmse) has shown that — under guidance from the board — he could obtain results that the board viewed as essential for a national broadcaster"

Nevertheless, the board will not be able to protect him from the urgent daily decisions involved in running the corporation, he will also be nominally responsible for the selection and treatment of news — a process which, in the nature of things, has to be delegated

Harmse has stated that he intends to manage the SABC according to strict business principles, in an attempt to improve the corporation's financial position. He attributes the SABC's financial malaise of the past three years to lower advertising income; an increase in GST, escalating costs, the decline of the rand, and the poor state of the economy An improvement will depend largely on increased revenue from advertising

Harmse ... in the hot seat

The new director general will give immediate attention to the establishment of a management information system "to keep departmental managers fully and critically informed, and better able to evaluate programme content" An improved PR department, geared to improve the SABC's image with its own staff and the public, is also on the cards

Born in Randfontein, Harmse matriculated there before studying at Potchefstroom, where he obtained a BCom degree and a teaching diploma. After teaching for a year in Boksburg, he started at the SABC He is married with three children

Faced with financial problems, increasing sanctions and boycotts, and inevitably tricky policy decisions, the job awaiting Harmse is hardly appealing Nevertheless, he managed to survive as caretaker director general with the attitude that, although he is prepared to listen to all, he will not hesitate to make necessary changes

It will be surprising if such changes go beyond purely managerial tinkering ■

SADEK VAHED

Natal's clothing king

Sadek Vahed, chairman and CE of A M Moolla, is the winner of this year's Non-Listed Company Award, sponsored jointly by Arthur Andersen, the Wits Business School and *Business Day*

At 54, he exudes an air of old-world grace and charm, quite refreshing and a trifle out of place in the competitive clothing manufacturing industry Nevertheless, he heads an aggressive company, one which has increased its annual turnover from R6,7m in 1976 to R80m this year, with a budgeted turnover of R95m for the coming financial year

Vahed, however, remains unassuming "The A M Moolla Group finished in the top 10 in the 1986 Non-Listed Company awards," he says "That took me by surprise. When I was called up, I had nothing to say besides thank you This year, my directors insisted I prepare a speech before going to the banquet"

When it comes to awards, this has been a good year for Vahed In August, he was honoured with a trophy at the annual convention of Roshgold Investment Holdings; last month he was chosen Natal Marketing Man of the Year by the Institute of Marketing Management

Vahed has come a long way He left the government-aided Indian school in Greyville after completing Std 6 and was well on his way to becoming a drop-out But the restless teenager was given a chance by his uncle, A M Moolla, a leading businessman and political leader in the Indian community

"He arranged a job for me at Lockhat Brothers, then the largest Indian wholesale company in the country I grabbed it to escape a return to the monotony of homework and school"

Vahed learnt the basics of business, moving from messenger to ledger clerk. Moolla,

satisfied that his nephew had completed his apprenticeship, decided to invite him into his own firm, Mahomed Ismail and Co

Here the young Vahed showed such acumen, processing slow-moving fabrics into fast-selling clothes, that he was asked to start a new clothing company He founded Kingsgate — the start of his success story.

Vahed became adept at turning challenges to the company's benefit. When SA became a republic in 1961, there was a sudden backlash against anything with royal or British connotations

What's in a name

"Our name, Kingsgate, was objectionable to Afrikaans-speaking clients outside Natal, so we had to react immediately." He did so by forming a new company, Pan Af Clothing. The africanisation worked — "we even made shirts called Van Rijn," he chuckles

Getting products into the mushrooming supermarket chains in the early Seventies took a long time. White competitors were spreading rumours that Indian-manufactured goods were inferior Vahed worked hard at persuading the chains to place trial orders. Some finally did and the major chain stores — like Edgars, OK Bazaars and Pepkor — are now his most valued clients

The racial animosity from competitors has also gone. Vahed is now an executive member of the Natal Clothing Manufacturers' Association and vice-president of the National Clothing Federation.

He speaks fondly of A M Moolla, who died in 1980, and attributes much of the group's recent success to what he calls the "clean track record" set up by his mentor. When Moolla died, the group had an annual turnover of around R14m "I had to think hard when the chairman died He gave me my start and had always been a guide For a year we consolidated and then decided it was time to expand. We tackled the market with a positive attitude and really haven't looked back since "

The big coup came in 1983 After several trips to New York, Vahed secured the prestigious international Calvin Klein franchise from under the noses of four SA public companies

Next year, the group will focus on the export market, a strategy Vahed says will be "my personal baby We are building a new R6m factory at Isithebe to produce goods solely for export " Vahed thinks he may retire after three or four years, when the project is established

As chairman of the group, Vahed has continued with the vast charitable work started by Moolla The years of hard slog have also brought their personal triumphs In 1985, he was appointed to the State President's Economic Advisory Council, last year he accepted a position on the board of First National Bank

While insisting that he is not a "political man", Vahed muses on how different things could have been in an open society ■

CROWN PRINCE AKIHITO

As the health of Japan's Emperor Hirohito continues to deteriorate, world attention is focused on the most likely successor — his son, Crown Prince Akihito

Described as somewhat of a recluse, Akihito (54) and his wife, Crown Princess Michiko, have remained largely isolated from the public, appearing only on official occasions and to make state visits abroad. Indeed, unfavourable comparisons with the high profile British royal family are often made; and there is evidence that the Japanese people would like their royals to play a more active role in everyday life

However, the Crown Prince is in a difficult position Emperor Hirohito has remained a controversial figure in some quarters because of Japan's conduct in World War 2 and he has kept out of the public eye for most of the post-war period. Other members of the royal family, including Akihito, have had little choice but to follow his example.

But there have been a few indications that the Crown Prince has a mind of his own Once he accedes to the Chrysanthemum Throne, he may push the imperial household in the direction many Japanese institutions are taking these days — towards more openness and informality

The most important of these hints was his marriage in 1958 to Miss Michiko Shoda, the daughter of the president of Nisshin Flour Mills After a brief but tense struggle with the advisers to the Imperial household, he won their approval to break the long-established tradition that a prince should marry only within court circles

Crown Prince Akihito and Princess Michiko went on to break other royal traditions, insisting on raising their children at home rather than have them brought up by servants and chamberlains, and later sending their two sons, Prince Aya and Prince Hiro, to university in England But the Crown Prince and Princess have stuck to their assumed roles, making goodwill appearances at home and abroad and waiting patiently and quietly

Akihito was born on December 23 1933 — to the immense relief of the Imperial Court By then, the Emperor and Empress had four daughters and courtiers were suggesting that the Emperor should take a concubine to ensure the succession Hirohito refused.

In the traditional way, Akihito was immediately separated from his parents for three years and then educated at a special school in Tokyo, moving to university level studies in political science and economics Like his father, he studied marine biology and has written several papers on various species of fish He is also an accomplished horseman, tennis player and a natty dresser.

One searches in vain for glimpses of the man through his public statements For the most part, however, they are the pronouncements of the dutiful representative of the state — saying what should be said and very carefully not saying what ought not to be said He is skilful at it and has been used by government for some sensitive missions.

There was a revealing moment in 1981, when he was asked what days should be preserved as memorials of World War 2. As expected, he listed the dates of the bombing of Hiroshima and Nagasaki and the date of Japan's surrender But to the surprise of the listeners, he added the date of the end of the battle of Okinawa That was the only part of Japan to have suffered a land battle, Crown prince Akihito pointed out, and the loss of life there was much worse than in Hiroshima and Nagasaki. ■

Mine achieves top safety rating

The iron ore mine at Sishen is the first of Iscor's mines to achieve top marks in a demanding safety campaign implemented by the corporation last year.

The campaign has three aims — a five star rating from the National Occupational Safety Association, fewer than two incapacitating injuries per million manhours worked and 5 million incapacitating-free manhours.

The Sishen mine has won a five-star rating from NOSA four times

Star 14/10/88

the year to June, improvement in the rand exchange rate and a rise in the US$ oil price kept the value of Sasol's synfuels turnover almost constant, increasing only 1%. He suspects that US$ oil producer prices will remain soft for at least two years, possibly improving in the following three.

The recent increase in fuel prices did not address what Kruger sees as the problems of the synfuels industry. He notes further that in the 1979 prospectus, government assured prospective shareholders that "should the ratio between the rise in general cost factors and the rise in the price of petroleum products materially deviate from the assumptions made for the purpose of the economic evaluation of (Sasol), protection . . may be adjusted upwards or downwards."

He says the broad assumption was that the ratios would remain constant. Kruger believes that, in view of this undertaking, government's response may have important consequences for the success of the privatisation programme in general.

Capital expenditure is to be substantial this year A new development is to be a coal mine in the Secunda area for completion by 1993 at a current cost of about R500m, which will produce 7 Mt a year. Expenditure will be financed from cash flow, and gearing is not expected to change from present conservative levels.

After two years of moderate declines in earnings, Kruger expects an improvement this year, even without protection for synfuels Further ahead, he has high hopes for the entry into polypropylene production. The plant at Secunda should be completed at the end of 1989. The world market for polypropylene has been expanding at more than 10% a year for 10 years, and "large quantities" of the total planned 120 000 t plant will be for export, which he believes will be profitable.

"The only markets we understand are free markets," he avers. That may look a little strange, in conjunction with demands for protection for synfuels. *David Ross*

main contributor was Aberdare, which increased market share and improved margins. The total cable division contributed about 33% of turnover.

Next year Aberdare should cease to be the main contributor. Benefits from the merger of Asea SA and Brown Boveri SA as BBT will start to filter through, as well as growth from BBT's new products Import substitution is also expected to have an impact.

But further growth won't depend only on acquisitions Between 75%-80% of profits come from original industries; growth from acquisitions should be less important in future Crosby says the company is not put off by Eskom cutbacks, as it never banked on some of the large expansions, like Majuba.

A p e of 7 reflects investors' confidence in continued growth. *Louis Venter*

MIDAS

Top torque

Results at the interim to end-August remain spectacular. Earnings improved by 84%, from 27,8c to 51,2c Further, MD Georg von Loeper expects the rate of improvement to be matched this half, which suggests earnings for the year to February around 116c (61,2c). The interim dividend has been hiked by 75%, from 8c to 14c. Dividends this year could total 35c (20c), for a forward yield of 4,9% and forward p e of 6,1 at the current price of 710c That makes the share look reasonably priced.

Attributable profit of R6,74m (R3,25m) was reduced by an extraordinary item, taken above the line, of R1,5m, representing write-off of goodwill in two acquisitions, Akals and Champion Motor Supplies The low tax rate of 19,9% (32,4%) was obviously an impor-

Midas's Von Loeper ... continued low tax

himself also reportedly holds about 35%

It is thought that M&R will buy another 10% from a pension fund If it does intend increasing its holding over 50%, JSE approval would have to be sought and an offer made to minorities Neither Hammerschmidt nor Du Plessis were available for comment. *Teigue Payne*

SASOL

Synfuels slog

At a press conference in the splendid new head office block in Rosebank, occupied only two weeks ago, Sasol MD Paul Kruger made a call for protection for synfuels, revealing figures which must surprise many analysts

Urging the merits of government protection, Kruger said synfuels contributed less than half Sasol's profits last year This included R50m (R75m) dividends from Sasol 3 Taking the group on its own without Sasol 3, the percentage was "significantly less than 50%" At the same time, synfuels represent nearly three-quarters of group assets, including Sasol 3 Kruger expects a response from government in the last week of this month or the first week of next.

Kruger sees the problem largely as the result of cost inflation in SA He says that in the year to June, improvement in the rand exchange rate and a rise in the US$ oil price kept the value of Sasol's synfuels turnover almost constant, increasing only 1%. He suspects that US$ oil producer prices will remain soft for at least two years, possibly improving in the following three

The recent increase in fuel prices did not address what Kruger sees as the problems of the synfuels industry He notes further that in the 1979 prospectus, government assured prospective shareholders that "should the ratio between the rise in general cost factors and the rise in the price of petroleum products materially deviate from the assumptions made for the purpose of the economic evaluation of (Sasol), protection ... may be adjusted upwards or downwards."

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After two years of moderate declines in earnings, Kruger expects an improvement this year, even without protection for synfuels. Further ahead, he has high hopes for the entry into polypropylene production. The plant at Secunda should be completed at the end of 1989. The world market for polypropylene has been expanding at more than 10% a year for 10 years, and "large quantities" of the total planned 120 000 t plant will be for export, which he believes will be profitable.

"The only markets we understand are free markets," he avers. That may look a little strange, in conjunction with demands for protection for synfuels.

David Ross

PROFESSOR Christo Viljoen

Stellenbosch chairman tells of great hopes for the future and new top echelon posts . .

w/c ARGUS 260
15/10/88

'NEW AGE' FOR SABC'

by TONY JACKMAN, Weekend Argus Reporter

THERE'S a new spirit abroad at the SABC — and the imminent announcement of four top-echelon posts will complete what the corporation's new chairman, Professor Christo Viljoen, calls "the New SABC".

Three deputy directors-general with entirely new portfolios will be appointed soon, as will a new chief director with responsibility for news, and a public relations officer from the private sector

Professor Viljoen, dean of the engineering faculty at the University of Stellenbosch who assumes his chairmanship of the SABC on July 1 next year, said the SABC had had "a bad run" for five years.

However, there were "great hopes" of the corporation entering the black in the current financial year after half a decade in the red.

He also elaborated on expected licence increases and said he felt the SABC "must seriously consider" establishing a separate sports channel.

"New Nat"

Professor Viljoen said he intended stamping out TV "piracy" — by sniffing out non-licence-paying viewers — and wanted to encourage education authorities to make use of TV1's "silent" hours, from 8am to 3 30pm on weekdays.

"Imagine," he said, "a biology teacher's lesson being dubbed into seven languages and simulcast."

Professor Viljoen, who has lived in the US, Europe and the Far East, describes himself as a "Cape Town liberal", "very broad-minded" and a "New Nat"

He is "very much" in favour of the free flow of information, of investigative journalism and of "the open debate", and believes all political parties should have their fair hearing in television news and public affairs programmes — though he dislikes the "stopwatch mentality".

The new board, he says, is "independent with a small 'i' " and is not "in any way" influenced by the government — "it's a very strong board"

A large number of "exciting" applications had been received when the SABC advertised the post of director-general, Professor Viljoen said, and there was "a good possibility" of filling, from these applicants, the new posts of deputy directors-general with responsibility for technology, programming and finance

A public relations manager has already been appointed and the controversial SABC communications centre — which controlled the flow of information to the Press — has been disbanded. A new public relations department will be set up

Elaborating on an earlier announcement that licence fees would have to be increased, he said most of the SABC's income — 72 percent — was derived from advertising

"So I would like to get to that 50-50 ratio (between advertising and licence revenue), but it might take a long time."

This would eventually amount to a "big" increase, he said, "but it should be remembered that our licence fees are among the lowest in the world".

■ **See: Switch on to SABC's new man — Page 17.**

'THE idea that the judge is required to subordinate his discretion to the ruling elite is foreign to our law.'

SA's 'abnormal' judicial system under fire

by VIVIEN HORLER
Weekend Argus Reporter

SOUTH African judges who find the law morally indefensible should not resign from the Bench, says Professor John Dugard, of the Wits law school.

While it is still possible for the judiciary to achieve anything good within the present political system, "moral" judges should be encouraged to remain in office, handing down progressive decisions and persuading fellow judges to follow their example

Addressing the conference on Democracy and the Judiciary organised by the Institute for a Democratic Alternative for South Africa (Idasa) in Sea Point yesterday, Professor Dugard described the South African legal order as "grossly abnormal, one of which I, as a lawyer, am ashamed to be part"

The answer to the question whether the "moral" judge should resign depended on his or her ideological and jurisprudential perspective Purists, Marxists, supporters of the declaratory position and others "all see the judge as an instrument of the ruling elite that makes the law . the judge is simply a tool of the apartheid order

"Happily the above ideologies enjoy little support from mainstream jurists" who all see the judge as having some sort of constructive, enlightened role to play"

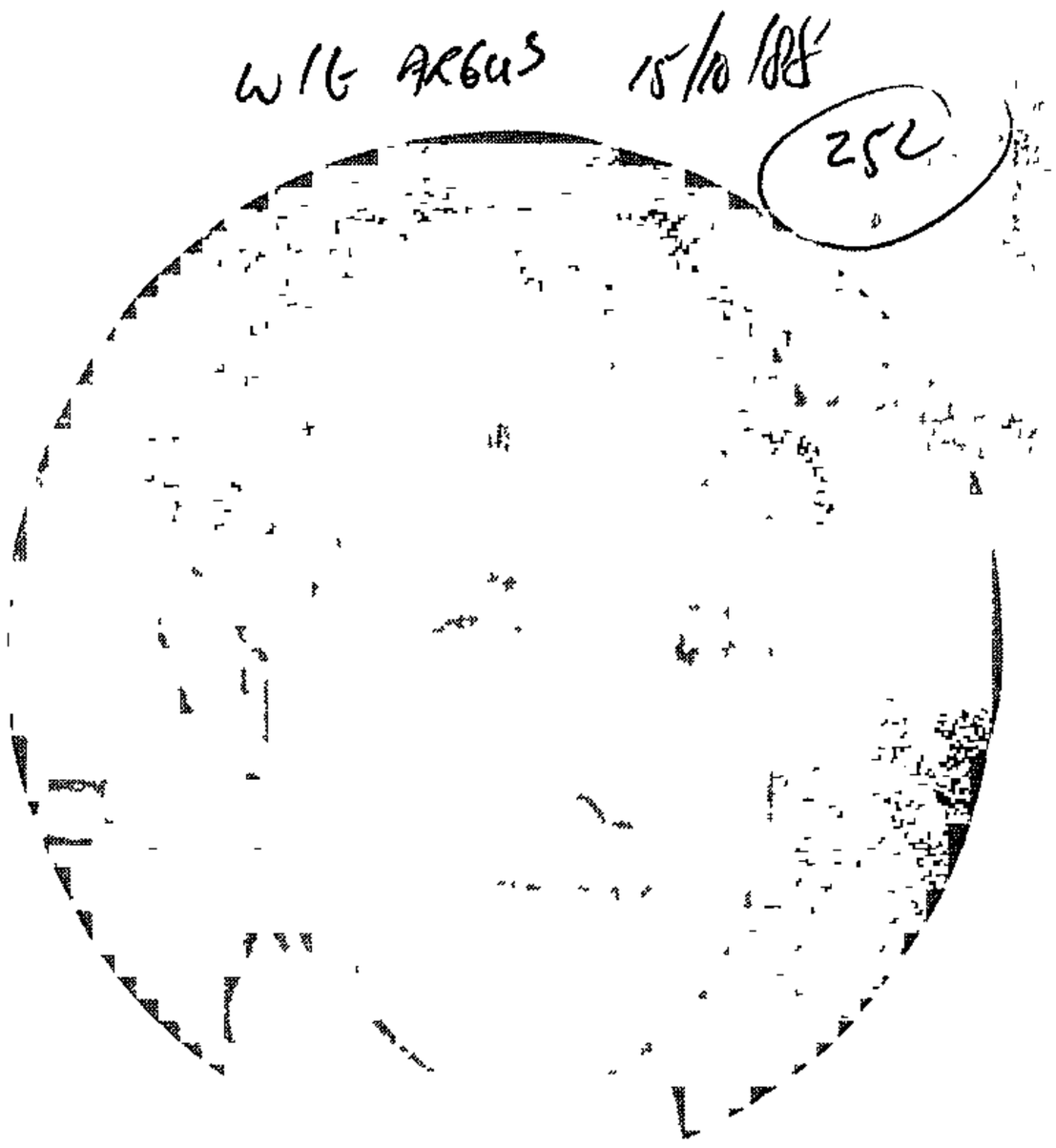
IN fact, said Professor Dugard, South African judges are by law required to interpret statutes in accordance with benevolent rules and presumptions that seek to give effect to the enlightened values of South African common law

"They are by law required to review subordinate legislation and administrative action in accordance with principles of reasonableness, fairness and natural justice

"They are by tradition required to develop the common law in accordance with principles of equity and justice They are by law and tradition required to behave independently in the fact-finding process

"Our law requires judges to interpret and apply the law in a constructive and idealistic manner One has only to read the treatises of the Roman Dutch writers to grasp the extent to which this is part of our tradition The idea that the judge is required to subordinate his discretion to the ruling elite is foreign to our law"

Professor Dugard conceded that deep inroads had been made on this tradition by racist and repressive laws that excluded judicial discretion, "but enough oportunities still exist for judges to advance justice within the law"



PROFESSOR John Dugard, of Wits Law School.

HOWEVER, some critics argued that apartheid laws permeated all aspects of South African life and that in practice judges showed little awareness of the liberal traditions

"There is much substance in this gloomy appraisal The tentacles of apartheid spread far"

But other judgments had sought "to curb the madness of apartheid"

"While such decisions are still possible and while some judges continue to hand down such decisions, is it strategically wise to call on precisely those judges who produce such decisions to resign? Isn't it wiser to urge the other judges to improve their performances instead?

"I still believe in the latter course Urgings of this kind have not changed the overall performance of the judici ry but they have produced some results Few can seriouly suggest that our courts of today are as reactionary in human rights matters as were the courts of the Steyn and Ogilvie Thompson era

"To me the most productive course for the progressive lawyer is to persevere in his calls on the judicaiary to heed the gravity of the situation and to salvage our law by consciously and actively promoting human rights in the exercise of his discretionary powers"

PROFESSOR Dugard said the question of whether judges should resign should also be asked of lawyers and academics "We also participate in the system, we also lend credibility and legitimacy to the system by our participation

"I really cannot see how we can continue to practise and to preach within the system while we call on moral judges to resign

"There may come a time when the powers of the judiciary to achieve anything good within the system is denied by legislation or the complete overruling of progressive decisions by the highest court That time has not been reached

"If we do reach that stage I hope that moral judges will resign But I also hope that progressive lawyers will likewise withdraw from appearance before the courts"

Professor Dugard sounded a warning to those who continued to call for the resignation of "moral" judges, who were beginning to be disturbed

"They write progressive judgments, they do more to advance human rights than any other lawyers in our land; they are criticised by their judicial peers and they are frequently overruled on appeal

"This they can live with But what they find distressing is that the very persons who should welcome these decisions call upon them to resign One day, I fear, such judges will resign in response to calls of this kind Is that what we really want? Surely we want them to remain in office, to continue to hand down progressive decisions and to persuade their fellow judges to follow their example?

"If this is so then we must concentrate our criticisms instead on those who do not find our law morally indefensible"

IDASA CONFERENCE

Lawyers vital future role

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by VIVIEN HORLER
Weekend Argus Reporter

LAWYERS will have a vital role to play in a future democratic South Africa, says Athlone attorney Essa Moosa

Speaking at the Idasa conference on Democracy and the Judiciary, Mr Moosa said lawyers envisaged a fair, just and equitable legal system which would be accessible to all, secure the democratic order, protect the rights of all, and enjoy credibility and respect It would also be administered without fear or favour to all irrespective of race, colour, creed or sex

Describing apartheid as a crime against humanity, Mr Moosa said lawyers should actively oppose the political, social and legal order which bolstered the system

Lawyers were also obliged to transform the existing order by ensuring all apartheid laws were abolished, all apartheid institutions — such as the tricameral parliamentary system — were dismantled, and the establishment of democratic institutions in which all could participate

Lawyers would be needed to establish a new legal order, draft a constitution and bill of rights and devise a legal system consistent with the new democratic order.

The new constitution would have to provide for a democratic state, the equitable re-distribution of wealth to all, and substantial land reform

Lawyers would then have to examine the existing body of laws, including common law and legal precedent, to see if any were in conflict with the constitution and bill of rights Those that were would have to be scrapped

Lawyers would examine international laws and conventions such as those which outlaw racism, to see which could be incorporated into South African law

Law enforcement agencies, their powers and constraints would have to be scrutinised

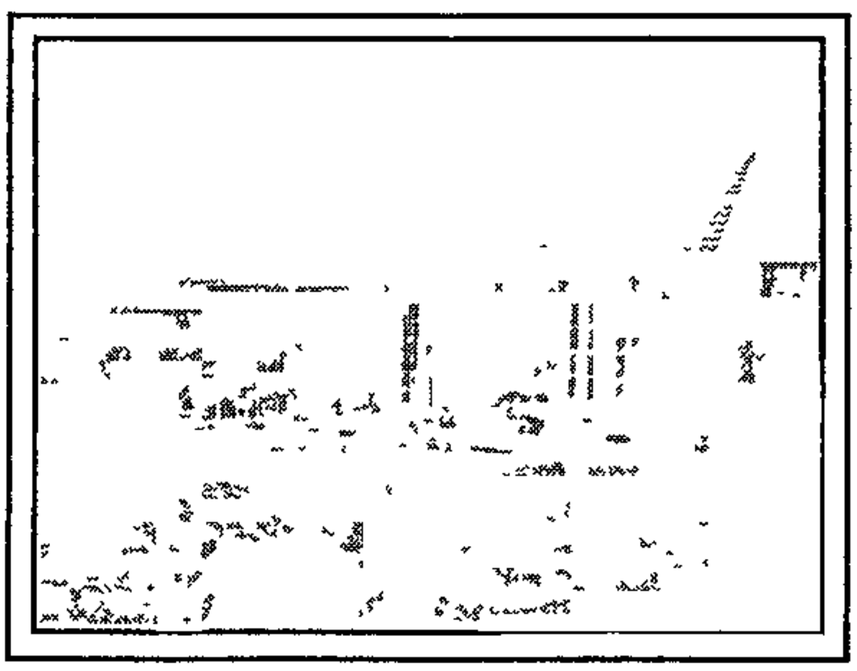
"Will the new society permit torture and detention without trial? Will it retain Section 29 of the Internal Security Act and allow confessions extracted from a detainee held under Section 29 as evidence in a court of law? Will it retain the death penalty?"

Referring to punishment, Mr Moosa believed a future penal code should try to rehabilitate transgressors and turn prisons into education instutions

"If Andries Treurnicht or Eugene Terre'Blanche are found guilty, through due process of law, of advocating apartheid which will be a crime against humanity in terms of international law, then as a form of punishment they must be sent to an education centre where they will be taught universal values such as human dignity and self-respect, and fundamental freedoms such as freedom of association, freedom of expression and freedom of movement In this way they will be able to integrate into the new society"

Although the future South Africa would be able to draw on the experiences of other countries which had obtained their independence, the legal system would have to develop through the experiences of South Africans. A permanent legal commisssion might have to be set up to examine the development of the new system to make adjustment from time to time

Silvermine Village



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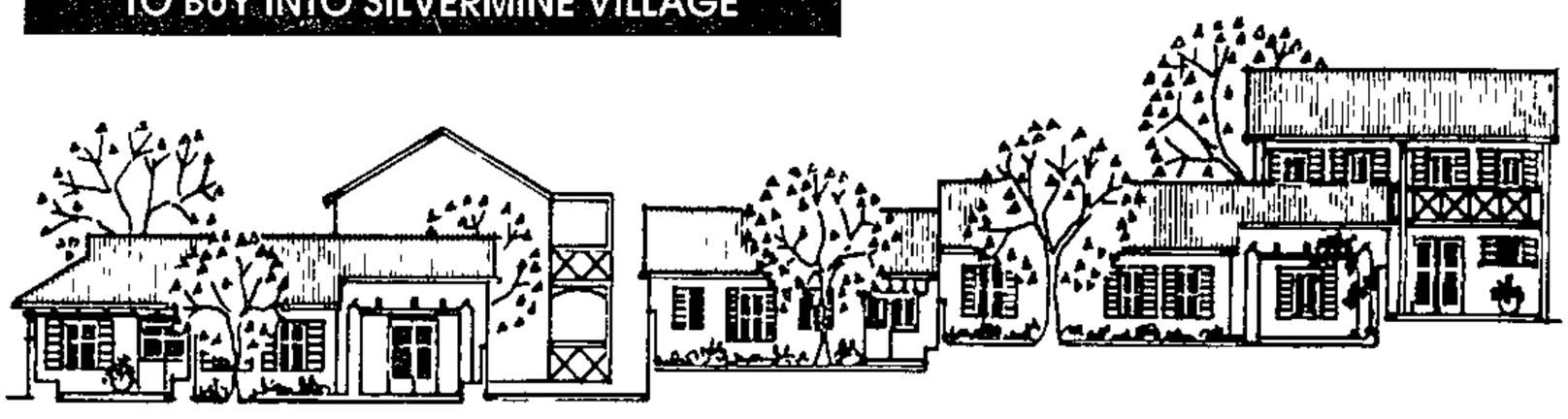

Dual posts unlikely to help an ailing SABC

Ombudsman

JAMES McCLURG

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The new appointments at the top of the SABC scarcely call for a round of cheers

I know little about Mr Wynand Harmse, the former deputy director-general (finance) now appointed director-general, and still less about Dr Christo Viljoen, the electrical engineer who is to become the SABC's chairman next July

No doubt both are competent men in their own spheres But as a prescription for an ailing SABC, the dual appointment seems doubtful at best

The Broadcasting Act was amended six years ago to make it possible for the same person to be both chairman and director-general of the SABC We may be grateful that any temptation to invoke that clause has been resisted

Such a concentration of power in one person is unhealthy anywhere, but particularly in a delicate organism like a public broadcasting corporation

As it is, the balance of power in the corporation's day-to-day operations is obviously set to shift sharply from the executive to the board

Professor Viljoen and his family are reported to be preparing, "with mixed feelings", to move from genial Stellenbosch to hardbitten Johannesburg

Mr Harmse, on his side, is reported to have said that he is expecting the leadership to come from Professor Viljoen, while he (Mr Harmse) "carries out the policy" This amiable sentiment should not pass unchallenged

No-one doubts that the board should lay down broad policy and see that it is put into effect But the dynamism in the corporation should not be left to come from the temporary sojourners in the boardroom, who are there only for "such periods as he (the State President) may deem fit"

It must come from those who have chosen to base their careers on the art, techniques and values of broadcasting

If the director-general is not seen to be the leader of the professional broadcasters — at times, if necessary, against the board and at all times against government intrusion — morale in the SABC will continue to languish

It is for this reason that I believe the director-general's position to have been weakened, not strengthened, by his being made a member of the board as well as its chief executive officer His vote among so many — the maximum is now 15 members — is of little practical value, but his special position has been undermined

Apart from its role as policy-maker and custodian, the board, in my view, has two main functions

The first is to prevent the organisation from becoming too inward-looking and unresponsive to public needs The second is to shelter the director-general and his staff from political interference

Professor Viljoen, whose career suggests a clever man with imagination and drive, seems well equipped to meet the first of these requirements Whether he will be able — or willing — to meet the second and vastly more important requirement raises a large question mark

In recent years, board members, so far from protecting the corporation from political interference, seem to have seen it as their primary task to ensure that both television and radio unfailingly place the emphasis where the Government and the National Party would wish it to be Their bleats of denial impress nobody

If Professor Viljoen and Mr Harmse between them can conduct a quiet revolution at Auckland Park and make the SABC a credible communicator, no praise will be too high for them

published in the September issue of the *Institutional Investor Magazine* of New York This placed South Africa at the bottom of a table of 56 countries assessed twice a year for their credit ratings

But the reporter went on to say that since this survey was conducted, South Africa's delegates to the International Monetary Conference had "found an improved sentiment towards the country among foreign bankers" He also pointed out that South AFrica's credit rating, poor though it was, represented a 1,1 percent improvement on last year's figure and a 0,1 percent rise on the rating of March this year

That South Africa's credit rating is at low ebb is indusputable But, in view of the marginal indications of improvement mentioned in the report, I am not sure that "knock" was the right word

yesterday.

TERMS OF ACQUISITION

Picture: ROBERT BOTHA

Bethal treason trial postponed

PRETORIA — The Bethal treason trial in the Pretoria Supreme Court has been postponed to October 24 for final defence argument.

Ebrahim Ismail Ebrahim, Acton Maseko and Simon Dladla have pleaded not guilty to several charges of treason and terrorism.

Prosecutor H J Prinsloo said in his final argument, the State had proved beyond reasonable doubt that the three accused ANC members had conspired to overthrow the government by violent means.

Evidence of a conspiracy had been confirmed by ANC executive members Jacob Zuma and Ronnie Kasrils, he said. — Sapa.

● See Page 5

SABC under fire from Methodists

QUEENSTOWN — The SABC came under heavy fire at the Methodist Church's annual conference here yesterday.

In a resolution attacking the corporation for its handling of the "peace church" documentary on TV earlier this year, it said the presentation was "a gross misrepresentation of our position in regard to peace".

The resolution urged Methodists to "be aware of the partisan nature of selective SABC reporting especially in its repeated attacks on those churches which are openly committed to opposing apartheid and have declared it a heresy".

The content of this resolution is to be conveyed to the director-general and board of the SABC.

The corporation was also criticised for the way it had "sought to censor the proclamation of the Gospel by refusing Methodist ministers freedom of expression in services that are broadcast, and in news coverage".

In a related proposal, the conference condemned alleged selective reporting in the media — including the "alternative Press" — of all political persuasions, which it said generally ignored statements and actions by the church and its leaders. — Sapa.

R250 000 ... security ...

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Against the call in the night

Christo Viljoen is chairman-designate of the SABC, and Wynand Harmse its newly appointed director general. The *FM* spoke to Viljoen in Stellenbosch and Harmse at Auckland Park.

***FM:* The political role played by the SABC is often criticised — is it possible to depoliticise it?**

Viljoen: Currently there is an impression of the SABC as an organ of the NP. It is not. It is the national broadcasting organisation — the same as in many other countries It is an organisation in the public domain I am going to see that we implement the terms of our licence — to disseminate information, entertain and educate — properly This does not include being the propaganda medium for any ideology On the other hand, the government of the day has the right to talk to its citizens through the medium. But then it is the government, not the SABC, talking.

The licence also requires us "to report newsworthy current events in the Republic and abroad clearly, unambiguously, factually, impartially and without distortion " This is exactly what we are going to do and what we're doing already

Harmse: I think that it will be very difficult in the times we live in to see the SABC merely as a cultural organisation We must accept that we will always be a news organisation whether through TV or radio — and that image will remain

Many would disagree with your assessment that the SABC provides an impartial service.

Viljoen: I am very surprised to hear that. But if that were the case and it were brought to my notice I would look at it People have asked when will we stop parading ministers across the screen; we will stop when they stop making news. It just is so that ministers make news. A recent survey of the amount of coverage given to Cabinet ministers in newspapers showed that they get far more coverage there than on TV Another analysis into the credibility of news analysis showed that among all four population groups the electronic media won hands down.

Harmse: Any complaint regarding the impartiality of the SABC will be dealt with on merit. The general attitude and guidelines of the SABC are those of objectivity

Do you accept that the SABC has a credibility problem among a sizeable minority of viewers?

Viljoen: Yes, I accept that we have a credibility problem I must say, though, that we have seen quite a big change in newscasts in the last year. You see much more of people like Hendrickse, Malan, Worrall and other opposition parties It has happened far more this year than ever before You often see people criticising the government on TV. The SABC is not a propaganda medium and never has been It has been criticised in the past, perhaps fairly, for the balance of its programmes, but that has improved vastly

Harmse: Among a sizeable minority, yes But all the surveys show that we are regarded as fairly objective and more objective if compared to the other media.

What would you do if you received a telephone call from the State President, as has happened in the past, regarding the content of a programme?

Viljoen: That was before my time But there is also a distinction that you must draw — that telephone call was made to the director general, not to the chairman There is the perception that we are stooges of the government of the day — but I can assure you that since I became involved with the SABC in April 1987 there has been no pressure from anyone in government in relation to the running of the corporation The people on the board are not there to be purchased They are not going to allow anybody from outside to dictate our news content. I will not be dictated to by anyone in parliament. I am willing to listen to anyone who has something to say

Harmse: It is difficult to say, it is a hypothetical question. However, I think the State President will act as a reasonable man. In any event, I don't expect any direct calls from him on any problems.

Last year Minister Schlebusch made a statement about people with political involvements not being eligible for office. Does that affect you at all?

Viljoen: What he said was that people with high political profiles could not be considered for office in the SABC. I have never been elected to any party political position in all my life

What about the campus committee you were involved in which allegedly sought to promote the National Party on campus?

Viljoen: I wasn't elected. It was more of a think-tank than anything else It wasn't really aimed at promoting the NP It arranged two, maybe three, meetings, to which various people were invited To regard it as a high-profile political activity is laughable Some people believe my appointment was a political one I don't believe it was

What do the financial controls instituted by the new board involve?

Viljoen: People don't realise that since the board of directors was appointed in April 1987 we have had a new SABC There is a new era People forget that when we took over we were confronted with a deficit of R39m for that financial year Now indications are that we can look forward to moving into the black at the end of this year, unless there is some disaster.

It has required proper management in the first place and also stricter control over expenditure We've improved efficiency and productivity and we're going to do it even further We can look at the SABC as a large factory which has to produce programmes Unless you can do it efficiently you lose money We also went all-out to increase advertising revenue and we're not satisfied with the licence fee as it is at the moment About 26% of our income comes from licences This figure is much higher with other national broadcasting organisations

Harmse: Our advertising revenue this year has been relatively good. We have also instituted measures to combat piracy and our new capital investments are based on financial grounds. We've also cut back on other expenditures and tightened our controls on present expenditure and the staff complement We now employ approximately 20% fewer people as against two years ago. Even this year we are going to cut back on staff by not filling some vacancies As far as salary increases are concerned we are of course under pressure. It is generally accepted that we would have to pay market-orientated salaries

Licence fee increases are inevitable Because of the falling rand the additional costs of our purchases overseas since January-September amount to R13m, which equals the increase in licence fees this year. If we add the surcharge of R8m and taking into account inflation we cannot do anything to avoid regular increases in licence fees

Isn't the danger of emphasising efficiency that it might come at the expense of creativity?

Viljoen: Yes, one has to be careful not to stifle creativity through unnecessary bureaucratic or financial controls

Harmse: The cutback on available money does create problems but we have to live within our means It has also forced people to look at effective production methods

Wouldn't the SABC's news coverage benefit from competition, like allowing M-Net to produce a news programme?

Viljoen: I am all in favour of competition and since the coming of M-Net I believe the SABC has been kept on its toes and improved greatly If the powers that be in the Post Office find it appropriate to issue a licence to a competing service I wouldn't have sleepless nights over it.

Harmse: I don't think we would argue against it But as far as I know the board has not discussed the issue.

SABC 'theologically biased'

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Lloyd Coutts

A prominent theologian, Professor Brian Gaybba of Unisa, has accused the SABC of repeatedly broadcasting one-sided and biased documentaries on liberation theology.

"The worst thing is they have not produced a programme which allows the other point of view to be heard," he said.

He had hard words for last night's documentary "In the name of God" broadcast on "Network".

The professor said the most hypocritical part of the American production was its implication that liberation theology dealt only with whipping up violence.

He believed that a programme in which he himself appeared some months ago was never broadcast because it did not condemn liberation theology sufficiently.

R600-m cut for IDC in Iscor

The Industrial Development Corporation (IDC) has taken over R600 million of State shares in Iscor in a first step to the privatisation of the steel corporation, the Minister of Finance, Mr. Barend du Plessis, announced last night

He was addressing the Afrikaanse Sakekamer at the Carlton Hotel in Johannesburg

Mr Du Plessis said the R600 million would be allocated in the following way

- R371 million for the Development Bank of South Africa — the Treasury's capital commitment
- R100 million for the Local Authority Loan Fund
- R34 million for basic infrastructure to help solve the squatter problem
- R50 million on share capital for the Small Business Development Corporation — which it is hoped the private sector, as an equal partner, will match.
- R40 million for the South African Housing Trust, created as part of the Government's stimulation package in 1986

Mr Du Plessis said the R600 million transaction in no way anticipated the final decision on the privatisation of Iscor nor implied that the IDC would have a permanent holding in Iscor.

Mr Du Plessis said the Government had tackled a number of praiseworthy projects and applied policy measures in the past 10 years, all aimed at the single most important factor in the economy — ensuring continued economic growth

But he added "(This is) something which has unfortunately to a great extent proven to be an elusive target" — Sapa

Cold spell here for the weekend

The cold front which swept through the country yesterday is here for the weekend and beyond

Temperatures countrywide will continue to drop, the Weather Bureau in Pretoria says, culminating in snow in the Cape and Natal

The forecast was for cloudy and very cold conditions throughout the country until Tuesday, with rain in parts.

It is expected to be cloudy and cool in the Transvaal on Sunday with the south-western part of the province even colder

Good rain fell over much of the country last night and early today, but hail in the Free State caused considerable damage.

Six hundred hectares of wheat on Syferfontein farm, owned by Mr Fanie Schoeman, were flattened by hail.

Restrictions

The Star is being produced under the severe restrictions of the emergency regulations.

'Talks with ANC saved SA rugby'

LONDON — The mission by Dr Danie Craven and Dr Louis Luyt to Harare for talks with the African National Congress and other interested parties has reportedly saved South African rugby, and details of an IRB-approved World XV tour to this country are expected to be announced next week

The commitment to total integration of rugby in the Republic by the Craven-Luyt deputation has given the IRB — the International Rugby Board — the green light to sanction a tour next year which will include two unofficial tests

The South African Rugby Board will be permitted to invite three or more players from each of the other seven IRB member countries to play in the World XV

The tour is seen as a huge triumph for Dr Craven (78), who is under fire from both the Government and some members of his own board for holding discussions with the ANC

● See Page 24

Govt takes first privatisation step

Iscor shares: IDC seals R600m deal

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Business Day 28/10/88

THE Industrial Development Corporation has taken over R600m of state shares in Iscor as the first step in its privatisation, Finance Minister Barend du Plessis said last night.

Addressing the Afrikaanse Sakekamer in Johannesburg, he said it was not in the interests of the final privatisation proposals for Iscor to make more details public now.

The R600m would be paid into the Treasury during the current book year.

The Minister also announced how the R600m would be spent:

- R371m for the Development Bank of SA, the Treasury's capital commitment;
- R100m on the Local Authority Loan Fund;
- R34m for basic infrastructure to help solve the squatter problem;
- R50m on share capital for the SBDC, which it was hoped the private sector as equal partner would match; and
- R40m to the SA Housing Trust created as part of government's stimulation package in June 1986.

From next year the Industrial Development Corporation would contribute from its own funds annually, on behalf of the state, a considerable amount to the SBDC's share capital.

The shareholding acquired for R600m represented in principle the purchase of a relatively considerable portion of the shares held by the state in Iscor. This transaction did not imply the IDC would have a permanent holding in Iscor.

The IDC has traditionally served as a financier of important projects for which the pay-back period has in the early stages seemed unacceptably long for private sector interests alone.

The IDC said yesterday its total (nominal) financing had reached almost R2,7bn and nominal net operating income R200m. — Sapa.

R600m transaction

Privatisation: IDC takes up Iscor shares

JOHANNESBURG — The Industrial Development Corporation has taken over R600m of state shares in Iscor as a first step in the privatisation of the steel corporation, the Minister of Finance, Barend du Plessis, announced last night.

Addressing the Afrikaanse Sakekamer at the Carlton Hotel he said it was not in the interest of the final privatisation proposals for Iscor to make more details of the transaction public now

"This will be done when the privatisation of Iscor has been finally considered"

The R600m will be paid into the Treasury during the current book year

The minister also announced that the R600m would be spent on

- R371m for the Development Bank of South Africa, the Treasury's capital commitment,
- R100m on the Local Authority Loan Fund,
- R34m for basic infrastructure to help solve the squatter problem, and
- R50m on share capital for the Small Business Development Corporation, which, it was hoped, the private sector, as equal partner, would match, and
- R40m to the South African Housing Trust, created as part of the government's stimulation package in June 1986

It was also agreed that from next year the Industrial Development Corporation would contribute from its own funds annually, on behalf of the state, a considerable amount to the SBDC's share capital and that this amount would be made public after consultation and planning with interested parties

Should any of these contributions exceed this amount the state would match it rand for rand

The shareholding acquired for R600m represented in principle the purchase of a relatively considerable portion of the shares held by the State in Iscor but it was not in the interest of the eventual privatisation proposals to be made with regard to the corporation to disclose more details at present This transaction also in no way anticipated the final decision on the privatisation of Iscor or implied the IDC would have a permanent holding in Iscor

Du Plessis said the government hadd tackled a number of praiseworthy projects and applied policy measures in the past 10 years, all aimed at the single most important factor in the economy, ensuring continued economic growth — "something which has unfortunately to a great extent been proved to be an elusive target," he said

Without economic growth the material needs necessary for security, social and constitutional goals could simply not be supplied

Other countries had international facilities available to make structural adjustments such as those required by South Africa, but South Africa had to rely on itself

When a country's growth potential was hampered by local and international factors, from sanctions to internal unrest, which restricted its ability to generate capital, it became even more important to make the best use of what was available

Du Plessis appealed to businessmen to support the initiatives of the State President, particularly the opening of contacts in Africa

He called on businessmen to firmly support the bridges Botha had created through diplomatic initiatives

The IDC has traditionally served as a financier of important and strategic projects (such as the iron and steel industry)

The IDC said its total (nominal) financing has reached almost R2,7bn and nominal net operating income around R200m

Main purpose of the IDC, according to its latest statement on the subject is "to make finance available for the establishment of new industries or the expansion or modernisation of existing ones"

The corporation says its financial participation is by way of loan finance "But other specialised facilities such as leased buildings and plant leases are also available

In addition "The corporation will consider the provision of ordinary and preference share capital in certain cases"

The main financing criteria is that new projects or expansion plans for which finance is required must show reasonable prospects of profitability

SASOL

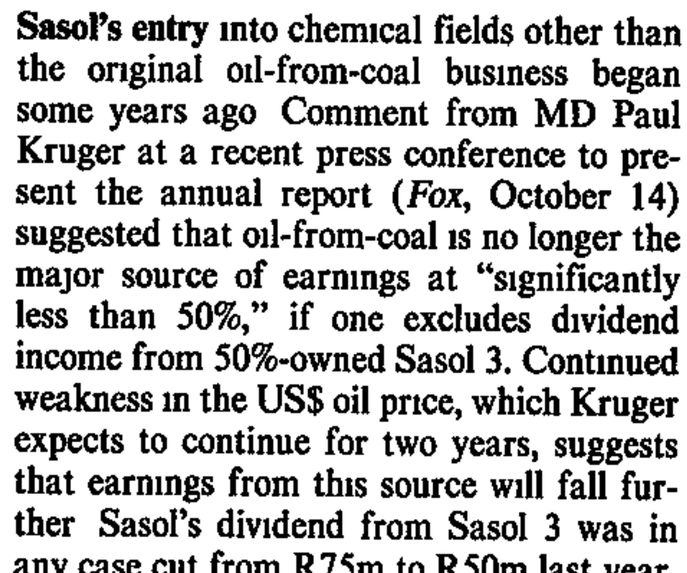
Changing shape

Activities: *Converts coal to oil and gas*
Control: *Government is the major shareholder*
Chairman: *J A Stegmann; managing director P du P Kruger*
Capital structure: 563,4m ords. *Market capitalisation R4,169bn.*
Share market: *Price 740c. Yields 6,4% on dividend, 11,4% on earnings, PE ratio, 8,8, cover, 1,8 12-month high, 1 425c, low, 655c Trading volume last quarter, 5,5m shares.*
Financial: *Year to June 25*

	'85	'86	'87	'88
Debt:				
Short-term (Rm)	479	377	53,0	26,9
Long-term (Rm)	1 519	797	419	393
Debt equity ratio	0,68	0,25	0,14	0,04
Shareholders' interest	0,38	0,45	0,52	0,54
Int & leasing cover	4,77	8,25	32,7	142,8
Debt cover	0,51	1,13	0,60	2,0
Performance				
	'85	'86	'87	'88
Return on cap (%)	20,6	25,3	18,4	15,4
Turnover (Rm)	3 166	3 638	3 108	3 478
Pre-int profit (Rm)	1 057	1 353	946	828
Pre-int margin (%)	32,8	36,7	28,7	22,7
Taxed profit (Rm)	502	701	527	474
Earnings (c)	89,1	125	93,5	84,2
Dividends (c)	39	45	47,5	47,5
Net worth (c)	346	426	472	509

Sasol's entry into chemical fields other than the original oil-from-coal business began some years ago Comment from MD Paul Kruger at a recent press conference to present the annual report (*Fox*, October 14) suggested that oil-from-coal is no longer the major source of earnings at "significantly less than 50%," if one excludes dividend income from 50%-owned Sasol 3. Continued weakness in the US$ oil price, which Kruger expects to continue for two years, suggests that earnings from this source will fall further Sasol's dividend from Sasol 3 was in any case cut from R75m to R50m last year.

It appears that the JSE may have to get used to the idea that Sasol will increasingly become a chemicals company, not unlike AECI or Sentrachem. Obviously the extent to which this occurs will depend upon two factors which are virtually impossible to forecast First, the US$ oil price itself, while



Sasol's Kruger . . . expecting weak price

presently low and generally expected to remain so, could recover A year ago, for instance, Kruger himself was quoted in *FM* as expecting "over the medium term a steady rise of say $1 a year " The other variable in this equation is the rand price received by Sasol, which leads to the second factor

Kruger at the press conference, as well as chairman Joe Stegmann in the annual report make strong calls for protection for the synfuels industry, backing up their calls with references to the 1979 Sasol prospectus, in which such protection was promised by government under certain conditions. Kruger is expecting an answer to the call in the last week of this month or the first week of next Without some protection, which obviously does not necessarily imply simply an increase in fuel prices, Kruger notes that Sasol "may not be able to afford" to acquire the additional 50% of Sasol 3, which is now the main oil-from-coal plant under the Sasol group's wing.

Kruger attributed what he sees as the necessity for protection to the SA inflation rate. He believes that most of what can be done to cut costs has been done At the same time it is obviously true that, if government chooses the option of offering protection for synfuels by means of a further increase in fuel prices, that would itself add impetus to the inflation rate. To that extent, therefore, a fuel-price-increase option appears almost self-defeating

Assuming that Sasol is denied the protection it seeks, as seems more than possible by a government rather desperate to increase revenue, how will the Sasol group increase profits? Kruger notes that he expects earnings to rise this year following two years of minor declines. Fertiliser made its first, unspecified contribution to group profits last year. This should be improved this year, with the recently announced sale of part of Sentrachem's assets to Sasol, together with hoped-for price rises in a less heavily competitive market Although explosives have yet to contribute to profits, Kruger has expectations from this source, too. Other chemical products, presently at good prices, such as wax and tar-acid refining, should add to the improvements.

Further ahead the company has high hopes for both exports and import-replacement of polypropylene. Its plant for the purpose is to be constructed at a cost of about R390m at Secunda. It is to produce about 120 000 t a year, while SA consumption is expected to rise to about 70 000 t by 1990, when the plant is to be commissioned. Although this and a new coal mine in the Secunda area will between them cost R889m at current prices, Sasol has reduced its debt during the past four years from about R2bn in 1985 to R420 and intends to use cash flow for the additional investments

Last year dividends were maintained by digging into the "equalisation reserve," created in the extremely profitable 1986 year at a cost of R31m. The market is clearly rather uncertain about Sasol's outlook, rating the shares at a historic dividend yield of 6,4%, compared to AECI's 5,4% and Sentrachem's 4,6%. While prospective profits must contain a larger element of risk at present than in the past as the management moves determinedly into competitive areas, the market may be overly pessimistic. *David Ross*

CURRIES/CURFIN

Exaggerated gloom

"Peace of mind" is not only a part of Currie Motors' (Curries) successful advertising campaign, but must also be felt by its shareholders The company raised EPS by 60% last year and, with net cash of R7m, it kept cover down to 1,6 and raised the dividend 47%.

It is unlikely to repeat that kind of growth this year, but chairman Mackie Brodie is confident that EPS will increase again Dividends are also unlikely to be cut, considering that dividends have been reduced in only one of the 42 years as a listed company, according to Brodie

All of which accounts for Curries' being

NEWS

The man who sits in Auckland Park's hot-seat

269
Star 29/10/88

THIS year has been possibly the most turbulent in the SABC's history

In April Mr Riaan Eksteen resigned as director-general amid widespread speculation that he had incurred the displeasure of the State President over the SABC's coverage of the Rev Allan Hendrickse s resignation from the Cabinet

Statements by the government hinted at bad financial management — the corporation having sustained losses of R68 million from 1985 to 1987

Following Mr Eksteen's departure the post of director-general remained vacant for five months, during which the SABC took the unprecedented step of advertising its top job (paying R130 000 a year) on television and radio

Newspaper headlines pronounced Nobody wants to work for PW 'SABC continues playing Who will be the Boss?" ", and "PW's men can t find a successor to Eksteen'

During this uncertain period, Mr Wynand Harmse the corporation's deputy director-general in charge of finance stepped into the breach as acting director-general Finally, in early October Harmse was appointed director-general

HE'S THE BOSS Mr Wynand Harmse, SABC supremo

His job will not be easy Welcomed as a non-political appointee, Mr Harmse will have to demonstrate that is the case He must also show the SABC can be run without the heavy financial losses of the past

This area is particularly sensitive even before Mr Harmse's appointment as director-general, SABC watchers were astounded when he was named acting director-general in Mr Eksteen's place If poor financial control was the reason for Mr Eksteen's departure, they reasoned, why appoint in his place — even if only temporarily — the man in charge of the corporation's financial planning?

The answer to that question reveals more about the circumstances of Mr Eksteen's leaving than about Mr Wynand Harmse's ability to fill a job now burdened with more difficulties than before. As acting head of the SABC, Mr Harmse was able to maintain a low profile. In his new role, that will be almost impossible and it is on this larger public stage that the 48-year-old Mr Harmse now takes his bow

An SABC employee since 1963, he rose from an administrative assistant in the office of the director of finance to the post of director of finance and administration in 1980, followed by promotion to senior director of finance in 1982 and elevation to deputy director-general of finance in 1985

Randfontein born, Mr Harmse's financial grounding began at Potchefstroom University where he took a B Com While there he met his wife Ninnie They have two daughters and a son Favoured

Personality

WYNAND HARMSE

Written by: DARRYL ACCONE

family holidays involve backpacking in the Drakensberg or the Fish River Canyon.

That wilderness solitude is a far cry from the hustle and bustle of his job Having been at the helm for five months, it's not a new experience now, but certainly a more secure one

When Mr Harmse took over as acting chief, he told the Press he would carry out his duties as if he were the permanent head.

"I am the captain of a ship The SABC is not experiencing easy times but life goes on Things must go full steam ahead If changes must take place, I will recommend them to the board"

He added "I have my own style and am prepared to listen to anyone"

In his acting capacity Mr Harmse outlined a programme to improve the public image of the SABC and the morale of the corporation, to institute more effective management, and to reduce the SABC's financial deficit.

Despite this, in August the SABC advertised the job of director-general on radio and TV

This was seen by some observers as a lack of confidence in Mr Harmse on the part of the SABC Conjecture in the press followed that Mr Harmse had not applied for the job, then that he had been "pressured" to do so Mr Harmse denied he had been coerced in any way

On October 6, all doubts fell away when he was named director-general Interviewed shortly after, he said "I knew I was there (acting DG) for possibly eight months and I felt the only way I could do the job was to presume I was in permanently

"Now, of course, I'm pleased I adopted that attitude because I can continue with the plans and changes I have instituted."

Mr Harmse's priorities conform to the programme he suggested earlier when acting head But he has had to commit himself in one major new area — politics Which brings up the spectre of his predecessor

"If the past five months are anything to go by, there is nothing to indicate any direct intervention on the part of the State President," he told Ian Gray of the Sunday Star shortly after his appointment. He said he thought he could stay on in the so-called SABC hot-seat as long as he took "a reasonable approach to all political viewpoints"

"It will never be easy; far from it, because you get it from all sides here political and from other bodies"

The municipal elections provided the first test when Mr Harmse had to field a complaint from PFP councillor Mr Tony Leon about the programme "Sundowner"

Mr Harmse replied "The SABC denies categorically that it is influenced in any way by the National Party in its editorial decision-making and selection of guests on programmes, or that it allows itself to be used deliberately to further the advancement of any political party or group"

There are many who would disagree. Perhaps the most vital issue Mr Harmse must address is that of increasing the SABC's news credibility Whether he can achieve that, and whether he will be allowed to, only time will tell

Demand-driven structure 'has to go'

SABC ad rate system slated

Star 29/10/88 (20)

CHRIS MOERDYK

TWO OF South Africa's largest advertising agencies have slammed the SABC's "demand-driven" rate structure, labelling it a failure and calling for its abolition.

Media director of Lindsay Smithers-FCB, Nic Louw, claimed advertisers were being overcharged as rate increases were "uncontrolled", were no longer related to audience levels and were becoming "extremely unreasonable".

The demand-driven rates, said to be based on the number of applications for time channels, were used, he said, to SABC's exclusive advantage

He added: "Disparities between the time used and SABC's demand-driven rates are not understood It is difficult for me to accept that rates are based only on demand If this were the case, then in 15 months some pattern must surely have emerged This is not the case

"My impression is the structure is a smokescreen behind which the SABC's real reasons for rate increases are hidden

"It is important the SABC restores its credibility It would not be that difficult — just abolish the demand-driven rate structure."

Grey Phillips media director, Harry Herber, said the theory of supply and demand as applied by the SABC to rates should "be shot down in flames" The system took advantage of the marketer as he had no option but to use SABC stations

Mr Herber added "Competitors (in the case of radio) are denied an FM signal and accordingly cannot hope to capture audience from the corporation So like TV, the advertisers will be told 'If you don't want to pay, don't buy the time'

This is a spurious argument The system is in place to ensure flexibility and availability I'm sure most clients would rather work within a more rigid, often sold-out situation than live with a 60 percent price hike metered out annually

"To quote an SABC source 'Once demand drops, rates will drop' I'll eat my hat if this ever happens"

Novelty ad will shake the US vodka-drinkers

NEW YORK — US distributors for Absolut Vodka from Sweden and Toyota cars are using pop-up ads, 3-D viewfinders and other devices to promote their products.

The ads are a marketing bid to cut through commercial clutter and get people to pay attention to a message.

The vodka ads, designed to simulate a snowstorm, have see-through plastic pressing a clear liquid against a black page that carries an illustration of an Absolut Vodka bottle.

When the page is shaken, white flecks of plastic float through the liquid to make it look like it's snowing.

Carillon Importers Ltd. of New Jersey, sole US distributor of Absolut Vodka, spent more than R2,25 million to produce the ads and buy space in three magazines. It hopes 2 million people will see them.

Advertisers selling everything from biscuits to perfume to Rolls-Royce cars have used scent strips in magazine ads Magazine readers have faced cardboard pop-ups of Stetson hats, Christmas stockings and views of the San Francisco skyline.

Toyota put a cardboard 3-D viewfinder in a magazine ad so readers could glimpse its new Corolla. Johnnie Walker Black Label put a dozen peel-and-stick labels in a two-page ad last year so readers could remind friends what they wanted for Christmas.

Carillon last year placed microchips in magazine spreads to play carols when the page was opened.

"At Christmas, magazines are crowded with ads To catch the reader's attention, you have to do something a step ahead," said Michel Roux, Carillon's chief executive.

One complaint about last year's musical ads was that music played incessantly in some apartment building lobbies after magazines were stuffed in the mailboxes.

Carillon and its agency, TBWA Advertising Inc, have taken every precaution this year to avoid problems with their new novelty ad.

TBWA president Richard Costello had no complaints He said Absolut Vodka sales were up 35 percent last year and were running 33 percent higher so far this year. — Sapa-AP.

Whispers

Chris Moerdyk

NEWSMAKERS

PICK 'N PAY'S **Raymond Ackerman** certainly doesn't take kindly to anyone suggesting that South African business is anything but entirely above board. A few years ago he

THE **Association of Advertising Agencies** Ad of the Month Awards for Sep-

Iscor decision in January

ISCOR could be the first parastatal to go public since the privatisation of Sasol in 1979.

By Don Robertson

The wheels have been set in motion for its quick sale to the public and financial institutions by the purchase of R600-million worth of shares in the steel giant by the Industrial Development Corporation (IDC)

About four months ago, Iscor officials and outside consultants prepared a document on privatisation It was presented to the Iscor board last Wednesday and will be sent to the Cabinet this week A Government decision is expected early in January

Iscor refuses to comment on the deal, saying details are contained in a confidential document. IDC management held meetings on Friday

The possibility of an Iscor privatisation has set analysts reaching for their calculators

If current cost adjustments are excluded, Iscor earned R460-million in the year to June 1987. If Iscor were valued on a PE of 5, it would be worth R2,2-billion

At June 30, 1987, shareholders' funds were R3,6-billion and fixed assets R3,2-billion. Results for the year to June 1988 will be released on November 8

Profits

In the past four year's Iscor has been profitable. Taxed profit before current cost adjustments from 1984-1987 was. R317,4-million, R23,1-million, R163,3-million, R93-million and (R460-million. The sales record was R2,7-billion, R3,1-billion, R3,9-billion and R4,1-billion.

Sanctions, particularly by America and the European Economic Community, have hit Iscor exports, and it has been forced to sell elsewhere

The weakening of the rand would have been positive for export receipts, but high railage and other costs in SA have been obstacles.

Experts

Three British experts on privatisation are to address a three-day conference on the subject at the CSIR, Pretoria, from tomorrow. About 200 delegates, including senior State officials who may be affected by privatisation will attend

Eamonn Butler, director of the Adam Smith Institute and author of several books, says the greatest pitfall would be for the State to try to extract too much money for its assets

Dr Butler says the object is to set up efficient enterprises in which ownership is broadly spread Thanks to privatisation, there are 9-million shareholders in the UK now and only 6-million members of trade unions

John Stansby, who has been involved in privatisation of London Transport and the British Water Authority, says the first step is to identify the different interest groups in privatisation The second is to appoint top men who can persuade all parties on the merits of private ownership and then run enterprises efficiently

260 B/Day 31/10/88

Iscor deal: no bearing on privatisation

Iscor was premature. He expected the 1988 results, which are due next week, were necessary for a better historical profit review of the corporation. However, he did not want to pre-empt government's action

IDC MD Koos van Rooy also said the transaction did not constitute privatisation, but that "it added momentum to the privatisation programme".

IDC has no investment in Iscor and the proportion of share capital to be acquired in the R600m transaction is still to be determined. Van Rooy said the transaction would result in a minority holding which played no role in the control of Iscor.

The transaction had not yet been finalised, but payment would be made before the end of March. It would be financed from retained earnings and did not require IDC going to the capital market.

Van Rooy said the common chairmanship of Marius de Waal at IDC and Iscor posed no conflict of interests given that Iscor could be poised for privatisation and the new share-ownership of IDC represented statutory interests in the corporation.

● From Page 1

Analysts, however, said the transaction was seen as positive in that government indicated it would use the capital for infrastructural and small business development and not in the current account — to meet civil servants' salary hikes, for example.

Simpson McKie chief economist John Banos, in an analysis earlier this year, said Iscor's profit in 1987 was R93m on shareholders' funds of R3,6bn, representing a return on equity of 2,6%.

He said. "If government aims to get paid at least book value of Iscor's assets, the corporation's profits need to increase by a factor of at least six — something which cannot be achieved overnight.

"Furthermore, Iscor has a patchy track record which could prevent the company from commanding a good rating in the marketplace."

Banos said privatising Iscor would take at least three to four years. He believed government had target companies which were far more available for privatisation, such as Foskor, Richard Bay Minerals and Alusaf.

essis statement 'misleading'

Iscor deal: no bearing on privatisation

THE R600m transaction in which government would sell Iscor shares to the Industrial Development Corporation (IDC), announced by Finance Minister Barend du Plessis, had no bearing on the possible privatisation of Iscor, an Iscor spokesman said at the weekend.

Analysts said Du Plessis' announcement, couched in the language it was, was misleading as it did not represent privatisation but merely a change of ownership of shares in the government sector. Besides, they did not believe Iscor was ready to be first in government's diary for privatisation.

Iscor public relations GM Piet du Plessis said the transaction was a separate deal between two public-sector bodies — the government and IDC.

He said, "As the Minister explained, the transaction does not anticipate government's final decision on whether to

HELOISE HENNING

sell its shareholding in Iscor, or imply that the IDC will eventually have a permanent share in Iscor."

A report on the feasibility of privatising Iscor had just been completed by the corporation's management and outside consultants. It was submitted to Iscor's board last week and would be referred to the Cabinet. Piet du Plessis said Iscor expected the Cabinet to make a final decision early next year.

It is believed the report did not anticipate the transaction between IDC and Iscor. It even appeared Iscor management was taken by surprise when the announcement was made.

Iscor CE Willem van Wyk, who is overseas, could not be reached for comment.

Earlier, he had said talk of privatising

● To Page 2

Iscor deal: no bearing on privatisation

● From Page 1

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asserted public opinion make up their minds

Iscor medical aid out R3-m: police act

(260)

Crime Reporter Star 3/11/88

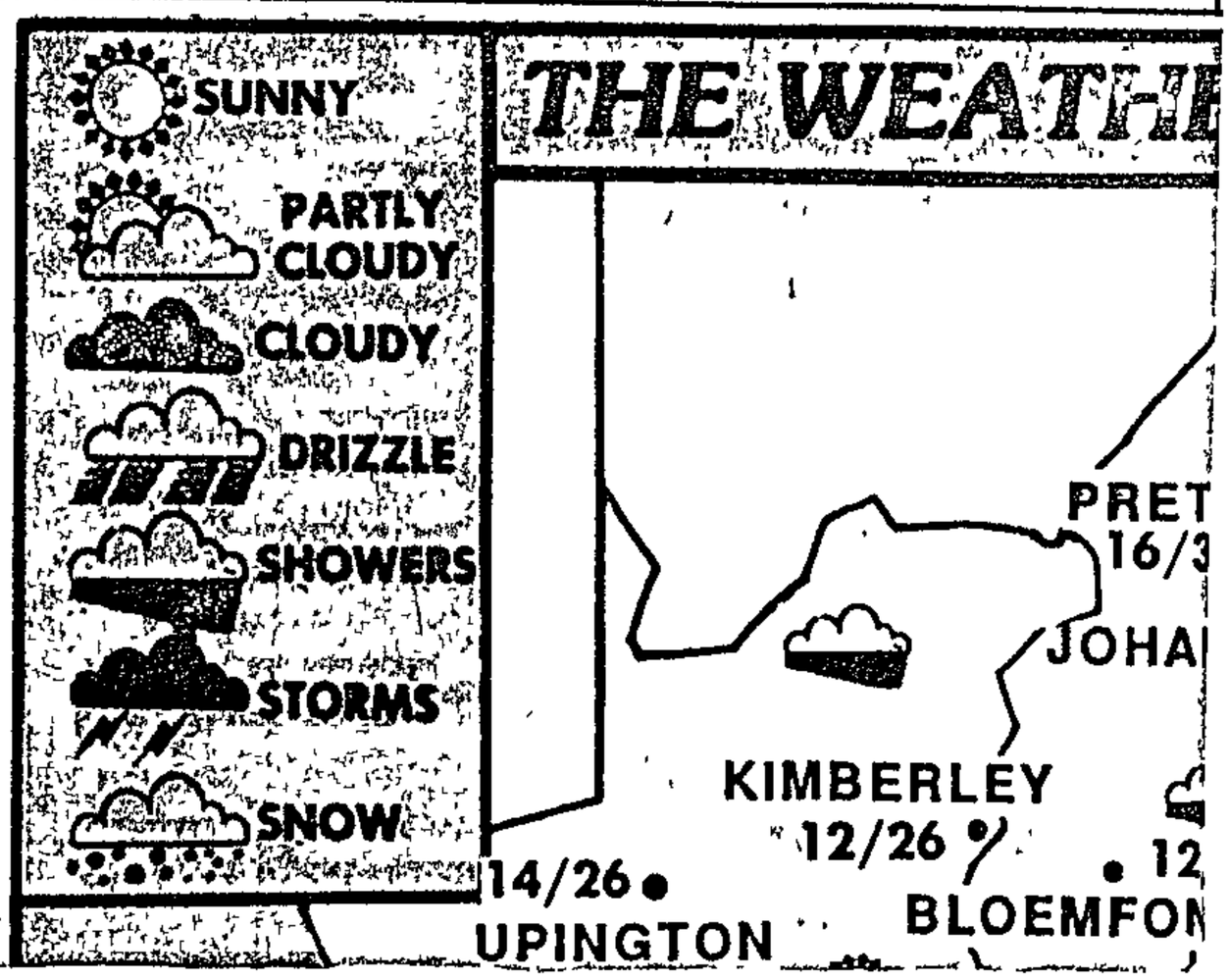
Police are investigating the disappearance of up to R3 million from Ferromed, Iscor's medical aid, a Pretoria police spokesman confirmed yesterday.

The investigation, now being handled by the Commercial Branch in Pretoria, was begun by Iscor itself about a month ago after allegations of irregularities.

Most of Ferromed's members are Iscor employees.

Northern Transvaal police spokesman Lieutenant Hennie Crowther said no arrests had yet been made.

An Iscor spokesman said it had not yet been determined whether the alleged irregularities constituted fraud or theft. The alleged irregularities have been occurring for at least 10 months.



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Too few shares offered Sasol

SASOL management should have followed its own intuition on share splitting and provided the market with more shares to take up in the public offer, chairman Joe Stegmann said yesterday.

He told a privatisation conference on Sasol, held in Pretoria, that the corporation should not have followed the advice of five different merchant bankers and the head of a financial institution to limit the share split to 15 000 shares.

HELOISE HENNING

The bankers were sceptical the company would find enough members of the investing public after the institutions had been given the major share

In the end, Sasol went to the market with 25 000 shares and the issue was 31% oversubscribed which, Stegmann said, was not well received by the small subscribers. Several banks had participated as well

Harmse outlines role of SABC

By Lloyd Coutts Star 4/11/88

The message or deeds of proponents of anarchy, chaos and violence will not find a willing mouthpiece in the SABC, says the corporation's director-general Mr Wynand Harmse

Addressing the Johannesburg Press Club yesterday, Mr Harmse said the SABC was well aware of the revolutionary's strategy of placing himself at the forefront through extra-parliamentary agitation in order to to catch the headlines for his propaganda

"It (the SABC) consequently handles its broadcasts in such a way that the revolutionary cause is not promoted," he said

Earlier Mr Harmse said the SABC saw as its most important task the conveyance of all the information a citizen needed to make rational decisions.

In a democratic country it was each citizen's right and privilege to take decisions, decisions that covered a very wide area, from politics to finance

"In our country, with its latent conflict potential and the wide variety of population groups and cultural groups, this is a task that often requires fine judgment, the SABC continually has to look for ways of informing without confusing, of guiding without undermining or endangering society and its norms," Mr Harmse said

The impact the SABC had was an extraordinary responsibility, which meant that certain factors had to be taken into account continually These included the framework of the country's interests in which the SABC had to act, the conveyance of government decisions, the heterogeneous composition of the population, and the variety of political sentiments and points of view

"I do not have to spell it out — our country's politics is topsy-turvy (*deurmekaar*) and it is our duty to present different viewpoints And it must be done without a 'stopwatch mentality', but as objectively as possible

"The SABC — and the other media — have a duty to analyse as well as to educate people 'politically' The reality of the South African situation of ideologies must come through in programmes on radio and television and in items in our news bulletins," Mr Harmse said

SA was involved in a struggle against terrorism, which placed certain demands on the SABC.

The mere fact that the corporation was part of the South African community, in conjunction with its power as a broadcasting medium, made it a target for the onslaught on its credibility, and it was also regarded as an important propaganda instrument.

ISCOR (260) FINMAIL

4/11/88

Cash flow

The transfer, announced last week, of R600m worth of shares in Iscor, one of SA's largest public corporations, from the State to the State-owned 'Industrial Development Corp (IDC) is a reallocation of cash resources Established in 1940, to support industrial development, the IDC was described by Finance Minister Barend du Plessis as "overcapitalised " In a speech to the Afrikaanse Sakekamer, he contrasted it with "other institutions within the machinery of State which are undercapitalised" and spoke of "optimum utilisation of the ability to expand "

The money is to be made available to the fiscus this financial year R371m will go to the Development Bank of SA, R100m to local government, R34m as a contribution to orderly urbanisation and "the relief of the most serious immediate squatter problem," R50m to the Small Business Development Corporation, and R45m to the SA Housing Trust

The sum secures "a considerable portion of the shares held by the State in Iscor " No further details were disclosed, however Iscor has authorised share capital of R1,001bn Issued capital of R865,2m is made up of 500 000 A-class R2 shares (vested in the State President and not transferable without an Act of parliament), 341,9m B-class R2 shares (held by the State prior to the IDC deal), 90m redeemable R2 preference shares, and a further 220 000 7,5% cumulative preference shares held by private individuals

Du Plessis emphasised the deal "in no way anticipates the final decision on the privatisation of Iscor or implies that the IDC will have a permanent shareholding in Iscor This is purely an arrangement of convenience " ■

Estate provisionally sequestrated

Iscor probe told of man's spending

Star 4/11/88

260

Own Correspondent

The estate of the Verwoerdburg man in the middle of a multimillion-rand Iscor medical aid fraud investigation was yesterday provisionally sequestrated in the Pretoria Supreme Court

The urgent application was brought by Mr Karel Daniel Oosthuizen's wife, Mrs Stephanie Oosthuizen, who said her husband was "a fugitive from justice but still in the country"

The application was not opposed by Mr Oosthuizen, of Rivier Avenue, Lyttelton Manor

Mrs Oosthuizen said she had not seen her husband since October 30 Mr Oosthuizen had telephoned his wife twice since his disappearance and told her he was sorry for what he had done

"He said he would have to hand himself over to the police and that he regretted his actions

"In the meanwhile the police arrived at my house and told me they were looking for the respondent for questioning in connection with the embezzlement of an amount between R3 million and R6 million"

Mrs Oosthuizen said her husband was insolvent and had previously been in prison for fraud

She said her husband bought the following assets this year four luxury cars, furniture, two blocks of flats worth R1 million each, a block of flats worth more than R1 million and a flat at Umhlanga Rocks

He had told her he was to transfer ownership of the cars to other people "and that he has hidden the cars" Their three-year marriage was described as "happy" by Mrs Oosthuizen, who said "I am sorry for him and regret the fact that I dutifully had to bring the application for sequestration of his estate"

Mrs Oosthuizen, a widow until her second marriage, said Mr Oosthuizen came to live with her and her two sons after their marriage on April 13 1985.

"He did not earn much as a clerk with Ferromed (previously Iscor medical aid) but, with our joint salaries and paid-for house, we had a good life although it was to a great extent from hand to mouth"

Mrs Oosthuizen said that, during February this year, Mr Oosthuizen "bought one motor vehicle after another as well as big blocks of flats in Pretoria I was frightened and was not used to this."

Always had cash

"I tried to ascertain from the respondent where he got the money from to buy all these things but he said he had bought shares years ago which had appreciated considerably and he had sold"

Mrs Oosthuizen said her husband "acted like the owner of the three blocks of flats" by appointing or sacking employers and also by appointing E G Chapman as administrative agents

Although Mr Oosthuizen earned R4 000 a month, Mrs Oosthuizen said he suddenly always had cash

On October 28 her husband came home early. Mrs Oosthuizen said "I was very tense and during the day I heard there were rumours that he was involved in an embezzlement on a large scale I confronted him on Saturday and he said 5 000 wrong cheques were at his employer, that they were to have been destroyed and that he had instructed someone to do so."

Mr Oosthuizen left home on October 30 after leaving a letter addressed to his wife

How Iscor man splashed out on cars and luxury lovenest

HIGH LIFE OF SWINDLER

Karel's Lamborghini and a Ferrari, worth R250 000 each

260 Sunday Times 6/11/88

Now it's wedding bells as top TV man quits

By DOUGLAS GORDON
TV Correspondent

SUNDOWNER producer Dave Charles quit the SABC this week — a fortnight before he is due to wed pretty TV make-up girl Sue McKechnie.

The latest shock resignation has plunged the SABC's stable of local English TV shows into deeper crisis.

Dave, who has masterminded Sundowner for 18 months, was left with glamour girl

By DE WET POTGIETER

A RUNAWAY accountant's secret life of love and luxury was exposed this weekend as police hunted for the man and his mistress.

Karel Oosthuizen, 48, and his lover, Cornelia Pistorius, 41, are wanted in connection with an Iscor medical aid fraud which could involve R6-million

He splashed out a fortune in flashy cars and on pampering his mistress in their luxury lovenest.

To his wife and neighbours, Karel Oosthuizen was a grey man who had a dull 9-to-5 job at Iscor They believed the money for his exotic sports cars came from a Stock Exchange windfall.

STEFANIE OOSTHUIZEN

But the other side of his secret double life was all caviare and champagne.

And this is his second brush with the law

In August 1981 he was jailed for five years for fraud involving R100 000 from Heyns Films and served two years of his sentence, his wife said last night. Police told her about the conviction this week.

"If I had known when I met him that he'd been in prison for fraud, I might have had second thoughts

Child 'talent scout' flees porn storm

GREG POTTER ... won't be back

6/11/88 By DE WET POTGIETER (298) Sunday Times

A PHOTOGRAPHER trusted by scores of parents to capture their daughters on film has fled South Africa to escape arrest as

Duke is gaining but Bush looks a winner

SUNDAY TIMES FOREIGN DESK

A NEW election poll shows that Michael Dukakis has cut Republican George Bush's lead almost by half just two days before the US presidential election — but the Vice-President is still expected to win.

With Tuesday's election looming and Dukakis sounding hoarse and weary, the CBS News poll put the race at 51 to 44 percent,

This was down from a 12-point Bush lead — 53 to 41 percent — in a CBS survey carried out at the end of October

Most other recent nationwide polls have put Vice-President Bush ahead by larger margins. By some estimates he is virtually assured of victory in enough key states to lock up the 270 electoral college votes needed to win.

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"If I had known when I met him that he'd been in prison for fraud, I might have had second thoughts

"But he told me he'd been in trouble with the law because he was declared bankrupt when he divorced his first wife, and tried to hide some of his assets," said Mrs Stefanie Oosthuizen.

At the couple's modest Verwoerdburg home, Mrs Oosthuizen, 47, is still reeling under the news of her husband's sudden flight and allegations that he embezzled a fortune

"When he left here on Monday morning, everything was normal I made him sandwiches to take to work and he left with his briefcase, just like any other day

"I haven't seen him since," the distraught woman said.

When she got home after work on Monday, Mrs Oosthuizen found a note from Karel under her pillow

"He wrote that he loved me, that he was sorry he had come into my life and that he needed a few days to sort things out.

Tears

"I didn't know what was going on

"Then he phoned me on Tuesday, in tears, and said he wanted to come home.

"I told him he should, but he didn't.

"He called again on Wednesday and said the same, but that's the last I've heard from him."

Her husband's high life — which included the purchase of a red Lamborghini Countach, a Ferrari GTS, a Lotus Esprit, a specially imported Toyota Celica Supra and a four-wheel drive vehicle — started at the beginning of the year

His neighbours wondered how Karel — whose salary from Iscor was R2 700 a month — could afford the cars he drove

But the widow who married him three years ago believed Karel when he said the money was coming from gold shares he had bought 10 years ago

Flamboyant

She had no inkling that the nights he spent "working late" were actually being shared with his accomplice, on whom he lavished designer clothes and diamond rings, and kept her in a luxury penthouse.

Mrs Pistorius, who worked for the Iscor medical aid fund, Ferromed, until earlier this year, was described by neighbours in the Arcadia high-rise block of flats where she lived as "a flamboyant woman in her early 40s".

She was visited by her lover every day — and on Monday they left the flat together

Their lovenest was in Kleinbegin, one of several

□ To Page 2

MEE
DEFE

DETL
KIDS

PICK

GOSFORTH PA
Net pool R1 165
tickets 528,
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See Business Tim

Iscor's runaway Romeo

□ From Page 1

Sunnyside and Arcadia flat blocks bought by Cornelia Investments, the company formed by the couple

This week the penthouse was deserted

Cornelia's son removed all the furniture and had it moved to an address in Alberton, and the only sign of her occupancy was a deputy sheriff's order, nailed to the door

Before leaving, Cornelia told her maid she was going overseas for three months

Her Honda Prelude had gone — it is believed to be the car in which the couple are travelling

Perilous

Said one neighbour: "She never wore anything but the most expensive designer clothes and had huge diamond rings on almost every finger.

"I saw her often but she kept to herself None of us really knew her but she and the man who visited her every day left here together on Monday morning"

As the police set about unravelling the couple's elaborate fraud scheme this week, Mrs Oosthuizen found herself in a perilous financial situation

Her husband apparently channelled the stolen medical aid cheques through her bank account — but kept her from seeing any statements.

"When we married in 1985, Karel didn't have a bank account He used to pay his salary cheque into mine, and later had signing powers on the account.

"But in time he took over completely, saying it was a man's job to handle the finances.

"I never saw a statement and I had no idea what was going on with the account."

Now Mrs Oosthuizen stands to lose the Verwoerdburg house she shared with her "Jekyll and Hyde" husband

This week, she brought an urgent application for his sequestration in the Pretoria Supreme Court — but two hours after it was granted, the order was declared invalid after a separate action was brought by the Iscor medical aid fund against Mr and Mrs Oosthuizen, Mrs Pistorius and Cornelia Investments (Pty) Ltd.

Police have already recovered all the luxury sports cars, which Karel removed from his Verwoerdburg house in the past month

KAREL OOSTHUIZEN
Loved the high live

"He told me he was taking them to the garage for service but he never brought them back.

"Now I realise this was all part of his plan," said Mrs Oosthuizen

The Lamborghini was found at Umhlanga, on the Natal North Coast, outside a block of flats in which the couple had bought a R155 000 unit, and at which he was seen on Monday.

Wrong

Since leaving home, his trail has led police to the Natal South Coast and back to Pretoria, where he was spotted on Thursday morning at the South African Airways reservations office

According to the Oosthuizens' maid, he returned to the Verwoerdburg house some time on Monday but did not remove any of his clothes or personal belongings

"I didn't know what to think when he didn't come home on Monday night, but it was only when the Iscor personnel manager phoned on Thursday and asked where he was that I realised something was terribly wrong," said Mrs Oosthuizen

The couple first met while at school, but lost touch until about four years ago

"We were married six months later

Ruin

"I don't understand any of this Karel is a quiet, soft-spoken man, a real gentleman.

"He always treated me well, and I knew nothing about Cornelia Pistorius or the existence of Cornelia Investments

"All I do know is that I'm facing financial ruin"

● A spokesman for Iscor has said members of the medical aid scheme will not suffer as a result of the massive fraud, uncovered by internal auditors

"Ferromed is an independent scheme and is not administered by Iscor," the spokesman said

Sunday Times 6/11/88

Iscor employees 'not affected'

ISCOR and its employees would not be affected by the alleged fraud involving more than R4,5m from the Ferromed medical scheme, an Iscor spokesman said on Friday

A police spokesman said yesterday former Ferromed accountant Karel Daniel Oosthuizen, 48, who was wanted in connection with the fraud allegation, was thought to be still in SA

Oosthuizen went missing last week after being dismissed from Ferromed in October Routine bookwork at Ferromed — mainly subscribed to by Iscor employees — uncovered a fraud which could exceed R4,5m

DANIEL SIMON 7/11/88

The Iscor spokesman said the suspected irregularities were traced and confirmed by Iscor's internal auditors and security department which, in their normal course of duties, were not concerned with Ferromed.

Eskom in court over salary rises for 22 000

Labour Reporter

SALARY increases for about 22 000 Eskom employees hinge on the outcome of arbitration due to start in the Industrial Court in Cape Town today

The arbitration involves eight unions representing Eskom employees and arises from cost-of-living increases given by Eskom from April this year.

The matter has gone to arbitration because Eskom employees are barred from striking

The unions claim that in November last year they and Eskom management agreed that pay increases for this year, to be implemented from April 1, would combine a cost-of-living and a merit component

HIGHER ACHIEVERS

But that in the interim Eskom worked out a "pay for performance" system and in March announced 4 percent increases for employees in band three of performance ranking and slightly higher increases for those in bands one and two of higher achievers

Both the increases and the unilateral implementation by management are being contested by the unions

They claim that a 16 percent increase would be necessary to keep pace with inflation as salaried staff's pay has been significantly eroded over several years, that previous salary increases consistently showed some relation to the consumer price index but the April increase fell far short of the pattern, and that the performance system showed serious shortcomings in design and implementation.

INDUSTRY

Second div in 16 years as Iscor profits rocket

From ROY COKAYNE

PRETORIA. — Iscor has produced a bumper R193-million after-tax profit — its fifth consecutive profit and the best in its history — and is to pay a dividend for only the second time in 16 years.

The payout of 15c will cost R65-million, the annual report discloses today

Iscor Group produced the largest profit in its history — R248,5-million after tax — while Iscor Ltd has totally wiped out the accumulated assessed losses of the previous years and is paying tax again for the first time since 1972

Of the total R92-million in tax payable by the group, Iscor Ltd is liable for R81-million

Chairman Mr Marius de Waal said an additional amount of about R90-million, over and above income tax, was paid in GST and other central and regional government taxes

"Together with the declared dividend of R65-million, this brings the total amount payable to authorities to about R247-million for the year," he said.

The group's after tax profit of R248,5-million compares with R97,4-million last year while Iscor Ltd's after tax profit of R193-million is more than double the R75-million of a year ago

However, since the early 1950s, Iscor has calculated profits according to a policy based on the current cost accounting concept because of its contention that in times of high inflation such a policy was advisable to counteract the erosion of a business concern's capital base and ensure its continued viability.

But since 1982 Iscor has disclosed the effect of the current cost adjustment on the financial results and the conventional historical cost trading profit to facilitate comparison with other South African undertakings.

Iscor Group's after-tax profits are boosted to R582-million using the conventional historical cost method.

The corporation's fine results appear to clear the path for its privatisation

However, the only mention made about privatisation in the annual report was to state that the government, as part of its privatisation policy, had requested Iscor earlier this year to investigate the corporation's privatisation potential

"The decision on privatisation will probably be made before the end of the current financial year (June 30, 1989)," it said

The group's turnover for the year increased 16,7 percent from R4 131-million in 1987 to R4 820-million in 1988 while the total tonnages of steel products as well as mining products sold also increased during the year compared to 1987

Income from the sale of steel products amounted to 86,2 percent (1987 85,0 percent) of the total turnover and the rest represents the sale of mining and other products

Iscor comes out smoking

HELOISE HENNING

ISCOR has provided white-hot results in the year to June 1988 by improving profit after taxation by 21% to R582m (R464m) based on a historic cost accounting.

Trading profit of R757m (R589m) was reduced by a current cost adjustment of R333,7m to R423m (R222,5m).

The current cost adjustment is largely an accelerated depreciation charge to provide for replacement costs. On that basis, the group improved profit after taxation by 250% to R248m (R97m). This was achieved through improved margins, as physical production levels were virtually unchanged

Historic cost accounting is the method of reporting required for JSE companies. Based on this method, return on shareholders equity of R4bn is, for the capital intensive steel-making industry, a promising 13%.

This was obtained on turnover of R4,8bn (R4,1bn).

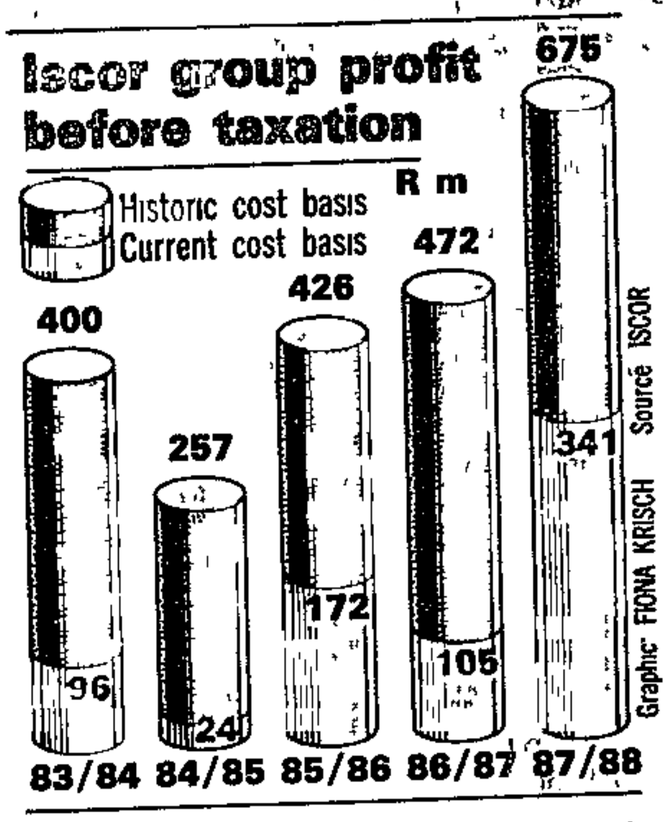
Tax rose 13 times to R92m (R7m) on a profit including extraordinary items of R340,8m (R104,9m). This was the first time since 1972 that Iscor paid tax as the assessed losses of the previous years had been totally wiped out.

A dividend of 15c a share absorbed R65m, which was covered 7,5 times.

Shareholder's equity rose to R4bn compared with R3,6bn last year after a policy of retained earnings. Retained earnings last year were R161,5m plus R22,3m transferred to reserves.

In his chairman's statement, Marius de Waal said the corporation expected an announcement from government on

● To Page 2



Iscor comes out smoking with top results

● From Page 1

privatisation this financial year.

An amount of R323m, invested in plant replacement, was self-financed as was the R247m required for the net redemption of loans. About R12m was obtained from outside for import project finance. Under current liabilities, the balance had an item for "provisions" of R193m, which among others was for the relining of blast furnaces.

Iscor improved profits in spite of a marginal increase in tons sold to 5 487 000 tons (5 423 000 tons). More than 40% of this was exported with increased demand not being fully met. Earnings from exports added to capacity utilisation

MD Willem van Wyk said the main reason for increased income from exports was because the dollar price of steel firmed The rand's exchange value only fell in the last quarter of the year under review.

The Star Finance

Iscor reveals record profits ahead of privatisation

Star 9/11/88

260

By Roy Cokayne

Iscor has produced a bumper R193 million after tax profit — its fifth consecutive profit and the best in its history — and is to pay a dividend for only the second time in 16 years

According to the 1988 annual report released yesterday, Iscor will pay 15c per share on all shares This amounts to R65 million

Iscor Group also produced the largest profit in its history — R248,5 million after tax — while it has wiped out the accumulated assessed losses of the previous years and is paying income tax again for the first time since 1972

Of the total R92 million in tax payable by the Group, Iscor is liable for R81 million

Chairman Mr Marius de Waal said an additional tax amount of about R90 million was paid during the year in GST

"Together with the declared dividend of R65 million, this brings the total amount payable to authorities to about R247 million for the year," he said

The Group's after tax profit of R248,5 million compares with R97,4 million last year while Iscor's after profit of R193 million is more than double the previous year's R75 million

However, since the early 1950s, Iscor has calculated profits according to a policy based on the current cost accounting concept

But since 1982 Iscor has disclosed the effect of the current cost adjustment on the financial results and Iscor Group's after tax profits are boosted to R582 million using the conventional historical cost method

The Corporation's fine results appear to clear the path for its privatisation, although the only mention made about privatisation in the annual report was to state that the Government, as part of its privatisation policy, had requested Iscor earlier to investigate the Corporation's privatisation potential

"The decision on privatisation will probably be made before the end of the current financial year to end-June 1989," it said

The Group's turnover for the year increased 16,7 percent from R4,131 billion in 1987 to R4,82 billion in 1988 while the total tonnages of steel products as well as mining products sold also increased during the year compared to 1987

Sales income from the sale of steel products amounted to 86,2 percent (1987 — 85 percent) of the total turnover and the rest represents the sale of mining and other products

The sound results achieved by Iscor were attributed to

- The improved local demand for steel with domestic sales of Iscor products showing a 13,9 percent rise above the tonnage for the previous year
- The satisfactory increase in dollar prices of export steel products because of the US dollar's decline against other currencies and an upsurge in the demand for steel on international markets
- Sustained productivity improvement and cost savings at all Iscor centres
- Technological developments, which led to products of improved quality and higher value

Eskom pay rises hinge on arbitration

CAPE TOWN — Salary increases for about 22 000 Eskom employees hinge on the outcome of arbitration in the Industrial Court in Cape Town yesterday

The arbitration involves eight unions representing Eskom employees and arises from cost-of-living increases given by Eskom from April this year The matter has gone to arbitration because Eskom employees are barred from striking

The unions claim that in November last year, they and Eskom management agreed that pay increases for this year, to be implemented from April 1, would combine a cost-of-living and merit component

They say, however, that in the interim, Eskom worked out a "pay for performance" system and in March announced 4% increases for employees in band 3 of performance ranking, and a slightly higher increase for those in bands 1 and 2of high achievers

Both the increases and the unilateral implementation by management are being contested by the unions

They claim that a 16% increase is necessary to keep pace with inflation, as salaried staff's pay has been significantly eroded over several years. that previous salary increases consistently showed some relation to the consumer price index, but the April increase fell far short of the pattern, and that the performance system shows serious shortcomings in design and implementation — Sapa

Eskom pioneer venture with private sector

ESKOM has entered into a joint venture with private sector companies to bring electricity to an eastern Cape township, an Eskom and Volkswagen statement yesterday said.

This, Eskom's first such venture with a private company, is seen as a significant advance for Eskom CE Ian McRae's vision of bringing power to all of southern Africa

Eskom has joined forces with Volkswagen SA and members of the Midland Chamber of Industries to form Kwanolec, the Kwanobuhle Electricity Supply Company, which will supply electricity to the town of Kwanobuhle near Uitenhage

The statement said the move would be of immense benefit to Kwanobuhle and could serve as a model for the further development of electricty supply infrastructure in SA

Local and provincial authorities supported the move, which incorporates several new features Individual customers in Kwanobuhle will be able to decide whether they want to buy electricity, and should be able to control how much they want to spend on energy Each consenting household will have a "ready board" with a pre-paid coupon-type meter, three 15 amp sockets, a light socket and a switch.

The first customers will be connected by mid-1989. When completed, all 11 000 developed properties in the township are to have access to electricity. — Sapa.

FMAIL 11/11/88.

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ISCOR

Ripe for the market

Iscor is increasingly looking the part as government's first major step into privatisation

This week's announcement of record operating profits should help ease remaining government disquiet about selling off one of its biggest industrial assets.

Iscor management is confident privatisation is coming, saying it's no longer a matter of "if," but "when" Chairman Marius de Waal expects a government decision by June next year The minister responsible for privatisation, Dawie de Villiers, is studying an Iscor report on the corporation's preparedness for privatisation The report is understood to argue that Iscor is ready for the market

Where other State enterprises such as Eskom and Sats have still to adapt to the rigours of the private sector environment before they can be sold, Iscor argues that it already operates successfully in the open market

Says De Waal "If you look at our results and the various other prospects for privatisation, we are one of the most obvious ones."

That view is likely to be enhanced by the newly released results, which show Iscor achieved a record pre-tax profit of R341m in the year to June 30. The previous year's figure was R105m.

And its performance could have been considerably better, were it not for Iscor's ultra-conservative current cost accounting system, which wiped R334m off the profit total But for that, the figure would have been R657m.

Tax of R92m left the corporation with a final profit of R249m (R582m without current cost accounting), compared with the previous year's R97m (R464m) With the accumulated assessed losses of previous years finally wiped out, it is the first time since 1972 that Iscor paid tax

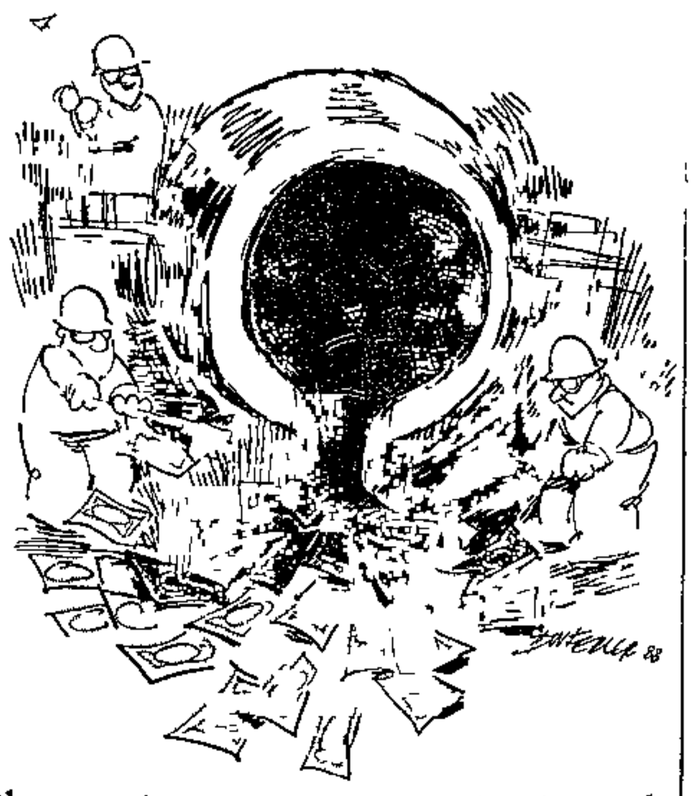
Besides higher productivity and technological improvements, De Waal attributes Iscor's good showing to improved local demand and higher export prices.

Iscor's domestic sales in 1987-1988 rose by 14% over the previous year Production was maintained at full capacity, and what couldn't be sold locally was exported With the world steel market starting to show signs of revival, shortages began appearing and forced up prices

Iscor benefited to some degree, but increased domestic demand reduced the amount of steel available for export

Iscor should be better placed to benefit from exports in the current financial year Domestic demand is expected to falter, leaving more steel available for overseas markets

MD Willem van Wyk predicts that with



the recent increases in interest rates and other "distressing" economic problems, consumer demand is likely to decline and, with it, steel sales. He thinks sales in the present financial year could be 5% lower than the 5,5 Mt sold in 1987-1988.

The Steel and Engineering Industries Federation's latest review of activities in the metal and engineering industries says many sectors are already reporting a fall-off in demand because of interest rates, inflation and import surcharges

Exports aren't Iscor's only concern Because it can't meet local demand for tinplate, it is helping local customers import A 3% levy on Iscor tinplate sales is helping to finance imports, which cost 40% more than the domestic product. GM Nols Olivier says the new production facilities being planned will not fully meet demand before 1991. ■

COUNTERTRADE (260)

Opening doors 11/11/88

Countertrade is moving into a more sophisticated mode as major corporations like Eskom and Mossgas start to unveil new methods of unconventional trade.

Says Countertrade & Barter (C&B) MD Eugene St Clair: "People are taking another look at countertrade as they start taking sanctions seriously and start to worry about the balance of payments and the exchange rate"

St Clair recently arranged a deal for Eskom which acquired computers from Punch Line in exchange for 150 km of surplus "centipede" conductor, which he then exported to Europe on Punch Line's behalf C&B is now disposing of a wide variety of Eskom surplus inventory on a similar basis.

Says Eskom assistant commercial manager for countertrade Dennis Cook: "A Middle East country has expressed an interest in purchasing one of our closing plants as part of a countertrade deal"

Though it keeps its activities low-profile, Mossgas is also involved in countertrade deals (*Business* November 4). Safto CE Wim Holtes says Mossgas could open up a counter-trade pipeline which will help get the local engineering industry into mainstream manufactured exports

"Countertrade should be linked with industrial development Overseas suppliers should be asked to invite South African companies into their future operations, for example, when supplying a refinery in South-East Asia or South America. These international engineering companies supply equipment in other areas where local technology is at the forefront, like sugar milling and paper processing"

Adds Safto GM Anne Moore. "Countertrade could be a way of getting continued access to technology"

St Clair says tourism deals, manufactured products or even computer software and audio visual productions could be offered to multinational companies as counterpurchases for imported hi-tech plant and equipment.

Holtes says it would be unrealistic to expect a 100% countertrade benefit from Mossgas, but a target of 50% should be attainable "Mossgas is obviously insisting on top quality and strict delivery times. The complexities of countertrade may force delays due to the need to put complex deals together"

However, in other contexts, 100% countertrade is feasible — as is the case with African countries with hardly any foreign exchange like Mozambique, where timber was exchanged for chemicals, hand tools and a contract to build a sawmill, and Malawi, where clothing was exported in exchange for nuts.

"One certain consequence of countertrade is that it will lead to greater bilateralism We'll tend to buy goods from those countries we sell to And increased mutual dependence must be good," says Holtes. ■

Fury in Nat ranks because SABC paid R2,5-million for amateurish propaganda movie

WHAT A FLOP!

Alwyn Schlebusch quit Cabinet

By MARLENE BURGER and DRIES VAN HEERDEN

A SMOULDERING row over a costly propaganda war film — partly financed by the SABC — has caused tumult in top National Party circles.

The film, Back to Freedom, was released this week. It has been panned as a flop and stars three virtually unknown American actors

There are barely disguised suggestions that the SABC's contribution of R2,5-million was partly the reason former Minister Alwyn Schlebusch quit the Cabinet this year

Scathing

"When it (SABC participation) came to my notice, I acted immediately," Mr Schlebusch said yesterday

"I am not prepared to divulge details at this stage, unless circumstances force me to do so"

Back to Freedom has an anti-Cuban theme and, although fictitious, is clearly designed to promote the cause of Unita's Dr Jonas Savimbi.

The film has been scathingly reviewed in the Press Critics condemned it as propagandistic and of "abysmal" quality

The making of the film is known to have been energetically supported by several senior members of the Cabinet, including President P W Botha Defence Minister Magnus Malan and Foreign Affairs Minister Pik Botha

Battle

Generous use was made of Defence Force equipment to stage the battle scenes.

Insig a magazine published by the NP supporting Nasionale Pers, reports in its latest issue that a number of NP politicians have already privately expressed their concern that the SABC was involved in the project.

Insig also claims that the SABC was forced to cut down on its educational programmes in order to finance the film

It was also left with too little money to make a film about Louis Trichardt to commemorate the 100th anniversary of the Great

Sextuplet Sue's secret wedding

PICTURE EXCLUSIVE

☐ HERE comes the bride . . . carried away by love Susan Rosenkowitz and Terry Wilson photographed at their wedding this week.
☐ She said afterwards: "Terry is the great love of my life."
☐ He said: "We've been together every day since we met 18 months ago."

Picture: STEVE CORNER

Ferdi vows to fight for 'whites only' signs

A DEFIANT Conservative Party yesterday challenged the Government to try to stop it bringing back "whites only" signs to municipalities under its control.

"Let them try to stop us. Let them use undemocratic methods to thwart the wishes of the people we represent," deputy CP leader Dr Ferdi Hartzenberg, told the Sunday Times yesterday

By DE WET POTGIETER and DRIES van HEERDEN

Dr Hartzenberg's fighting talk came after a mass rally in Pretoria attended by more than 400 representatives from CP controlled town councils countrywide.

The implementation of CP policy, including the re-introduction of separate facilities, was unanimously endorsed at the meeting

Threats

This week the CP's resolve to turn back the clock had international repercussions when a senior official of the US State Department called on the South African Government to prevent the CP from carrying out its threats.

In political circles, however it is believed the CP's resolve may be little more than idle threats. They may be promising more than they can deliver

And the Government has the ability to thwart the rightwing by simply scrapping the Separate Amenities Act.

The CP's administrative secretary, Mr Andries Beyers, admitted this week that the powers of CP-controlled town councils were "pretty limited" when it came to closing down facilities for use by all races.

"We can obviously only decide on amenities belonging to the various councils," he said.

"And even in these cases we will take into account the local circumstances and the history of the process."

Local councils have the power to open or close amenities like parks, swimming pools and libraries. In a number of towns now taken over by the CP, these facilities have never been opened to all races

Mr Beyers said he doubted whether the CP's decision to "enforce the mandate received from the voters" to

☐ To Page 2

REDISCOVER

and DRIES VAN HEERDEN

A SMOULDERING row over a costly propaganda war film — partly financed by the SABC — has caused tumult in top National Party circles.

The film, Back to Freedom, was released this week. It has been panned as a flop and stars three virtually unknown American actors

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Insig also claims that the SABC was forced to cut down on its educational programmes in order to finance the film

It was also left with too little money to make a film about Louis Trichardt to commemorate the 150th anniversary of the Great Trek.

This was denied yesterday by SABC council chairman Dr Brand Fourie

The film was made by Mimosa Productions, a company controlled by Bloemfontein millionaire Boet Troskie

It is being distributed by Ace Films Inc, a company registered outside South Africa Nevertheless, says Mr Troskie, it was granted permission by the Department of Trade and Industries to qualify for a subsidy

The production co-ordinator for the movie was Miss Rozanne Botha, daughter of the President, whose name appears on the credits as Rozanne Both

Miss Botha — better known as a singer and newspaper columnist — spent several weeks on location

Strength

The producer/scriptwriter is listed on the credits as "Henry Hyman" He is, in fact, Hennie Human, professor of communication at Potchefstroom University, who also wrote the script for the SABC series Vyfster

The names have been anglicised for international consumption

Said director Ivan Hall. "Rozanne was great to have around She's obviously got a lot of her old man's strength"

American actors Philip Brown, Cathey Paine and Michael D Roberts play the lead roles, supported by South Africans Hal Orlandini,

□ To Page 2

PICK 6

GOSFORTH PARK.
Net pool R875 595; tickets 100, dividend R8 755,90, numbers: 12, 3, 4, 5, 6, 7, 7, field, 6
SCOTTSVILLE
Net pool R353 485,40; tickets 2; dividend R176 742,70, numbers: 8, 7; 9; 2, 3, 5, 6, 13

FA Cup coup

M-NET has secured exclusive coverage of this season's English soccer FA Cup — from the third round matches on January 7 to the final at Wembley on May 20

AIDS death

DANCER and choreographer Howard Jeffrey, 53, who worked with Barbra Streisand in Funny Girl, has died in Los Angeles of complications from AIDS

Jewel heist

A WITBANK jeweller was held up yesterday and robbed of diamond rings worth R100 000 and R10 000

THE contents of this issue of the Sunday Times have been restricted in terms of the emergency regulations.

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□ From Page 1

How Info-style fiasco hit SABC film

Paul Eilers and Dorothy Ann Gould.

And among the extras were about 100 members of the SADF

The SABC's participation in Back to Freedom was approved by the SABC board in January 1986 It came to Mr Schlebusch's attention only at the end of 1987

Three months later, Mr Schlebusch resigned as Minister responsible for the SABC

Mr Schlebusch — who is credited as the man who blew the lid on the Info scandal 10 years ago — was at pains this week to point out that the contract between the SABC and Mimosa was made "long before the SABC came under my control"

"I am one hundred percent happy that I acted throughout with the highest degree of honesty and integrity," he said.

Many of those involved in making the film were astounded when the SABC funding became known this week.

The director, Mr Ivan Hall, said "I had no idea, until recently, that they had put money into the movie."

Budget

And production manager Mr Johan Wicht — who controlled the purse-strings — told the Sunday Times "If the SABC put in R2,5-million, no further money would have been needed

"The whole production couldn't have cost that much"

But Mr Troskie said the budget had run to R5-million. Mr Wicht responded "In that case, post-production and distribution costs must be astronomical."

Another industry source expressed surprise that "such a lemon of a film" could cost so much.

"After all, Fiela's Child — a real blockbuster — cost only R1,5-million, and Back to Freedom is an amateur effort by comparison," he said

The film went on circuit a week ago, well over a year after it was completed.

Shown at the Milan film festival last October, it is said to be destined for international distribution.

"I have no idea why the local release has taken so long. I've even had inquiries from the Defence Force about it," said Mr Wicht.

At least R200 000 was paid for the use of SADF equipment, including four Impalas posing as Russian MiGs in the movie, a Ratel infantry combat vehicle and a captured Russian T-56 tank

At least 20 air-to-air missiles were fired during filming at the Pietersburg air base, and Air Force helicopters were at the disposal of the crew for aerial photography

The Impalas were flown by four SAAF pilots, listed in the film credits as Clive Pinch, Gerald Seecot, Mike Weingartz and Derek Foots

A senior SADF officer, Captain Richard Stephen, was assigned to the project to liaise between the producers and the military

Mr Wicht confirmed that at least two trips by SAAF helicopter were made to Dr Jonas Savimbi's headquarters at Jamba "to scout out locations"

"In the end, we decided not to film there, because there was no electricity and communications were poor," he said

Dr Savimbi is believed to have approved the script

At the time the film was first mooted, Treasury rules required producers to pay a deposit equal to 15 percent of total replacement value of all SADF equipment used.

In addition, film-makers had to pay all direct costs, including fuel, ammunition and the salary of SADF personnel involved in a production.

Critics

An SADF spokesman confirmed yesterday that in September 1985 the Department of Finance had been approached by the army to review its guidelines for the provision of military equipment for film-makers

He confirmed that during June 1986 the request by the makers of Back To Freedom for the use of military equipment had been referred to the Treasury and approved according to the guidelines.

The SADF also said that it was "policy to help film companies, where possible, with hiring of military equipment which is not available in the private sector".

SABC chairman Dr Fourie said this week that the Back to Freedom project was not the first time the SABC and a film company had collaborated

In return for its investment, the SABC would receive

- 100 percent of the net box office returns from cinemas in South Africa,
- 50 percent of the proceeds from international distribution
- First option to screen the film on television from July next year

However, film critics are pessimistic about its prospects

Beeld's reviewer, Schalk Schoombie, advised readers to give the film a miss, suggesting they rather "stay at home and play Trivial Pursuit"

"You wouldn't notice from the credits that this is a South African product, but it's abundantly clear from the hidden propaganda.

"The action scenes are spectacular. The numerous explosions and tricky manoeuvres by both jets and military vehicles must have cost a fortune," he says.

The Citizen's Gordon Engelbrecht called the film "abysmal" and "not likely to crack any top-rate markets abroad".

Sunday Times reviewer Glen Shelton said the "trite and pedestrian" tale "seems to be little more than an opportunity to glorify Jonas Savimbi".

Alusaf, Sats, Foskor early starters

Iscor set to go private route first

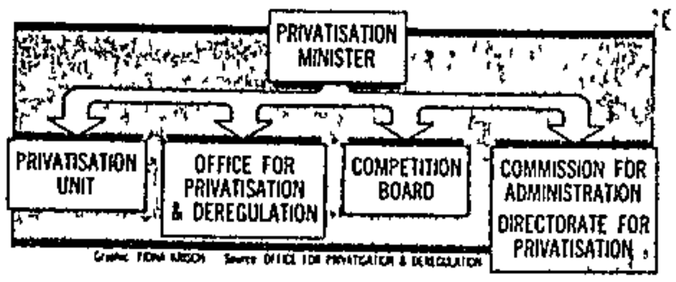
HELOISE HENNING

JUDGING by the activities of Privatisation Minister Dawie de Villiers's department, Iscor might be the first of the major state corporations to be privatised next year, followed by Alusaf, part of Sats and Foskor.

Government has now appointed its own advisors to assess Iscor's likely release from the state fold This is an advanced phase, since Iscor has completed its own exercise in making recommendations to the Cabinet.

Iscor's management, presenting its results to the Press last week, appeared confident about meeting investors in the market place.

De Villiers said earlier this month he would present a timetable for privatisation early next year.



SA's privatisation doyen, Wim de Villiers, is working hard at finalising his report on Posts and Telecommunications. The report is expected to be more far-reaching in its recommendations than the document he submitted to government on SA Transport Services.

Eskom's final proposals to the Cabinet are understood to be almost ready. In spite of Eskom's healthy business structure, it is believed consumer interests could delay decisions on its privatisation.

● To Page 2

Iscor looks set to take private route first

● From Page 1

Meanwhile, the corporatisation of Sats is taking shape, with legislation being prepared for Parliament early next year.

Inherent problems with the loss-maker's rail commuter services and SAA's international services may keep it from private investors for the time being The profitable long-distance passenger-bus services could be the first to be sold off.

The privatisation unit, headed by merchant banker Pieter van Huyssteen, who was seconded from Finansbank, is primarily responsible for investigating Eskom, Iscor, Foskor, Sats and Posts and Telecommunications

The directorate for privatisation in the Commission for Administration is responsible for investigations into central government services But so far no headway appears to have been made in privatising services such as forestry, water resources and holiday resorts.

The National Co-Ordinating Council for Local Authorities, under chairmanship of Cape Town's town clerk Stanley Evans, has a sub-committee giving attention to redrafting legislation on the remuneration of town clerks Their salaries are currently linked to the size of municipal budgets, giving no incentive to privatising their activities

This committee, which includes a member of the privatisation unit, is also looking at contracting out other services under provincial control, such as laundry and catering services in hospitals, and refuse removal

The two Industrial Development Corporation subsidiaries much spoken about as candidates for privatisation are Alusaf and Foskor.

IDC, which holds 72% of Alusaf shares, announced it had initiated steps to reduce its controlling share in the business. This could involve the sale of its shares to other shareholders and not necessarily a flotation

Swiss aluminium company Aluswiss holds 22% of the shares, while Hulett Tongaat group's Hulamin, Sanlam and Southern Life hold the rest.

Alusaf MD Rob Barbour said negotiations for the sale of shares were not in his hands but with the IDC.

"Effectively it means there might be a new board and new chairmanship at the end of the deal," he said

Although Foskor last week published strong results boosted by the international price of phosphate rock and copper — one of its by-products — it apparently needs to firm its local pricing before it can be offered to the market

260 14/11/88

Cape Times, Monday, Nove

SABC 'in 2 more film projects'

JOHANNESBURG. — The SABC is involved in at least two multinational film projects and has no intention of abandoning what could be a lucrative source of income, despite reports about a R5 million "propaganda flop", the corporation's new director general, Mr Wynand Harmse, said yesterday

He was commenting on reports that the SABC had contributed R2,5 million towards the production of what has been labelled a pro-South African, anti-Cuban war film, "Back to Freedom".

For its share of the costs, the SABC will get 100% of the nett domestic box office returns and half the overseas proceeds, as well as the first option to screen the film on television.

It was reported yesterday that the former minister responsible for broadcasting, Mr Alwyn Schlebusch, had tried to block payment of the SABC's fifth instalment of R500 000 to the producers, Mimosa Film Productions (Pty) Ltd. This apparently caused friction between Mr Schlebusch and President P W Botha, which may have been behind Mr Schlebusch's resignation soon afterwards

Mr Harmse said yesterday that he was aware of at least two co-productions undertaken by the SABC which were aimed at both the local and international markets. The SABC would contribute about R700 000 or R800 000 to one project. Mr Harmse said he thought the other would cost the SABC more than R1 million At least one was a feature film, he said.

Mr Harmse said such co-operation enabled the SABC to ensure more exposure for its products, with the promise of a healthy profit.

The SABC would "definitely" be involved in similar projects in future, he said.

On the alleged propaganda content of the film, Mr Harmse, who was financial director of the SABC at the time, said he was "not involved in the script or anything"

Although it was desirable to portray one's country in a positive light, the chief considerations would be a production's entertainment value and viewer appeal, he said

(260 B/day 24/11/88

SABC has a further R1,7m in the kitty for 'multinational' film projects

THE SABC was currently involved in at least two multinational film projects and had no intention of abandoning them, despite reports of a R5m "propaganda flop", its new director-general Wynand Harmse said yesterday.

SABC would contribute between R700 000 and R800 000 to one project and he thought the other would cost it more than R1m At least one project was a feature film, he said.

The SABC would "definitely" be involved in similar film projects in the future, he said

He was commenting on Sunday newspaper reports that the SABC had contributed R2,5m to the production of what has been labelled a pro-SA, anti-Cuban war film, "Back to Freedom".

On the alleged propaganda content of the feature film, Harmse, who was financial director of the SABC at the time, said he was "not involved in the script or anything".

For its share of the costs, the SABC would get all the net domestic box-office returns and half the overseas proceeds, plus first option to screen the

PETER DELMAR

film on television.

It was reported yesterday that the former minister responsible for broadcasting, Alwyn Schlebusch, had tried to block payment of the SABC's fifth instalment of R500 000 to the producers of the feature, Mimosa Film Productions.

This apparently caused friction between Schlebusch and President P W Botha, which may have been behind Schlebusch's resignation shortly after the incident.

Harmse said he knew of at least two co-productions undertaken by the SABC, which were aimed at both the local and international markets.

"Such co-operation enabled the SABC to ensure more exposure for its products, with the promise of a healthy profit.

"Of course, there is always an element of risk, as there is in any business venture, but we are working with people who have considerable expertise in marketing films overseas."

Although it was desirable to portray one's country in a positive light, the chief considerations would be a production's entertainment value and viewer appeal, he said.

SABC chairman Brand Fourie denied the corporation was forced to cut back on educational programmes as a result of Back to Freedon.

He also denied claims that a commemorative documentary on the Great Trek celebrations had to be scrapped because of its commitment to the film.

SABC role in 'propaganda' film queried

260

ARGUS 14/11/88

Political Staff

OPPOSITION political parties today called for official answers to questions surrounding the SABC's R2,5-million funding of a big-screen "propaganda" movie, *Back to Freedom*

The Conservative Party called for a commission of inquiry and likened the project to the Information scandal.

Progressive Federal Party information spokesman Mr Dave Dalling called for public answers to certain questions.

The Minister of Information, Dr Stoffel van der Merwe, after previewing the film last night, would not comment today on what he thought of the film, which has been panned by critics.

"I'm not going to try to be a film critic," he said. But he said it was not a propaganda film. It was, at best, anti-Cuban.

Neither would he say whether the SABC had undertaken — or was undertaking — any projects similar to the R2,5-million investment in *Back to Freedom*.

"You must ask the SABC that."

SADF ROLE

The CP has also questioned the involvement of the Defence Force in the film and the role played by Rozanne Botha, daughter of President Botha

The film features armoured cars, tanks, jeeps, troops, Impala jet fighters and Soviet-built fighter planes and is heavily anti-Cuban.

Rozanne was employed as production co-ordinator.

CP media spokesman Dr Pieter Mulder said there were surprising parallels between the film project and the Information scandal.

"It would appear that an inquiry is fully justified. It's the same sort of unorthodox project (as the Department of Information's creation of the Citizen newspaper). I'd like to compare it with my father's situation," Dr Mulder said.

He is the son of the late Dr Connie Mulder, a NP Cabinet Minister who was forced to resign during the Information scandal of the 1970s.

DEMANDING ANSWERS

"There are a few questions concerning the SADF and the way they were involved. The question ought to be: 'Are they available for all film-makers?' If that is the case all film-makers should get co-operation."

The questions to which Mr Dalling is demanding answers include:

- How much did the SABC invest in the project and on whose authority?
- Why has it been necessary to disguise the names of the people involved in the project? An example was Rozanne, who appeared in credits as Rozanne Both.
- Did this project contribute to the former minister in charge of the SABC, Mr Alwyn Schlebusch, leaving the Cabinet?
- How is it that this lucrative contract was handed to Mimosa Films, a company owned by Mr Bill Troskie, a friend of senior Nationalists?

Were other companies considered and if so,. why were they turned down?

Mr Schlebusch could not be contacted for comment today.

Iscor millions:
Wanted man held

ARGUS 14/11/88 260

Suspect sipping champagne with girlfriend on hotel veranda

The Argus Correspondent

PRETORIA. — Quick thinking by a national serviceman holidaying in the Eastern Transvaal resulted in the weekend arrest of a Verwoerdburg accountant who allegedly stole R4,5-million from Iscor's Ferromed medical aid fund.

Mr Karel Daniel Oosthuizen, of River Road, Verwoerdburg, and his girlfriend, Ms Cornelia Pistorius, were arrested while sipping champagne on the verandah of their room at the Sarabie River Hotel near Hazyview, according to hotel manager, Mr Jeremy Millar

Mr Oosthuizen, who allegedly went on a spending spree purchasing several luxury cars and property, was sought nation-wide after the alleged fraud was discovered about two weeks ago

Mr Arie Thompson, a 26-year-old Potchefstroom accountant doing his military service with the Receiver of Revenue in Germiston, was spending the weekend in the Eastern Transvaal with friends.

Called police

"I went to park my car in the shade and noticed a blue Toyota Celica Supra in the hotel parking area.

"After reading the Sunday papers I realised that this was the car sought by police I went back and parked my car behind the Toyota so it couldn't get out and then called the police," he said today.

Police arrived at the hotel and, with Mr Thompson and hotel staff, kept a watch on the hotel room while waiting for the Pretoria Fraud Squad to arrive.

Hotel staff also deflated the Toyota's tyres while waiting for the police to arrest Mr Oosthuizen

False names

The couple checked into the hotel on Friday night, using false names, and had intended to stay until today, said Mr Millar.

The hotel had been busy and as far as the staff could establish Mr Oosthuizen and Ms Pistorius had spent most of their time in the hotel room, using room service, said Mr Millar

He said the arrest, about 4pm yesterday, took place very quietly

He said Mr Oosthuizen had not looked happy when he left the hotel.

● Sapa reports that Mr Oosthuizen is to be taken today to Pretoria, where, according to police, he will appear in court tomorrow

Schlebusch mum over film 'clash'

Star 18/11/88

260

By David Braun,
Political Correspondent

The former Minister in charge of broadcasting, Mr Alwyn Schlebusch, declined today to react to speculation that he and President Botha had clashed over an SABC-sponsored propaganda film

He confirmed that he had opposed the payment of R500 000 to film-maker Mr Boet Troskie as the final instalment for the film, which cost R2,5- million

It was learnt today that the contract for the film was negotiated in January 1986. Mr Schlebusch became Minister only later that year

The film was completed late in 1987 and, after he had seen the finished product, he objected to the quality and wanted to withhold part of the payment

Mr Schlebusch apparently did not have the power to stop the payment

He declined firmly today to react to suggestions that there had been some tension between him and Mr Botha over the issue.

Mr Botha's only reference to the matter so far was an attack at the Transvaal National Party congress last night on speculative reporting in the press He said he was now even being dragged into the film industry.

A spokesman for his office indicated today that he may soon have more to say. He said there was no addition to the comments made by Mr Botha last night

The spokesman could not say whether Mr Botha would choose to comment further

● See Page 6.

260 B/dm 15/11/88

Iscor alleges R400 000 theft

ISCOR has released a dossier to the SAP which alleges theft by one of its employees at the Grootegeluk mine near Ellisras.

The company said yesterday the amount involved was "believed to be in the region of R400 000.

"The alleged theft is said to have taken place over a period of approximately one month".

Iscor public relations manager Piet du Plessis said: "The discrepancy was uncovered within a short period by means of regular and ongoing financial control procedures which are in place at every Iscor centre.

Since the matter was now *sub judice*, it would be improper for Iscor to make any further comment, he said.

□ Medical aid fund accountant Karel Oosthuizen, arrested in the Eastern Transvaal on Sunday, was to be brought to Pretoria yesterday to appear in court today, a police spokesman said.

Oosthuizen was arrested at the Sabie Hotel and Country Club near Hazyview by police investigating a R4,5m fraud involving Iscor and the Ferromed Fund.

He was apprehended with Cornelia Pistorius, from Pretoria, who had been staying with him at the hotel.

Receiver of Revenue employee Arie Thompson alerted police and blocked Oosthuizen's car with his own.

The hotel manager also deflated the tyres on Oosthuizen's car.

The couple were apprehended while sipping wine on their room's balcony.

Oosthuizen made headlines in recent weeks when details emerged about the alleged fraud and his acquisition of a number of sports cars. — Sapa.

SA and Mozambique

SABC involved in several more film enterprises

Staff Reporter ARGUS 15/11/88 260

THE SABC is involved in a variety of national and international ventures at present, including the production of feature films

This was confirmed today by the corporation

The SABC was asked by The Argus whether it was involved, as a partner or in any other way, in the making of movies or videos similar to the controversial *Back to Freedom* project It was also asked to provide details.

In reply the SABC said its international and co-productions sections were developing co-production and licensing agreements in "many diverse areas"

These ranged from drama series, through documentaries and included features.

The features now under production were "purely commercial entertaining ventures", with the SABC taking part as minor financiers, committed to 20 to 50 percent of the budget.

LEADING WRITERS

The SABC had exclusive South African broadcasting rights on these productions as well as profit participation.

"We are currently involved in productions with companies in different countries as well as local companies and we have attracted well-known international writers," the SABC statement continued

However, the corporation was obliged to protect its partners and itself from any potential "blackballing" or profit losses on the international market place and therefore could not unilaterally divulge details of the projects.

Meanwhile, the former Minister in the State President's Office, Mr Alwyn Schlebusch, has hinted that he may take legal action against the Conservative Party media spokesman, Dr Pieter Mulder

This was in reaction to Dr Mulder saying there were surprising parallels between the *Back to Freedom* film project and the Information scandal The film has been criticised as a flopped propaganda exercise

In a statement, Mr Schlebusch said last night that Dr Mulder could find himself in a civil action sooner than he (Dr Mulder) thought

STUDY STRUCTURES

Mr Schlebusch's statement read

"As far as your report (in The Argus sister paper, the Pretoria News, of Monday, November 14 1988) is concerned, regarding the *Back to Freedom* film, I wish to draw your attention to the fact that I was not in favour of the payment of the last instalment of R500 000 to Mimosa Films before fuller investigations of the whole matter. Nor did I authorise, recommend or effect payment thereof.

"One should study the structures and powers of the SABC board before making statements to the effect that I actually effected payment under protest

"As far as Dr Pieter Mulder's veiled insinuation is concerned, regarding my person as to the parallel between the Info scandal and the *Back to Freedom* film, I must warn this young man to weigh his words carefully before speaking.

"He can find himself in a civil action sooner than he thinks," Mr Schlebusch concluded

Mr Schlebush resigned suddenly on March 30 as a Cabinet Minister.

Asked yesterday whether his resignation was linked to the film project, Mr Schlebusch refused to comment, saying he would discuss the matter "when the circumstances were right"

Ministerial permission 'not necessary' for film

The Minister of Information, Broadcasting and the Film Industry, Dr Stoffel van der Merwe, said yesterday that the handling of the contract for the film, "Back to Freedom", slated as a propaganda attempt by the Government and the South African Broadcasting Corporation, was done entirely by the SABC's board and the film-maker.

Dr Van der Merwe was reacting to recent press reports that the production of the film by Mimosa Films, run by Mr Bill Troskie, a good friend of the State President, Mr P W Botha, had led to the resignation of the former Minister of Broadcasting, Mr Alwyn Schlebusch

In a statement issued in Pretoria, Dr Van der Merwe said "At no stage was it necessary for any Minister to give or withhold permission."

Dr Stoffel van der Merwe . . . reacts to controversy.

He said the board of the SABC had approved the project before the deal was concluded

"I also satisfied myself that there were no outstanding contractual obligations by either of the two parties concerned," the statement said. — Sapa.

SABC involved in international movie ventures

Own Correspondent

CAPE TOWN — The SABC has confirmed that it is involved in a variety of national and international ventures, including feature film production.

The SABC was asked whether it was currently involved as a partner in the making of movies or videos similar to the controversial "Back to Freedom".

In reply, the SABC said its international and co-production sections were developing co-production and licensing agreements in "many diverse areas".

These ranged from drama series to documentaries and features.

COMMERCIAL FEATURES

The features under production were "purely commercial entertaining ventures" with the SABC taking part as a minor financiers committed to between 20 percent and 50 percent of the budget.

The SABC had exclusive South African broadcasting rights on these productions as well as profit participation

"We are currently involved in productions with companies in different countries as well as local companies and we have attracted well-known international writers," the SABC statement continued.

The corporation was obliged to protect its partners and itself from any potential "blackballing" or profit losses on the international market place and, therefore, could not unilaterally divulge details of the projects.

State-funded films not new to SA

By Dawn Barkhuizen

The film "Back to Freedom" is not the first South African-made film to be shrouded in controversy

In 1978 the film "Golden Rendezvous", starring Irish actor Richard Harris, hit the headlines during the Info scandal

It was then revealed that film-maker Andre Pieterse was lent R825 000 by Thor Communications — a Department of Information front company — to make the drama The film was one of a number of secret projects funded by the department as part of a drive to make South Africa the film capital of the world.

The investment in the film — a box-office flop — caused a storm of controversy

Mr Pieterse also admitted he had been paid R10 000 by the department for making himself available to serve on the board of Thor Communications

Another of Thor Communications' secret projects involved the funding of foreign newspapers.

Sowetan 16/11/84 260

Fiasco from Iscor

By LEN MASEKO

ISCOR has uncovered theft of about R400 000 involving one of its employees at the Grootegeluk coalmine near Ellisras.

An Iscor spokesman said the alleged theft at the Western Transvaal mine took place over a month A dossier has been handed to the police

This is the second financial fiasco to rock the parastatal in three weeks Iscor recently reported theft of R4,5 million from its medical aid fund, alleged to have been stolen by one of its accountants

The accountant, who was the target of a nationwide manhunt after the alleged R4,5-million fraud was discovered about two weeks ago, was arrested in the Eastern Transvaal at the weekend.

Speaking on the alleged R400 000 theft, the Iscor spokesman said

"The discrepancy was uncovered within a short period by means of regular and ongoing financial control procedures which are in place at every Iscor centre"

The Iscor spokesman did not say whether any arrests had been made.

SABC's new boss a man of vision

AR643 17/1/88 260

By MAGGIE ROWLEY, Business Staff

PROFESSOR Christo Viljoen, educationist, computer boffin and newly-appointed chairman of the SABC who succeeds Dr Braam Fourie in July next year, is a man with a vision that could change the face of both education and television in South Africa.

In fact, Professor Viljoen, Dean of the Faculty of Engineering at the University of Stellenbosch, would like to see the education departments using TV1 daily during the silent hours between 8.30am and 3.30pm with programmes being simulcast in as many of the major languages as possible

He would also like to see less emphasis on entertainment and more informal education programmes, including those geared towards increasing computer awareness

Realistic solution

While the SABC could provide education programmes of an informal nature, under the Broadcast Act only the education departments were permitted to broadcast formal education programmes, which he believes could provide a realistic solution to the country's education backlog.

"The SABC has shown its willingness to act as a carrier and to

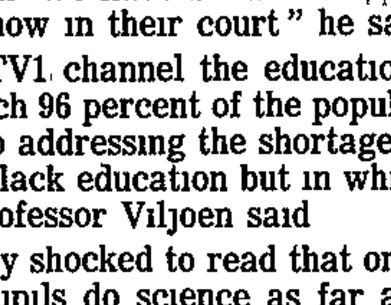
"The SABC has shown its willingness to act as a carrier and to
make this facility available to the education departments at cost, but so far nothing has come of it However I am optimistic that it can be achieved The potential is enormous

"I presume the hesitancy lies in the fact that there are five different departments with different syllabuses To really make this facility worthwhile it would require a common syllabus and a co-ordinated approach We have shown our willingness and the ball is now in their court" he said

Through the TV1 channel the education departments could reach 96 percent of the population and go a long way to addressing the shortage of teachers not only in black education but in white platteland schools, Professor Viljoen said

"I was recently shocked to read that only 15 percent of white pupils do science as far as matric The percentage of black pupils is even more perturbing and is closer to one percent But science is not the only subject plagued by shortages

"Just imagine what could be achieved by using the best teachers on television It would not require expensive programmes They need only put a teacher in front of a blackboard Costs could be cut by pre-recording programmes to eliminate the costly studio time," he said



Besides formal education, Professor Viljoen believes the SABC could play a major role in informal education

"The task of a broadcasting corporation is threefold — to inform, to entertain and to educate

"There has been a disturbing trend recently overseas, especially in Europe, with more and more programmes of an entertainment nature being broadcast and fewer non-entertaining programmes being screened

"While that may be justifiable in a First World country South Africa is a developing Third World country and our needs are different. As a broadcasting corporation we would be failing in our duty if we followed this route"

Professor Christo Viljoen: SABC has enormous potential for education during TV's "silent hours".

He said he found SABC's present mix of entertainment and non-entertainment programmes unacceptable

"For example, I do not believe enough time is devoted to programmes of a documentary, informative nature

"M-Net is a purely entertainment channel Granted not everyone can afford it so the SABC must provide some entertainment, but I would like to see a greater emphasis on informative and educative programmes

"Education programmes do not have to be boring Take a children's programme for example Done well, one can teach many things — from manners to increasing general knowledge"

Professor Viljoen believes there is also a "dire" need to create greater awareness of computers in South Africa and that the SABC could also play a major role in this regard

One way of doing this would be to broadcast a series of programmes on SABC TV on say for example, a Saturday morning, which could be simulcast in the major languages, and geared towards increasing the level of ability of people of all ages

"But it would require having one's own PC at home situated close to the television set which for many people would not be possible"

Back to Freedom flops badly at the box office

ARGUS 17/11/88 260

The Argus Correspondent

DURBAN — The costly and highly controversial propaganda war film *Back to Freedom* has flopped at the box office here.

Mr Christopher Munsami, manager's assistant at West Kine, said the film was being taken off at West Kine 2 after two weeks.

He said the film had attracted only 38 people at the main showings, whereas a popular film would draw audiences of 140 to 160.

"Normally you get nearly a full house when a popular film opens, but this one drew only about 60 people".

Once or twice screenings were cancelled because there was no audience.

In comparison, the film *Big Business* had opened at the same time and was doing much better. It would continue its run until November 25.

Mr Munsami said that in spite of the poor attendances for *Back to Freedom*, most people to whom he had spoken had liked it. "Although they didn't think it was the best, they thought it was good".

260 Times 20/11/88

No pay, no electricity as Eskom brings light

ELECTRICITY supply to housing developments is to be revolutionised.

Prepayment devices, widely used in Europe, will be used in townships

The first project in the Eastern Cape envisages an initial connection fee of only R50 The system gives the householder control of his spending on electricity

It could act as a model for SA's electrical infrastructure development Similar systems will eventually be offered to all new housing developments, cutting the high recurring cost of preparing monthly accounts for users

"This will have a dramatic effect on the electrification of residential areas throughout the country," says John Bradbury, Eskom's manager for reticulation market development "It will not apply only to low-cost developments"

By Ian Smith

Forces

The black township of Kwanobuhle, established near Uitenhage in 1985, will be the first to benefit

To get the project off the ground Eskom joined forces with Volkswagen SA and 13 members of the Midland Chamber of Industries to form the Kwanobuhle Electricity Supply Company (Kwanolec)

The company has R4-million equity, 50% from Eskom and the rest from the private-sector consortium which has employees living in the town Another R16-million loan funding will be sought to enable the company to complete the electrical project

Kwanolec will also take over the electrification work completed by the town council at a cost of about R15-million It will pay a fee for the use of the assets and a franchise of 1% of sales to the town council for the supply rights

The project was planned as a pilot scheme to prove the concept, but interest has been so keen that Eskom has been asked to look at 10 more townships

Mr Bradbury says the Kwanobuhle joint venture breaks new ground in co-operation with the private sector "It couples Eskom's expertise and experience with the involvement of the community"

He says the joint venture concept had been accepted in principle by the Eskom board when it was asked by Volkswagen to help electrify its employees' houses at Kwanobuhle

Sockets

Local and provincial authorities supported the move, which incorporates several new features

Individual customers in Kwanobuhle will decide whether they want to buy electricity, and will be able to control how much they spend on it

Each household will have a "ready board", incorporating three 15-amp sockets, a light socket and a switch, the budget-energy controller, which accepts a magnetic strip card recording prepayment

The ready board and meter, costing about R400, mean that the house does not have to be wired for electricity This can be done later, says Mr Bradbury

Any private contractor can be hired to carry out additional installations

The prepayment cards can be bought from manned dispensers which will operate 24-hours a day on sites at premises like garages and hotels

"Cards can be bought for as little as R2," says Mr Bradbury "If the household-

JOHN BRADBURY

er uses nothing, he pays nothing"

Work on the Kwanobuhle project will start soon and the first customers will be connected by mid-1989. When it is complete all 11.000 developed properties in the township will have access to electricity

Anticipating heavy demand, Eskom has ordered prepayment controllers from three manufacturers — Atlantis-based Angcon, the University of Cape Town's Electricial Research Institute and Conlog in Durban

SABC's next boss is all for education

The chairman-elect of the SABC is a man who believes TV is not just for entertainment and is the ideal instrument to catch up on South Africa's education backlog, writes MAGGIE ROWLEY.

Professor Christo Viljoen, the educationist and computer boffin who succeeds Dr Brand Fourie as chairman of the SABC next July, is a man with a vision that could change the face of both education and television in South Africa

In fact, Professor Viljoen, dean of the Faculty of Engineering at the University of Stellenbosch, would like to see the education departments using TV1 daily between 8 30 am and 3.30 pm with programmes being simulcast in as many major languages as possible.

He would also like to see less emphasis on entertainment and more informal education programmes, including those geared towards increasing computer awareness

While the SABC could provide education programmes of an informal nature, under the Broadcast Act only the education departments are permitted to broadcast formal education programmes, which he believes could provide a solution to the country's education backlog

"The SABC has shown its willingness to act as a carrier and to make this facility available to the education departments at cost, but so far nothing has come of it However I am optimistic that it can be achieved"

The TV1 channel could reach 96 percent of the population and go a long way to addressing the shortage of teachers not only in black education but in white platteland schools, Professor Viljoen said.

Perturbing

"I was recently shocked to read that only 15 percent of white pupils do science as far as matric. The percentage of black pupils is even more perturbing and is closer to one percent But science is not the only subject plagued by shortages.

"Just imagine what could be achieved by using the best teachers on television They need only put a teacher in front of a blackboard Costs could be cut by pre-recording programmes to eliminate the costly studio time," he said

Besides formal education, Professor Viljoen believes the SABC could play a major role in informal education

"The task of a broadcasting corporation is threefold — to inform, to entertain and to educate.

"There has been a disturbing trend recently overseas, especially in Europe, with more and more programmes of an entertainment nature being broadcast and fewer non-entertainment programmes

"While that may be justifiable in a First World country South Africa is a developing Third World country and our needs are different."

He said he found SABC's present mix of entertainment and non-entertainment programmes unacceptable

"M-Net is a purely entertainment channel. Granted not everyone can afford it so the SABC must provide some entertainment

"Education programmes do not have to be boring Take a children's programme for example Done well, one can teach many things"

Eskom moving in at last

By Therese Anders, Highveld Bureau (260)

MIDDELBURG — After standing empty for nearly three years, Eskom's R3,5 million Middelburg "white elephant" regional headquarters complex is to be occupied

Star 24/11/87

The complex of offices and workshops on the outskirts of the town was not occupied after construction was completed in 1985 At the time, a senior Eskom official described the empty HQ as "an embarrassment"

It was a victim of the major restructuring and subsequent decentralisation undertaken by Eskom after the De Villiers Commission of Inquiry

Eskom has been unable to find a buyer or lessee for the property and during the past year a church has been using one of the offices for Sunday services

The Middelburg district manager, Mr Hendrik van Aswegen, said the local district office would move into part of the complex at the end of the year The unused sections would be let

What happens after the layoff?

Eskom retrenchment talks have again raised the question. What happens to workers once it is agreed to shed staff? By **MIKE SILUMA, Labour Reporter.**

The current retrenchment dispute between two trade unions affiliated to the Congress of SA Trade Unions (Cosatu) and Eskom has again highlighted problems related to layoffs and the search for new ways of helping retrenched staff.

About 5 000 jobs will be made redundant following Eskom's decision to mothball 13 of its power stations due to over-capacity.

Eskom has already reached agreement on a retrenchment package with 13 of 15 unions representing its employees

Mr Marcel Golding, a spokesman for the National Union of Mineworkers (NUM) and the National Union of Metalworkers (Numsa), which are still in dispute with Eskom, said the unions had not accepted that there was a need to retrench workers to maintain the electricity giant's profitability

The unions had proposed a shorter working week, an exercise "which can go a long way to addressing the question of oversupply". But, said Mr Golding, Eskom had refused to explore all feasible alternatives to retrenchment

'Prelude to privatisation'

NUM and Numsa suspect that the retrenchments are "a prelude to privatisation", a charge strongly denied by Eskom

According to Mr Golding, the unions would have considered retrenchment if alternatives had been fully explored and found unsuitable. An added worry for the NUM is the more than 1 000 jobs which it says stand to be lost at three mines which supply coal to the threatened power stations.

An Eskom spokesman said the company believed in "full consultation with unions". In addition, the company has pledged to find jobs for some of those facing retrenchment.

Although talks on the Eskom retrenchments have yet to be concluded, the dispute has raised an issue related to all layoffs What happens to retrenched workers once a union and management agree on the need to shed staff?

Traditionally, retrenched workers have had only severance pay and, perhaps, pension to fall back on, with no relief once the money dries up.

In what could signal a radical departure from this trend, the Frame group and the Cosatu-affiliated Amalgamated Clothing and Textile Workers' Union (Actwusa) have agreed to start a clothing factory project to employ some of the workers due to be retrenched by Frame over the next few months

According to Actwusa, the capital to start the worker-controlled factories, about R2,5 million, would be provided by Frame The factories, expected to initially employ about 300 workers, are to be set up in Durban, Ladysmith and East London. Only retrenched Frame workers would be eligible for employment

Frame chairman, Mr Mervyn King, said instead of lump sum payouts to retrenched workers, the money would form the basis of capital for the proposed venture, with the capital being owned by the workers

Frame would also provide management expertise. "The idea is to make simple, non-fashion items of clothing for sale to hawkers," said Mr King, adding that Frame had agreed to help the retrenched workers as a community service

It was stressed, however, that the specifics of the venture were subject to further negotiations.

Although the Actwusa-Frame project is, to date, the biggest operation of its kind, other unions have, over the past four years, established co-operatives in an effort to cushion workers from the blows of joblessness.

Job creation schemes

Numsa also initiated a co-operative for workers dismissed during the BTR Sarmcol in strike in 1985.

The Actwusa project, like others before it, will have to grapple with crucial issues relating to economic viability, management structures and the disposal of profits

The Deputy Director-General of Manpower, Mr Joel Fourie, said Government help for the jobless depended on the availability of money. Presently, the Department of Manpower was spending available money on occupational training and job creation schemes.

Mr Fourie said he did not, in principle, foresee problems with possible requests for help in establishing cooperatives or training facilities However, any training venture receiving State assistance would have to meet criteria laid down by the Government

Second Iscor cash scandal investigated

By Craig Kotze, Crime Reporter.

Police are investigating another Iscor financial scandal — the alleged theft of more than R400 000 by one of its employees at the Grootgeluk coal mine near Ellisras in the northern Transvaal.

The suspect is a woman who worked in the mine's financial section, police said.

Iscor said in a statement yesterday that its dossier on the alleged crime had been handed to the police.

The disclosure follows the weekend arrest of a former Iscor medical aid accountant and his girlfriend at the Sabie River Hotel near Hazyview in connection with a R4,5 million fraud. It is alleged the money was taken from Ferromed, Iscor's medical aid fund.

On the latest theft, an Iscor public relations official, Mr Piet du Plessis, said: "The amount involved is believed to be in the region of R400 000.

"The alleged theft is said to have taken place over a period of approximately one month.

"The discrepancy was uncovered within a short period by means of regular and ongoing financial control procedures."

No further details were given.

SABC employee reinstated

Mr Tinus Esterhuizen, awaiting trial on charges of sodomy and possession of pornographic material, is back at his job with the SABC

Mr Esterhuizen, principal music compiler for Radio Orion, was arrested on November 29 this year and subsequently suspended by the SABC

A spokesman for Radio Orion said Mr Esterhuizen had returned to his job until his case came to court No reason was given for his reinstatement

ESKOM PRIVATISATION

Doubts intrude

Privatisation has become such a rallying cry among politicians and businessmen, it's become rare for anyone to openly question the idea

Last week, Assocom publicly raised doubts on the early privatisation of Eskom. A panel discussion organised by the SA Institute of Electrical Engineers has shown Assocom is not alone in its misgivings

Both the mining industry and organised commerce predict considerable problems if Eskom is among the first State-controlled organisations to be privatised

Mining industry spokesman Denis Clare says mines are generally happy with Eskom, the way things are

Mines consume 27% of Eskom energy. Add industries that beneficiate minerals, and the figure rises to more than 40%

Electricity accounts for 15% of mines' operating costs, and it has suited the industry for Eskom to remain a non-profit-making organisation.

Any significant increase in costs — which the industry says is inevitable when the new organisation starts paying taxes and dividends — could tip some marginal goldmines over the edge and force them to close, says Clare

Wim de Villiers

Government's privatisation consultant, Wim de Villiers, agrees that cheap Eskom electricity cuts mines' costs, but says this means, in effect, that mines are subsidised by the taxpayer

He adds that this has contributed to the rising share of the tax burden paid by individuals

Supporters of Eskom privatisation often point to the over-ambitious power station building programme of the early Eighties and say no private company would have taken that risk

But Clare argues that even a private Eskom could have overestimated the electricity requirements of SA

He says private companies also built excess manufacturing capacity, predicting a sustained economic upturn

He adds that an Eskom driven by its bottom-line would be over-cautious. He says in the early Seventies, before the major power station building programme began, there was lack of continuity of supply and mines required emergency support measures

Commerce shares mines' scepticism. Assocom economist Bill Lacey says Assocom is not opposed to the privatisation of Eskom per se, only to the utility being an early candidate

An important aim of privatisation would be to reduce government's share of GDP from 40% now to 25% in the year 2000 Tariff increases to "realistic levels" would be acceptable, if accompanied by a reduction in the tax burden

But Lacey says Eskom is a natural monopoly and a private electricity monopoly would represent an "alarming" concentration of control

Some hope to cash in on privatisation Jan Malan, of the Association of Municipal Electrical Undertakings, wants the principle extended to allow local authorities, as electricity "retailers," to float private companies ■

Tariff decision 'disappointing'

Protection for Sasol 'not enough'

ZILLA EFRAT.

SASOL has expressed disappointment at government's decision to increase tariff protection for the local synthetic fuels industry by only 2,4c to 6c a litre.

In a notice to shareholders published today, Sasol says the increased protection does not meet fully the needs of the synthetic fuel industry.

The increase will not affect the current pump price, says Sasol.

Government, however, has proposed further discussions with a view to finding an acceptable long-term solution

Because information on liquid fuels production is classified, the effects of increases on Sasol profits cannot be published

Sasol directors believe profits for the current year, ending June 1989, will show reasonable increases. But improvements are expected to stem from other group activities and not from synthetic fuels

Government had been asked to increase tariff protection in line with its undertaking at the time of Sasol's privatisation in 1979 that "should the ratio between the rise in general cost factors and the rise in the prices of petroleum products materially deviate from the assumptions made for the purpose of the economic evaluation of the Sasol undertaking, the protection may be adjusted upwards or downwards by the State"

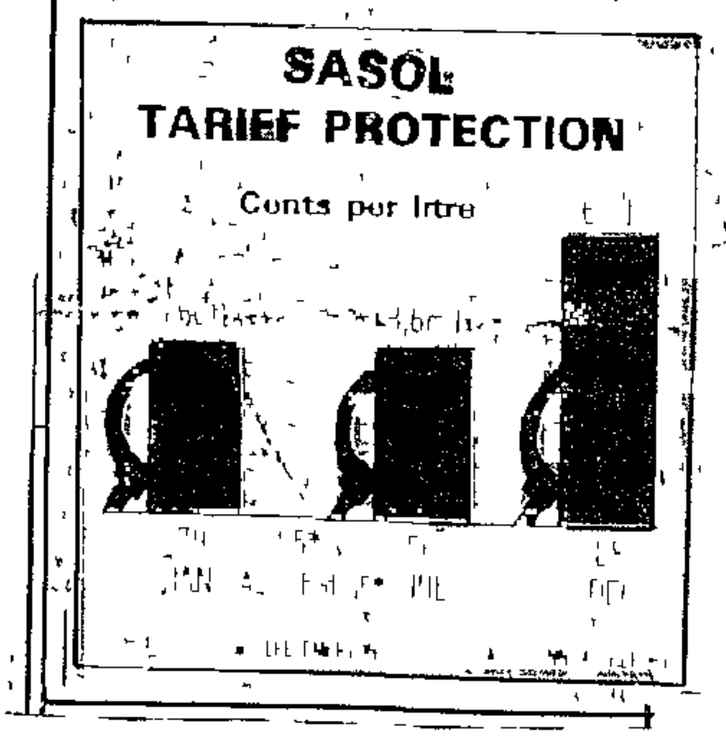
Sasol was granted a 3,6c a litre protection when listed in 1979 In January 1985, after profits soared, it voluntarily gave up the protection. In July 1986, 3,6c protection was re-introduced

Chairman Joe Stegmann said in his annual review in October that the synfuels division's contribution to profitability was sharply reduced for the year ending June 1988

Synfuels represent nearly three-quarters of Sasol's total assets, including Sasol III, but contributed less than half the group's operating profits.

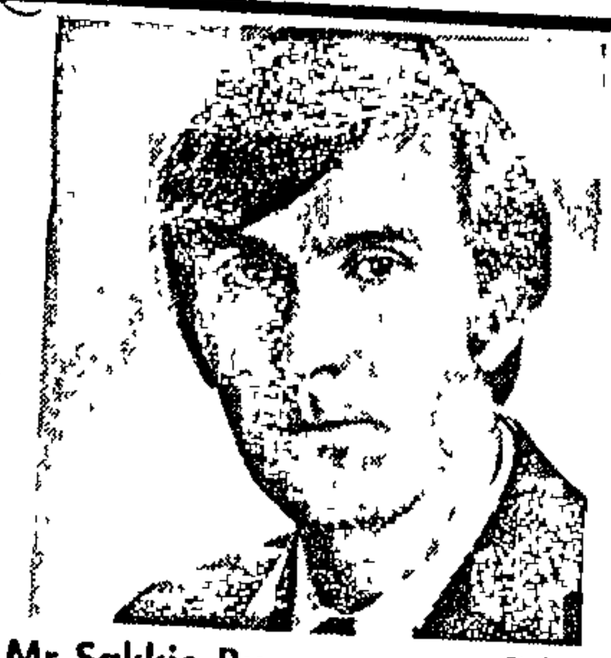
Short-term profit prospects for the synthetic fuels division are dependent on the introduction of the appropriate level of tariff protection for indigenous liquid fuels, said Stegmann

Recent increases in the fuel price had not addressed the problems of the synfuels industry



Star 12/12/88 260

Paper claims TV remark cost SABC man big job



Mr Sakkie Burger . . . confident board will appoint right man.

By Kaizer Nyatsumba

A remark by a senior employee of the South African Broadcasting Corporation about the Conservative Party "doing well" in last year's general election has allegedly cost him promotion, a Johannesburg weekly newspaper reported on Friday

In a front-page article, *Vrye Weekblad* said the SABC's senior director of news and external services, Mr Sakkie Burger, had missed out on promotion as a result of a remark he made on television when he was a member of a panel discussing the elections.

The newspaper said Mr Burgerwas widely regarded as "the natural successor" to SABC deputy director-general of news, Mr Kobus Hamman, who is leaving at the end of the year, but was not appointed to the post.

EDITOR

Instead, the SABC board asked the editor of *Volksblad* in Bloemfontein, Mr Hennie van Deventer, to take the job.

Vrye Weekblad said Mr Burger was regarded in SABC circles as "a Riaan Eksteen man"

Mr Burger told The Star he did not believe his comment had had a bearing on his career.

He said he had been appointed acting head of the SABC's news division with effect from January 1, and that showed the SABC's board of directors had confidence in him. He would be acting head of the department until a newly created post of chief director of news was filled

The new post was a combination of his and Mr Hamman's posts, he said

"It is true that I was the logical successor to Mr Hamman because I had been deputising for him for the past four years That is why I wa not surprised when I was appointed to his position in an acting capacity.

"I have full confidence in the board of directors and in the director-general, and I am sure they will eventually appoint the right man for the job," Mr Burger said

The chairman of the SABC board, Dr Brand Fourie,and the director-general, Mr Wynand Harmse, are on holiday and could not be reached for comment

TopSport team gets the SABC chop

260

Argus 17/12/88

by IAN GRAY
Weekend Argus Correspondent

JOHANNESBURG — In another shock move at the SABC the board has decided to split up the *TopSport* directorate a year after it was established

From next year *TopSport* will "function on a matrix-basis", according to the SABC, which means, in effect, that each department in television and radio will control its own sports programmes

The SABC this week declined to say what would happen to *TopSport* general manager Mr Hein Jordaan or his executive staff or why the decision was taken

The move has stunned senior executives and *TopSport* staffers at Auckland Park, who regard it as yet another step in the vendetta against former director-general Mr Riaan Eksteen, who established the directorate of sport under Mr Jordaan, then general manager TV 1, last year

Iscor fraud suspect denied bail by court

Star 21/12/88 260

Pretoria Correspondent

Mr Karel Daniel Oosthuizen (49) of Verwoerdburg, accused of a R4,5 million Iscor Medical Aid Fund fraud, was refused bail by the Pretoria Regional Court yesterday.

Making the application, lawyer Mr F H Verster said his client had no money or fixed abode Mr Oosthuizen was sickly, but if allowed bail, he could get temporary job.

Bail would be paid by friends and relatives

Opposing bail, prosecutor Mr P J van Vuuren said Mr Oosthuizen could not be trusted to stand trial because he had disappeared while seemingly knowing that the police were looking for him

Mr van Vuuren said "If he did not intend to run away from the police, why did he not hand himself in on hearing that he was wanted?

"The news was on the radio, television and in newspapers."

The magistrate said Mr Oosthuizen's behaviour did not convince the court that he would return for trial after being allowed out on bail

Mr Oosthuizen was remanded to January 4.

Mr Oosthuizen's co-accused and companion, Ms Cornelia Pistorius of Pretoria, was allowed bail of R6 000 last month

Eskom, Zaire in power talks

Star 22/12/88 (260)

The Star's Africa News Service

Eskom managing director Mr Ian McRae has returned from a visit to Zaire where he saw officials and discussed the possibility of linking South Africa, Zaire and other countries in a southern African regional power grid.

He said initial contacts had also been made with Tanzania about joining such a network.

He had spoken to officials of the Zairean electricity supply authority and they had shown keen interest in the possibilities of the regional grid and about the possibility of Eskom technical teams assisting the country in solving electricity supply problems.

He added that a team from Zaire would be coming to South Africa in February to continue the discussions and inspect Eskom training and repair facilities

Mr McRae said Zaire was in a strong position to sell power in southern Africa It had vast hydro-electric potential but a small domestic market. The long distances that power would have to be transmitted posed no technical problems, but he conceded that political realities would have to change before any scheme could get off the ground.

"However, that is what the visit was all about — about opening doors and making contact, and political change is happening faster than we all think.

"Eskom has already made contact with seven southern African countries about the possibility of the regional power grid, and if southern Africa is to develop it must have an energy base to develop upon."

He envisaged that hydro-electric power from the mighty Zaire River could be exported to South Africa via twin lines running through Angola/Namibia and through Zambia/Botswana, supplying projects along the way.

Referring to the Cahora Bassa hydro-electric scheme in Mozambique, Mr McRae said the project was important for all of southern Africa, and had to be made to work.

R10m more for Eskom workers

(260) (1 [illegible] 2 [illegible]) B/dory 22/12/88

ALAN FINE

ESKOM'S 24 000 general workers are to receive an additional R10m in wages for the 12 months to June 1989 in terms of an arbitration award, the National Union of Mineworkers (NUM) said yesterday

The deal arose out of a disputed 10% increase granted by Eskom to those employees last July The NUM, one of three unions involved in the dispute, hailed the deal as a "great wage victory"

The three-member arbitration panel ruled Eskom should backpay the workers an additional 2% effective from July 1, and ordered a 5% wage hike from January 1 This will take the minimum wage to R653,50 from next year, compared with the R612 implemented by Eskom in July

It also partially accepted union proposals for paid maternity leave by awarding women who take maternity leave 30% of a month's pay

Because Eskom is considered an essential service, the three representative unions — the NUM, the National Union of Metalworkers of SA (Numsa) and the Electricity Workers' Union (EWU), an in-house union — were obliged to take the dispute to arbitration

A leaflet distributed by the NUM praised the unions' joint effort in winning the award However, it says all Eskom workers will have to join a single union to avoid serious future problems

Conference

It is understood the NUM and Numsa, both Cosatu affiliates, are engaged in sometimes heated negotiations over future union organisation at Eskom. Some workers are employed on mines while others work at other Eskom installations

An NUM spokesman said he understood the EWU had called a union conference to discuss the issue

Eskom management could not be reached for comment

Eskom will pay workers extra R10m

Own Correspondent

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Eskom management could not be reached for comment.

REGIONAL CO-OPERATION 260

Zaire's power play

The crusade by Eskom CE Ian McRae to create a regional power grid in southern Africa (*Business* April 29) has extended to Zaire

He has just returned from talks with the Zairean electricity utility, Snel, whose officials will visit SA for further talks in February

Says McRae "We have now made contact with 10 of the 12 southern African countries and I'm hopeful that next year we can begin discussions with Angola and Tanzania"

McRae believes that by the turn of the century, there could be three transmission legs as part of a grid on the subcontinent Zaire would be connected to the western leg, running through Angola and Namibia to SA A central leg would extend through Botswana, Zambia and Zimbabwe, and an eastern one through Mozambique to Tanzania

"There should be greater interdependence between the nations of southern Africa. Eskom can offer management skills, training facilities and finance as well as exports of electricity"

He adds "In the short term we'll export power, but as our surplus becomes smaller, we'll be in a position to import electricity from our neighbours and they'll be able to import and export electricity according to need"

FINANCIAL MAIL DECEMBER 23 1988

McRae . . . seeking regional interdependence for power needs

260

260

McRae says Eskom has met little political opposition, though Zambia and Zimbabwe are "taking a little longer" to co-operate

However, the Southern African Development Co-ordination Conference (SADCC) remains an obstacle, through its commitment to reduce economic dependence on SA A visit to the SADCC to persuade it to change its mind is high on McRae's agenda ■

Advertising industry backlash unleashed as . . .

SABC hikes spot rates to 'stunning' new levels

THE SABC sent shockwaves through the advertising industry when it announced recently that ad spots on its four stations would cost between 40% and 66% more this January than last

For radio spots, the annual increase was 60% at peak times and 38% during the day

"We find it difficult to see how the SABC can justify rate hikes of this magnitude when indications are that 1989 is going to be a year of slowdown," D'Arcy Masius Benton & Bowles media director Henry van Rensburg said

Next year, spending on advertising is expected to grow at 14%, down from 1988's 25% pace

The SABC's rate hikes had caused a backlash but might, in one sense, be justified, Van Rensburg said When the SABC switched to selling TV-time on a demand-driven basis, it stated it would up rates to what the market would bear, based on demand patterns of the previous year

He concluded there was indeed a correlation between the recent rate hikes and last year's demand

He said the true cost of advertising had risen much more slowly While rates soared over 40% in 1988, the cost of reaching a thousand viewers (CPT) rose only 11,5%

But Van Rensburg still called the increases "stunning" He suspected advertisers were being "milked" in the first half of the new year because of an anticipated downturn in the second

SABC advertising GM Jack Hobbs

CHRISTOPHER TUCHER

said he was "still probing the heights of demand, pushing prices where we want them to be"

But he knew there was a limit to what the market would bear "If we set the wrong prices, we won't sell our time"

Media Directors Circle (MDC) chairman Roger Garlick said advertisers were buying programmes, not the station If rates on a particular programme were too high, advertisers would not "pitch" it

But how much choice did they really have, when most ad agencies called the SABC a monopoly?

"Were there more competition, the SABC could not have made such drastic rate increases," Young & Rubican MD Roland Dewey said

Competitors

Grey Phillips media director Harry Herber said the SABC had fuelled an "inflationary spiral" affecting independent transmitters and print media alike

Hobbs denied that SABC TV and radio were monopolies and pointed to "serious competitors" like M-Net's primetime TV and Radio 702 in Bophuthatswana

M-Net's arrival has indeed loosened SABC's grip on TV adspend Sales director Ken Baillie projected M-Net's 1989 ad revenue at nearly R20m

Hobbs said the SABC was not yet feeling the pinch

This month, M-Net was granted a new "open window", moving it into the hottest prime time between 6 15pm and 8pm — alone worth R12m of ad revenue

Baillie said the SABC might be overreacting, M-Net's gains should not be overestimated

"We pose no threat to SABC," he said With 750 000 prime-time viewers, M-Net's 10% rating is a quarter that of TV1

But by providing a TV option, M-Net has brought down rates The SABC responded to its inroad into prime time by dropping rate hikes for the first part of 1989. While January increases on TV1 are 40% over the same period in 1988, it is 38% in February and 25% in March

Garlick said M-Net's entry was like adding milk to a cup of tea — it cooled the temperature

Although M-Net might temper the impact of more rate hikes, ad agencies still claimed the SABC's control was monopolistic

"M-Net is a most welcome element of competition, but it is a limited option," said Van Rensburg

"If an advertiser wants to target a broad national audience, he has to use SABC TV and radio He won't reach it through the independent stations"

Hobbs countered that while advertisers have yet to see the last of rate increases, neither the SABC nor the industry could afford to return to the queues and waiting lists of the old allocation system

Weak rand buttresses output losses

Furnace faults far from foiling Iscor finances

260 Bday 27/12/88

HELOISE HENNING

ISCOR had problems with two blast furnaces in the first quarter of its financial year but the drop in production would affect turnover for the year only marginally because of the rand prices exports were fetching, MD Willem van Wyk said on Friday

The weighted rand average on net steel export prices of flat products was 23% higher and of profile steel products 5% higher in the last quarter reported

Senior GM Nols Olivier said flat product prices were expected to soften this month but the rand-dollar rate would balance losses

Annual turnover was expected to be only 0,2% lower than the R4,66bn forecast This figure was 14,8% higher than turnover in 1987/88, he said

Production problems could result in volumes of 5,3-million tons for the 1988/89 financial year — 3% lower than expected

Local demand for Iscor steel has tapered off In the first quarter it was 25 000-tons, 3%, below forecast

Annual sales are expected to drop to 3,13-million tons, 4% lower than forecast, said Olivier

In spite of increased local surplus, the production problems meant Iscor would still be supplying at least 35 000 tons less than forecast to the international market Demand among Iscor's international clients far outstriped supply, Van Wyk said

In similar accidents the main blast furnaces at Newcastle and Vanderbijlpark were out of action for several weeks in September and October respectively

At Newcastle pressure increased and the temperature rose Gas-feeding pipes had to be removed and the furnace cooled In October, the pressure in the Vanderbijlpark furnace increased while a power failure resulted in the emergency system failing to open pressure valves The furnace also had to be cooled for repairs

After the accidents, Iscor had to dip into stocks to meet contracted deliveries Goods dispatched in the last reported quarter were 13 000 tons — 1% — above predictions

Eskom in bold bid for SA to Zaire power grid

Argus 17/12/88

Argus Africa News Service

JOHANNESBURG — Eskom MD Ian McRae has returned from a visit to Zaire where he made contact with government officals and discussed the possibility of linking South Africa, Zaire and other countries in a southern African regional power grid

He said initial contacts had also been made with Tanzania about joining any power network and said these contacts would be expanded next year

Officals of the Zairean electricity supply authority he had spoken to had shown keen interest in the possibilities of the regional grid, and about the possibility of Eskom technical teams assisting Zaire in solving electricity supply problems he said

A team from Zaire would be coming to South Africa next February to continue the discussions and inspect Eskom training and repair facilities he added

Mr McRae said Zaire was in a strong position to sell power in Southern Africa, with vast hydro-electric potential but little domestic market

He said that the long distances that power would have to be transmitted posed no technical problems, but conceded that political realities would have to change before any scheme could get off the ground

POWER EXPORT

"But that is what the visit was all about, about opening doors and making contact, and political change is happening faster than we all think", he said

He envisaged that hydro-electric power from the Zaire River could be exported to South Africa via twin lines running through Angola/Namibia and through Zambia/Botswana, supplying development projects along the way

Zaire already supplied power to the Zambian copperbelt he said

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